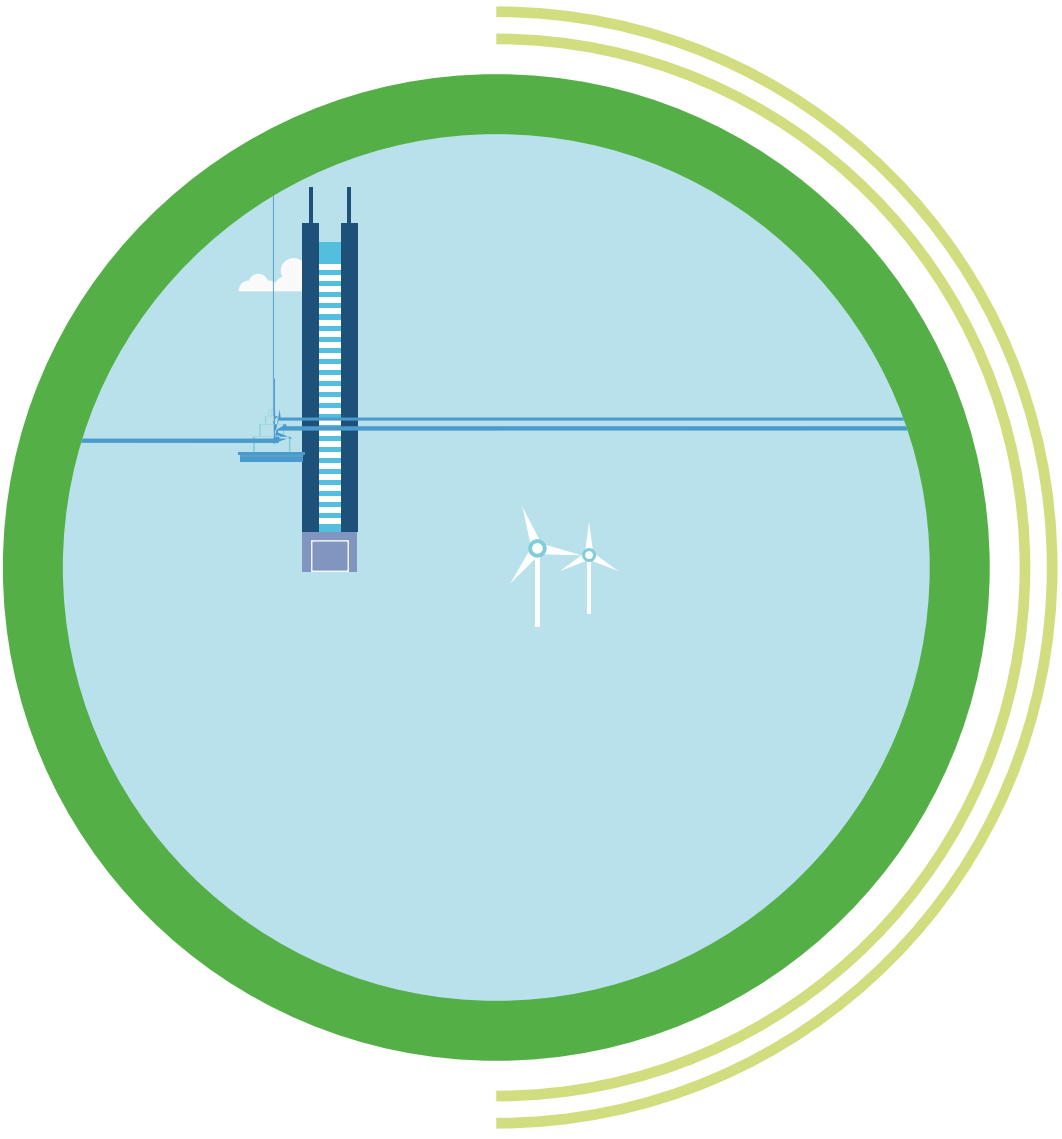

About this Report

This is the fourth corporate social responsibility report by China Lesso Group Holdings Limited and its subsidiaries. The report systematically explains the Group's philosophy of corporate social responsibility, and its practices and performance in fulfilling its corporate social responsibility towards shareholders, customers, business partners, the environment, employees and society for the year 2018. It also covers the Group's outlook for its endeavors to serve customers and society.

2018

Period Covered by this Report

This report principally covers a period from 1 January 2018 to 31 December 2018, and part of both the previous financial year and the year 2019.

2018 1 1 2018 12 31

Scope of this Report

This report covers the performance of China Lesso Group Holdings Limited and its domestic subsidiaries, but does not include that of its overseas subsidiaries.

Definitions

For the purposes of expression and readability, "China Lesso Group Holdings Limited and its subsidiaries" are referred to as "China Lesso", "Group", "Company" or "We" in this report.

Basis of Preparation

Most of the information disclosed in this report was prepared in strict compliance with the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited and was published as required by Sustainability Reporting Guidelines of Global Reporting Initiative (GRI Standards).

GRI Standards

Declaration of the Truthfulness, Accuracy and Completeness of the Data

All data disclosed in this report come from the official documents, statistical reports or relevant public information of the Company. The Company guarantees that the report is free of any false statements, misleading representations or material omissions.

Currency

Unless otherwise specified, the currency in which the financial data are reported is Renminbi ("RMB").

Access to the Report

This report is available in both Chinese and English. An electronic copy of this report can be downloaded on China Lesso's website (www.lesso.com).

www.lesso.com

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Chairman's Message

For China Lesso, 2018 was an extraordinary year. As the global economy endured profound adjustments and the domestic market experienced constant changes, we faced up to the test at home and abroad and progressed at a steady beat. We must extend our gratitude to the government, shareholders, business partners and our employees who have been champions of China Lesso. Without you, China Lesso would not be where it is today.

2018

In 2018, adhering to our brand confidence – "building a relaxing life for residents", we performed the responsibilities as a corporate citizen and deepened the connotation of "quality Lesso products". Meaningful connections between the Company and cities, business partners, surroundings as well as communities were established through our innovative products of higher quality, thoughtful and more convenient services, reciprocal and mutually beneficial cooperation, eco-friendly operations and more sincerity and diversity. Thus, we shaped a harmonious symbiotic relationship and built a better future together with residents.

2018

Connecting with cities to achieve higher quality of life. With the starter of satisfying the demand for people's well-being, we adhered to safe production practices and product quality and maintained the expansion of our R&D team to transform technologies into productivity, and bonded with residents by virtue of more diversified products and services with high quality. At the same time, to help contribute to building more sustainable cities, we continued expanding engagements in eco-friendly business through the construction and engineering of national prioritized projects such as the Xiong'an New Area, Beijing Daxing International Airport and Hong Kong-Zhuhai-Macao Bridge, promoting the ecological development of cities with China Lesso's solutions and products.

Connecting with business partners to build win-win relationships. We valued the establishment of win-win partnerships with reciprocity at their core; and we grew together with suppliers and dealers through supplier research seminars, Lesso Customer Classroom sessions and meetings with dealers. We concurrently developed partnerships with other enterprises and universities and participated in international cooperation in an open and extensive manner, building win-win relationships with a wide network of stakeholders.

Connecting with the natural world to build green homes. Blue skies and white clouds, clear water and green banks – these are the ideal natural surroundings for residents. To chip in building a harmonious ecology, China Lesso constantly improved its environmental management and practiced green operations by enhancing its efficiency and management of waste discharge, and dedicated to cleaning up its footprint, following the philosophy of connecting with the environment to build green homes.

Connecting with you to build a promising future. We respect each and every employee who has delivered value to the Group, and are committed to making sure that the rights and interests of employees are protected, supporting the growth of employees, enhancing employees' sense of happiness, and creating a better future with our employees. We have been more concerned about the community and people's well-being, responsive to the call of the Chinese government to conduct targeted poverty alleviation and worked hard to address the difficulties of clean drinking water and education in poverty-stricken areas. Moreover, the Group motivated its employees to participate in public welfare projects and promote Lesso's caring and thoughtful services and products to residents, sharing the fruits of Lesso's development to create a beautiful life for everyone.

Looking ahead, we will better perform our responsibilities and obligations by giving back to the community and shareholders, benefiting our employees, and enabling a bright future and relaxing life for residents.

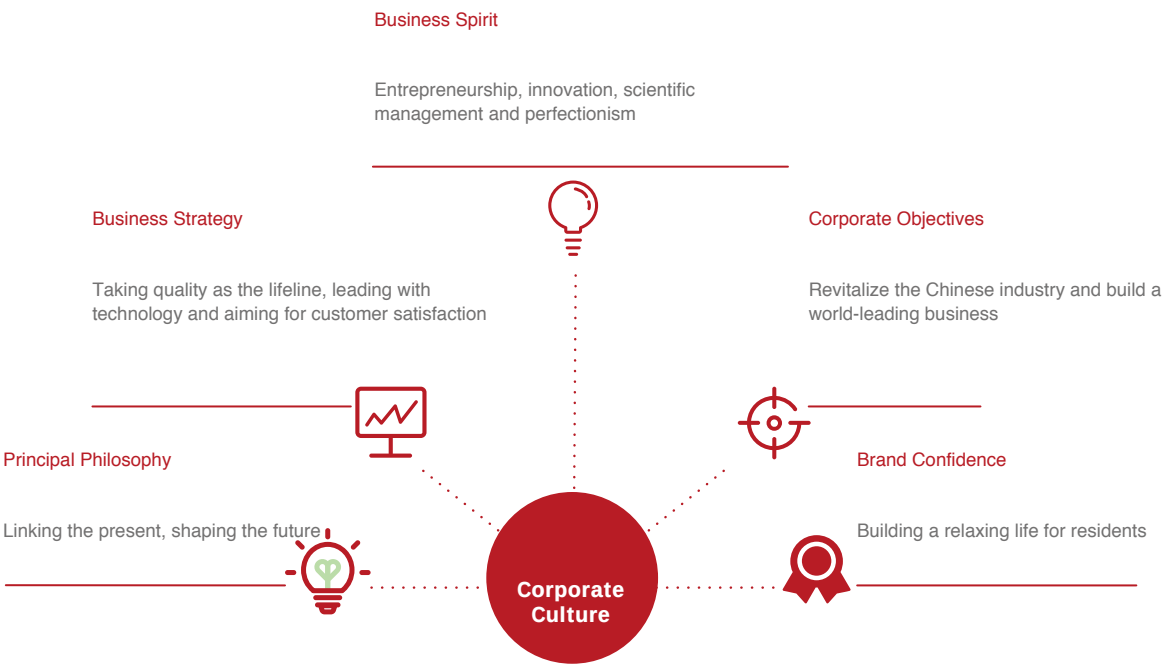
About Us

Company Overview

China Lesso Group Holdings Limited (stock code: 2128.HK) is a large-scale industrial group that manufactures building materials and interior decoration products in China. The Company was listed on the main board of the Stock Exchange of Hong Kong Limited (SEHK) in June 2010. Headquartered in Shunde, Guangdong province, the Group has 23 production bases in 16 provinces across China, including Guangdong, Guizhou, Sichuan, Hubei, Jiangsu, Anhui, Zhejiang, Henan, Hebei, Jilin, Shaanxi, Xinjiang, Hainan, Yunnan, Shandong and Hunan; and it has a nationwide distribution network. The Group's products are classified into four categories, namely plastic piping system (a full range of plastic pipes and pipe fittings applied to such fields as water supply, drainage, power supply and telecommunications, gas transmission, floor heating, fire service and agriculture, etc.), building materials and interior decoration products (a comprehensive solution that comprises the design, production and installation of sanitary fittings and ware, integrated kitchens, integrated doors and windows, decorative plates, fire-fighting equipment and hygienic materials; and interior decoration and related services), environmental protection business (municipal sewage, watercourse management, soil remediation, underground integrated piping system, infrastructure of a sponge city and production and installation of integrated water purification equipment, etc.) and sales and distribution services (Lesso Home).

2128.HK
2010 6
16 23

Corporate Culture



Brand Architecture

Link	Easy	Safe	Share	Open

"Lesso" represents such aspects as "Link, Easy, Safe, Share and Open" of China Lesso's corporate culture. The corporate logo in red symbolizes the vibrancy and sustainability of life, and reflects the vitality, passion and prosperity of China Lesso. It also represents our employees' tireless endeavor to build a booming business.

LESSO

LESSO

Our Brands
LESSO

LESSO 联塑

Plastic pipes,
sanitary ware products,
fire-fighting equipment,
valves,
sealant,
offshore aquaculture cages

LESSO 领尚

Integrated kitchens, water purification equipment, systems of doors and windows, integrated wardrobes, wooden doors, decorative plates, integrated heating system

GZEP

Environmental protection consultation, construction, environmental assessment, operation, design and monitoring

LESSO HOME

Furniture, sanitary products, cupboard, building materials, accessories, hardware, ceramics, lighting, curtain, etc.

EAGO 益高

Sanitary ware, bath & shower accessories

衛浴潔具

LESSO | epco

Energy Plan Company

Mass production of interior decoration equipment

LESSO联塑 | WALTON

Steel-plastic composite pipes, galvanized pipes

LESSO万嘉

Sanitary materials

Corporate Governance

The Group has established a standardized corporate governance structure, and formulated rules and systems in compliance with the requirements for the Company's development such as the *Articles of Association* and *Director Nomination Policy*, thus perfecting internal control systems and standardizing corporate governance in accordance with requirements of the *Securities and Futures Ordinance, Cayman Islands Companies Law, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong, Company Law of the People's Republic of China* and other laws and regulations. For details about the Board of Directors and the committees under the Board of Directors, please refer to the *2018 Annual Report of China Lesso Group Holdings Limited.*

2018

The Group implements the Chief Executive Accountability System under the Board of Directors (the "Board"). The Board is comprised of 15 directors, including ten executive directors and five independent non-executive directors. There are two female directors, of whom one is an executive director and the other independent non-executive director. In order to ensure independence of the respective roles of the Board and management teams who are in charge of the Group's business administration and operations, the positions of Chairman and Chief Executive are held by different people, namely Mr. Wong Luen Hei and Mr. Zuo Manlun respectively.

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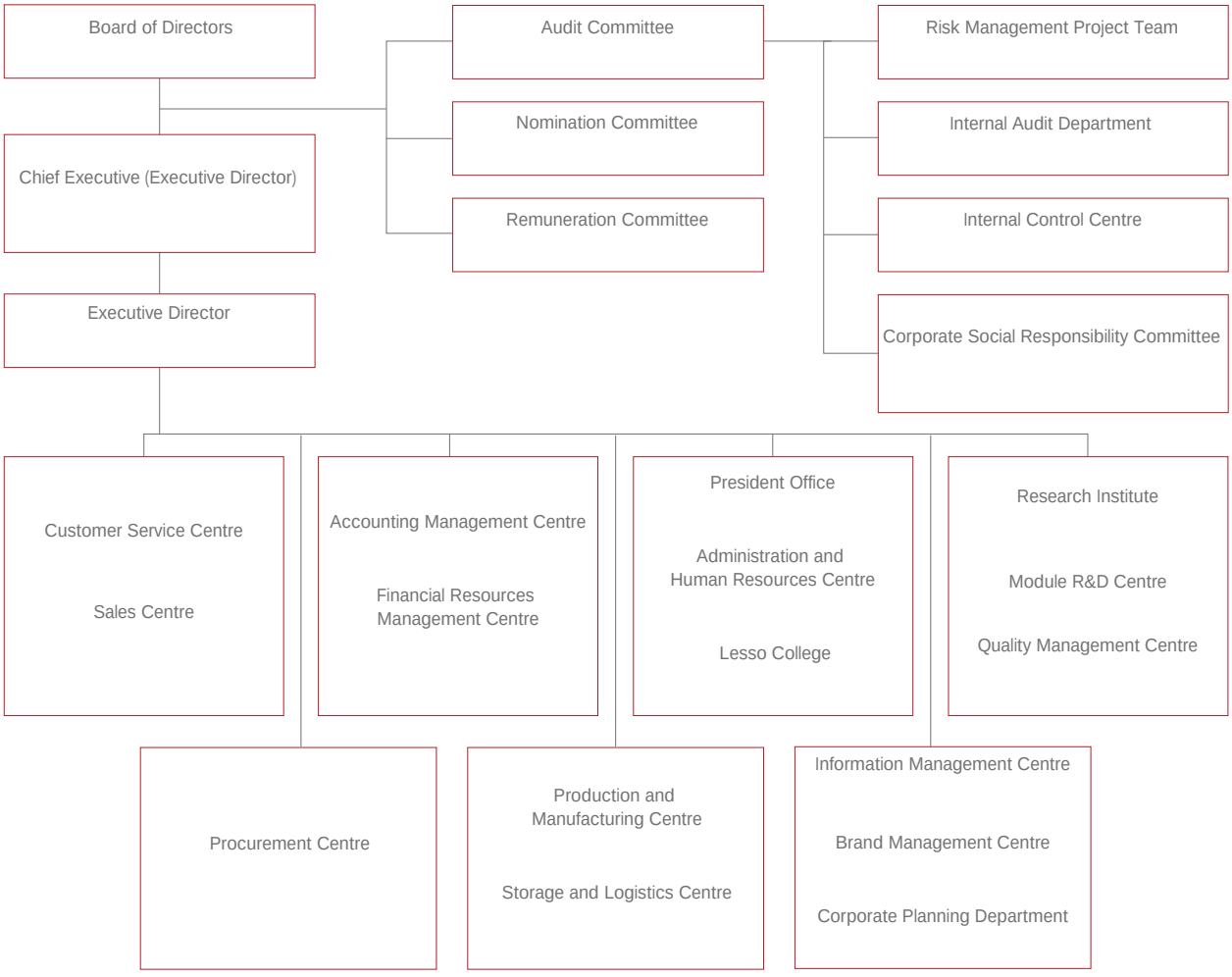
1



Organizational Structure of China Lesso

Communication with Shareholders

The Board maintains an on-going dialogue with shareholders and investors via regular earnings conferences, general meetings, investor receptions, investor conferences and roadshows, responsiveness on phone calls and emails, reception of research and investigation personnel and other methods to reinforce connection and communication with capital markets and the management of information disclosure and to enhance transparency. In 2018, China Lesso held eight Board meetings.

2018 8

China Lesso Won "Golden Wing Award" Hong Kong Stock Connect Valuable Rankings

case

"Connecting with the World for a Brilliant Future" Investor Conference

On 18 April 2018, China Lesso held an investor conference entitled "Connecting with the World for a Brilliant Future" in Shunde, Guangdong, which attracted 156 analysts and fund managers from approximately one hundred institutions such as Harvest Fund, China Merchants Fund, Guotai Junan Securities, GF Securities, and Haitong Securities. This investor conference was held through two mediums, on-site conference and live video stream, and introduced China Lesso's development footprint, principal businesses, investment highlights and outlook, heightening investors' understanding and trust in the Group and boosting the Group's image and influence.

2018 4 18

2018

156

Anti-corruption and Anti-fraud Campaigns

A transparent business environment is the foundation for the honest development of an enterprise. The Group has formulated an Anti-fraud Management System and build an anti-fraud management team to prevent incidents that incur losses on the interests of the Company and our shareholders. It also created many reporting channels for handling complaints and whistleblowing of fraudulent actions. Additionally, the Group has been careful to protect the identities and information of whistleblowers, and attaches great importance to the confidentiality of the sources' collecting information for reporting. The Group did not experience any whistleblowing incidents in 2018.

2018

0

Communicate confidentially with the anti-fraud management team

Call the anti-fraud hotline

Mail the information to the special whistleblower mailbox

Send an email to the special whistleblower email address

Anti-fraud management team handles real-name or anonymous whistleblowing cases reported by employees or external third-parties

Intellectual Property Protection

The Group places great importance on intellectual property protection. In 2018, it protected its rights against the infringement of its brand name "Lesso" by means of serving lawyer's letters, complaints to industrial and commercial administrations and appealing to courts which resulted in the changing or cancellation of the names of 240

Social Responsibility Management of Business

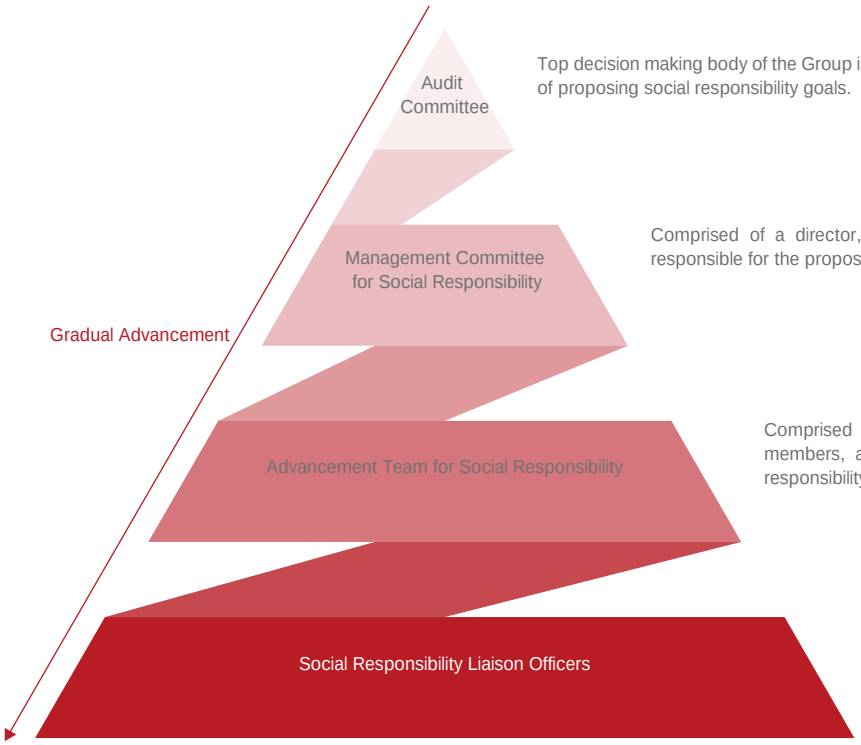
Taking the establishment of a perfect social responsibility management system as the basis for managing and promoting the performance of its corporate social responsibility, the Group has gradually established a relatively sound social responsibility management system starting with organizational structure, capacity building and the like, striving to make it a sustainable enterprise and pursuing the symbiosis between the enterprise, environment and society.

Philosophy of Social Responsibility

The Group is committed to fulfilling its corporate social responsibility and has integrated the relevant practices into its daily business management and operations. While developing its business, the Group fulfils its economic, environmental and social responsibilities.

Corporate Organizational Structure for Fulfilling Social Responsibility

The Group has been improving its corporate organization for fulfilling its corporate social responsibility implementing a "four-tiered approach" to corporate social responsibility work units and driving the orderly performance of its corporate social responsibility from all angles.



Corporate Organizational Structure for Fulfilling Social Responsibility

Major Aspects of the Fulfilment of Corporate Social Responsibility

Taking sustainable development as the key goal for business development, the Group has responded to the demands of stakeholders, established a good corporate image and promoted a steady advancement of the Group's business through the provision of high-quality products and one-stop convenient services, creation of a supply chain for mutual benefit and win-win cooperation, social and charitable activities, environmental protection, employee care and other actions.

Communication for Corporate Social Responsibility

The Group attaches great importance to communication with its stakeholders. It has established a mechanism for regular communication to understand the demands of different stakeholders through multiple channels and methods to offer important reference information for the sustainable development of the Group.

Communication with Stakeholders

Stakeholders	Expectations and Demands	Communication and Feedback Methods
Employees	Protection of legitimate rights and interests	Diversified and equal employment, improvement of the remuneration and benefits system
	Promotion of employees' growth and development	Streamlining of career paths
	Caring about employee livelihoods	Caring for employees health
Partners	Establishment of a fair and transparent industrial chain	Enhancement of supply chain management
	Win-win cooperation	Implementation of technical exchange and cooperation

Analysis of Substantive Issues

In order to further improve the substance of this Report, the Group has surveyed internal and external stakeholders and selected substantive issues from the two perspectives of "the importance of such issues relating to China Lesso's business development" and "the importance of such issues relating to the stakeholders" and disclosed the key points thereof in this report in an effort to respond to the expectations and demands of every stakeholder.

Issue identification

Identify important issues relating to the Group's sustainable development, study the key concerns of stakeholders, and reconcile the system to identify 28 issues from seven perspectives

7 28

Survey and selection

Survey internal and external stakeholders through questionnaires and select issues from the two perspectives important to the Company's business development and its stakeholders

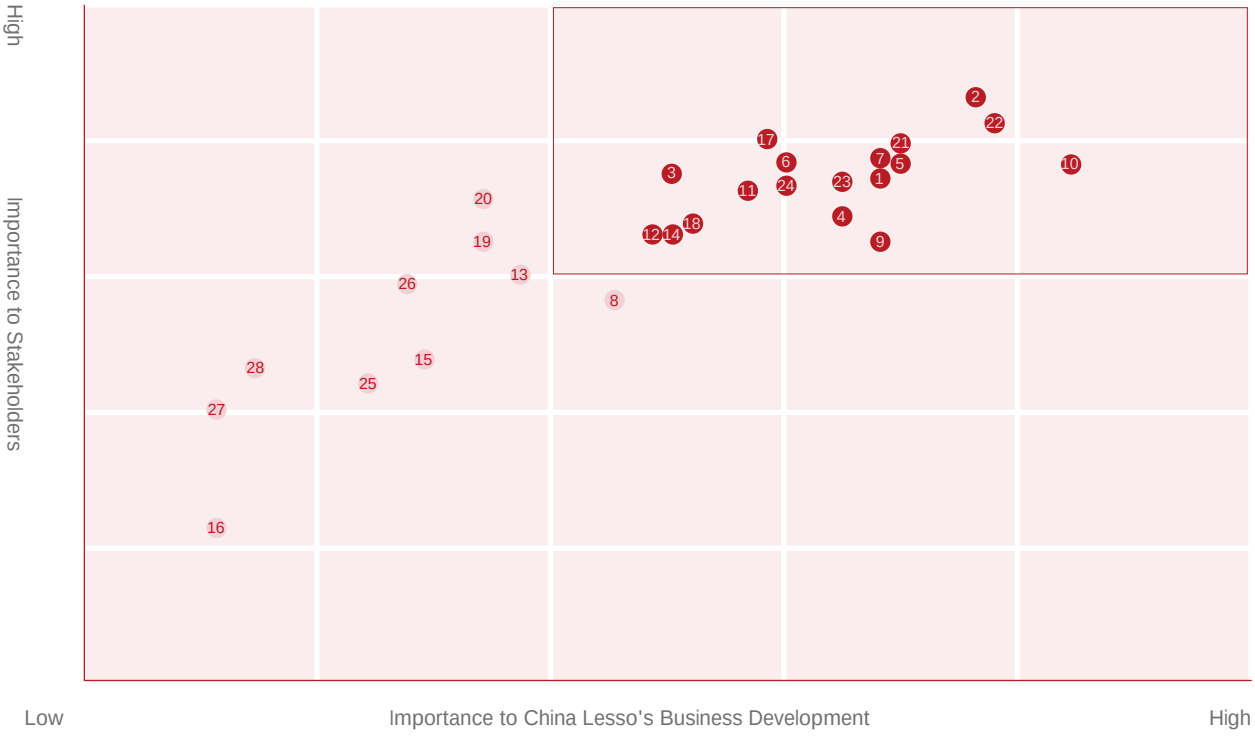
Review and confirmation

Review the selection and analysis results through internal management and external experts

Issue response

Prepare and implement action plans for substantive issues, and disclose the key points of the 18 issues selected in this report

18



Substantive Issues Selected

Substantive Issues Identified

1. Sustainable development strategy and management
2. Compliant Operations with Integrity
3. Transparent communication and operation
4. Response to national policies
5. Development of green industries
6. Utilization efficiency of energy and resources
7. Sewage and waste emission management
9. Equal employment and remuneration and benefit system
10. Occupational health and safety
11. Employee training and development
12. Employee care and support
14. Assisting suppliers in enhancing their products
17. Dealer credibility management
18. Dealer supervision
21. Product quality and innovation
22. Safe production guarantee
23. Provision of quality service
24. Customer privacy safeguarding

Connecting with Cities to Achieve Higher Quality of Life

Cities are where humankind dwells, develops and remains, and they prop up residents' realization of beautiful life. Insisting on the residents-centered concept, the Group constructs the diversified product ecology, creates a cozy living environment for residents by providing excellent products and services, pilots the development of the industry by strong technological innovation capability, serves the economic and social development of cities and harbors the dreams of beautiful city living.

Customer satisfaction: 97.31%

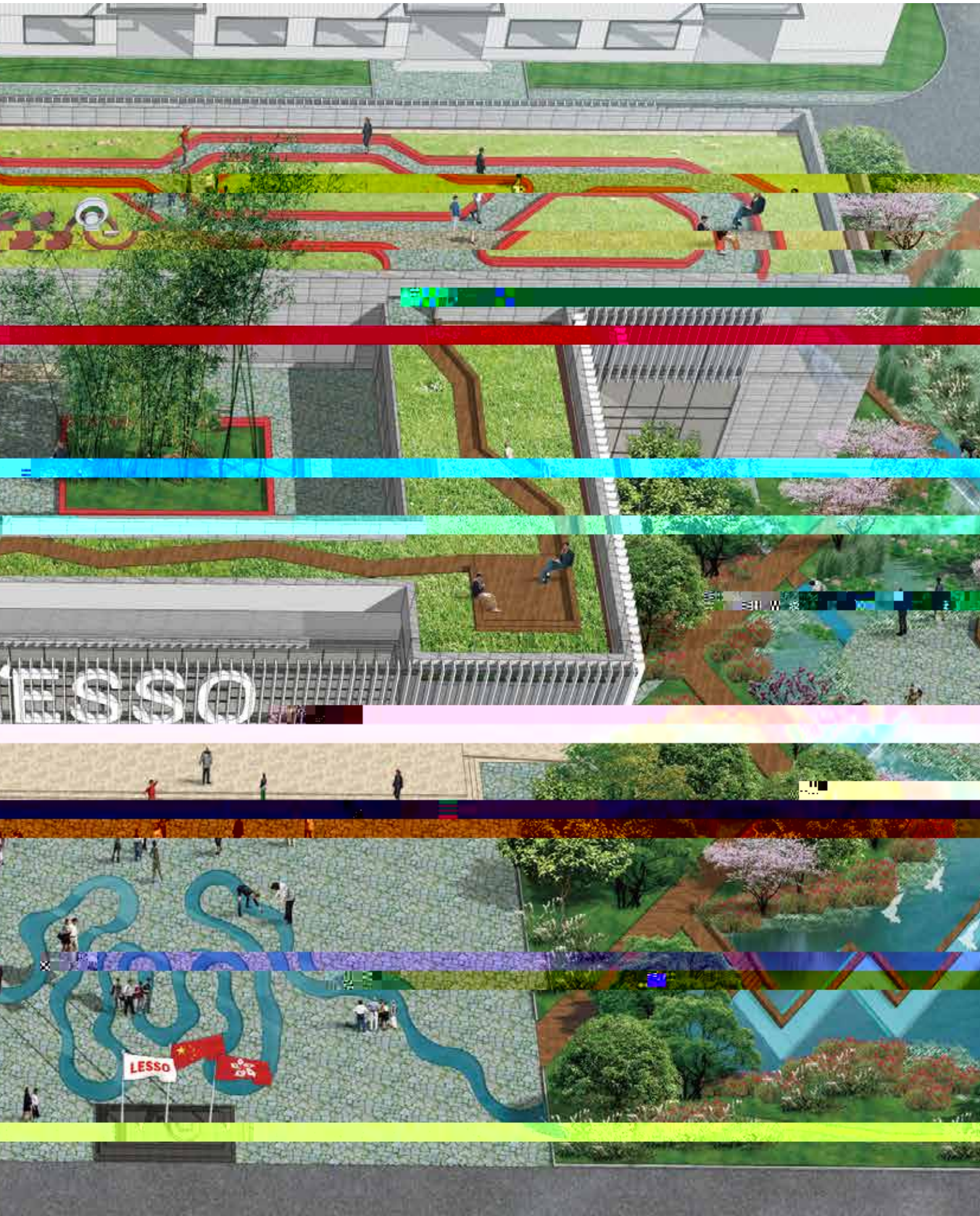
97.31%

Patent applications: 389 units, establishing or participating in establishment of 65 standards

389 65

Safety education training: 34,529 trainees

34,529


ESSO
LESSO

Constructing Diversified Product Ecology

To fulfill city dwellers' aspirations for beautiful living, the Group has focused on developing products with high quality, innovation and functionality to satisfy residents' demands for exquisite living and beautiful living. Furthermore, it has played an active role in serving the economic and social development of regions, contributing to the portrait of modernization.

Serving the Lives of Residents

Guided by product value, the Group has never stopped diversifying its pipes, building materials, interior decoration products and other offerings, fulfilling residents' demands for warm, cozy and healthy living spaces, and answering their need for beautiful living with high quality products.

Pipeline Products

Water supply pipes, drainage pipes, communication pipes, gas pipes, home decoration pipes, heating pipes, fire pipes and agricultural pipes

Building Materials and Home Furnishings

Plumbing and sanitary ware, integrated home (cabinet, wardrobe), wooden doors, integrated doors and windows, water purifiers, building decorative panels and sealants

Channels and Service

LESSO HOME
Technology R&D
Global sales network

Building Green Cities

The Group actively responds to and implements national environmental protection policies. With the improvement goals of promoting ecological civilization construction, strengthening environmental protection and building green cities, the Group has been continuously exploring environmental governance solutions for municipal water supply and drainage projects, urban underground integrated piping system construction, municipal sewage and industrial wastewater treatment, black and odorous water treatment, waste gas treatment, comprehensive improvement of rural environment, ecological restoration of contaminated soil, waste and hazardous waste disposal, sponge cities and other fields, providing a complete set of solutions covering feasibility studies, environmental assessment, design, construction, operation and monitoring with the goal of becoming a one-stop environmental service provider to create a beautiful and livable ecological environment for the public, and make cities greener.

Municipal water supply and drainage

The Group is committed to the design and construction of municipal water supply and drainage facilities. By virtue of its advantages in pipeline products, the Group provides customers with high-quality urban water supply systems, which ensures the water supply for urban residents, enterprises, transportation, commercial and firefighting departments, and provides customers with safe and reliable drainage systems to realize the diversion of rain and sewage and reduce urban pollution.

Water supply and drainage pipeline

Underground urban integrated piping system

The Group actively participates in the construction of underground integrated piping system, providing pipeline products with high temperature resistance, good flexibility, long service life and high tolerance against breaking and aging to serve the underground "lifelines" of the city, helping to reduce the impact of underground network construction on the urban environment.

Underground integrated piping system

Municipal sewage and industrial wastewater treatment

The Group participates in municipal wastewater, industrial park wastewater, landfill leachate and other sewage treatment projects, providing one-stop services such as feasibility studies, environmental assessment, preliminary design, construction drawing design, construction and operation for various sewage wastewater treatment projects. It helps to solve the problem of sewage treatment by using advanced technologies such as integrated multi-stage A/O biochemical treatment technology with less land occupation and BAF technology for industrial park wastewater deep treatment.

A/O

BAF

LG Display's Wastewater Treatment Project

Wuyang-Honda Motorcycle's Wastewater Treatment Project

Black and odorous water treatment

Đ ¾

Black and odorous water before treatment

Black and odorous water after treatment

Comprehensive treatment of rural environment

The Group is committed to the comprehensive treatment of the rural environment, and provides design and construction services in respect of rural sewage collection and treatment, garbage collection and transshipment and upgrading the appearance of villages, enabling contributions to building a beautiful countryside and creating an ecologically harmonious living environment.

Sponge cities

Using our own innovative pipeline products and technical strengths, we provide systematic solutions in terms of design, construction general contracting and functionalization for sponge city construction, helping buildings, communities, urban green spaces and plazas in urban areas to realize the accumulation, penetration and purification of rainwater, promoting the use of rainwater resources and ecological environment protection.

Rainwater collection and reuse of buildings and communities

Uses PVC-U drain pipes to discharge rainwater from roof to ground, collect it in a gully, and flow it through the municipal drainage network including the plastic inspection wells, HDPE double-wall corrugated pipes and HDPE reinforced hollow wall winding pipes. Rainwater flows into the reservoir at the front end of the school's municipal rainwater inlet.

PVC-U

HDPE

HDPE

Rainwater Collection and Reuse Project of Tsinghua University High School

Rainwater collection and reuse of urban green spaces and squares

Running through the ground, rainwater flows from city squares and green spaces to a gully, and then flows through the municipal rainwater pipe network including plastic inspection wells and HDPE double-wall corrugated pipes. Rainwater flows into the reservoir at the front end of the municipal rainwater inlet.

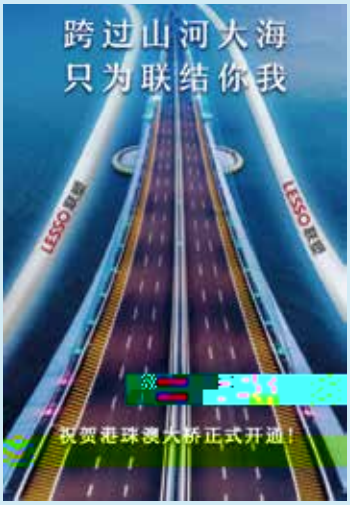
HDPE

Government Pilot Project of Zhejiang Taizhou Comprehensive Service Center

case

Linking Hong Kong, Zhuhai and Macao to shape the world's new miracle

On 23 October 2018, the opening ceremony of the Hong Kong-Zhuhai-Macao Bridge was held in Zhuhai. President Xi Jinping attended the ceremony and announced the official opening of the bridge. The Hong Kong-Zhuhai-Macao Bridge, with its important historical mission, was completed and opened to traffic, which greatly shortened the travel time and distance between Hong Kong, Zhuhai and Macau. It coincides with the theme "connect the present and shape the future" of China Lesso. The quality of China Lesso products have been widely recognized by project developers, with its PE water supply pipes, PVC water supply pipes, PVC drainage pipes, Lesso Walton electrical metal casings, steel-plastic composite pipes, hot-dip galvanized steel pipes and other products used in the construction of various projects such as the Macau Port Management District project, Hong Kong-Zhuhai-Macao Bridge Security Inspection Station project and Bridge Green Belt project, so as to boost the construction of the Hong Kong-Zhuhai-Macao Bridge and make contributions to the world-famous "new miracle".



2018 10 23

PE PVC PVC

case

Supporting the construction of the Xiong'an New District and promoting the development of the "Millennium Plan"

Following the development of the Shenzhen Special Economic Zone and Shanghai Pudong New Area, another new district with national significance, the Xiong'an New District, was officially established. This project contributed to the development of the China's "Millennium Plan" and represented a significant milestone in its realization. In 2018, with its excellent product quality and strong brand strength, China Lesso successfully won the bid for the Xiong'an New District Civic Center Outer Network Materials project. Its products, including corrugated pipes, krah tubes, steel wire mesh skeleton tubes and plastic manholes were all selected for the building materials list of the Xiong'an New District, which contributed to the construction and development of the Xiong'an New District.

China Lesso contributing to construction of the Xiong'an New District

2018

Establishing Industry Quality Benchmark

The Group places emphasis on product quality management, continuously promotes safe production and constantly pursues the common improvement of its own value and customer value. With diversified and high-quality building materials and household items, it stimulates the infinite vitality of the development of the industry and drives the building materials and home furnishing industry to contribute to the quality life of residents.

Creating High-quality Products

Focusing on customer needs, the Group strengthens the construction of product quality management systems, strictly implements quality controls and anti-counterfeiting testing of products and controls product quality in every link. It is committed to providing customers with quality products and making customers' lives more comfortable.

Product Quality Management

The Group always adheres to the quality management concept of "Troika" (process, quality and character), constantly improves management systems, clarifies product quality assessment standards, implements production quality responsibility systems, strictly controls quality of every link and realizes the application of quality traceability through ERP informatization, to ensure product quality and provide consumers with decisions they can get behind.

- -

ERP

The economic benefit of quality improvement project promotion is

RMB25.96 million

Conducted

172 QC group activities

0.2596

QC

172

case

Lesso Valve was recognized as the benchmark enterprise of pipe valve manufacturing and services

In April 2018, at the "2018 Lv Ying Awards" for value benchmarks of the 11th China Environmental Industry Conference, Lesso Valve was awarded the "Lv Ying Award – Benchmark Enterprise of Pipe Valve Manufacturing and Services" for its high quality and excellent brand strength. Lesso Valve has always adhered to the "win with quality" approach, employing professional teams for its R&D, sales and after-sales service. Lesso Valve was the only pipe valve manufacturer at the award ceremony to win the "Lv Ying Award", which is an affirmation and recognition of its high quality product offerings.

2018 4 2018

-

Product Quality Inspection

The Group regards product quality as the life of the company, constantly improving various production and testing systems and conducting comprehensive multi-dimensional inspection from the incoming of raw materials, product design and sample creation to production and product delivery. It relies on the three inspection system of "self-inspection, mutual inspection and sampling inspection" to control production and ensure stable product quality.

Product Anti-counterfeiting Application

The Group carries out anti-counterfeiting and anti-channel conflict on products, applying digital codes, barcodes and two-dimensional codes on products to link to the customer order information through the warehouse shipment scanning code, so as to attain anti-channel conflict and traceability management. Consumers can quickly identify the authenticity of products through traceability codes, which further secures product quality and consumer rights.

Product Recall Process

The Group has established a rigorous product recall process. For any products identified as unqualified, the Group immediately initiated the product recall process to protect consumers' health and safety with practical actions.

If a recall is required after review, the quality control department files a letter of contact and notifies the distributor of the main recall information as soon as possible

The customer service department stops receiving orders and making deliveries of the recalled products, and the warehousing department arranges personnel to conduct a warehouse inspection and return the recalled products to the production workshop for processing

The warehousing department records the number of returned products and notifies the quality inspector to conduct inspection and confirmation. The warehouse processes the recalled products within one working day

The production workshop receives the recalled product and processes the product within one working day, and fills in the relevant receipt

The quality control department issues a report to the responsible department and asks the relevant departments to take corrective measures

Recall records are organized and saved and a recall management file is established

Securing Safe Production

The Group regards safe production as the foundation of the corporation. It has firmly established the production concept of safe development, strictly abided by the requirements of laws and regulations such as *the Safe Production Law* and improved its safety management systems. In addition, it has strengthened the construction of a safe production responsibility system, consolidated the foundation of safe production and promoted safe production culture in order to create a solid safety guarantee for developing the Group into a first-class international enterprise.

Improve safety management

Establish the Safety Supervision Department, which is independent of the entire production system, and strictly require the department to operate in accordance with safe production requirements

Increase investment in equipment improvement and automation, and eliminate hidden safety hazards in the production process

Promote involvement of all employees, and implement safe production responsibility systems at all levels

Formulate *the Safe Production Inspection System* to ensure the safe operation of facilities

Establish a special equipment safety management team to actively rectify problems

Strengthen the construction of the building complex management system to ensure the normal operation of firefighting equipment

Signed

160 safety responsibility statements

160

Conducted

7,895 safety hazards investigations

7,895

Organized

34,529 person-times of various safety awareness education and training

34,529

Performed

102 fire emergency drills

102

case

Life First, Safe Development

June 2018 marked the 17th national safe production month. China Lesso actively carried out safe production month-related activities, attaching importance to safe production and safety education, which enhanced employees' safety awareness and improved employees' safety literacy. On 12 June 2018, the Yunnan subsidiary organized more than 90 employees to carry out fire emergency evacuation drills and actual early stage fire drills for firefighting. At the drill site, the safety specialist explained the precautions of the fire scenario to the on-site personnel, and demonstrated the performance and operation methods of various firefighting equipment, effectively improving the safety awareness of employees and their ability to respond to emergencies.

2018 6 17

2018 6 12 90

Safety specialist explaining the precautions of the fire scenario

Providing Quality and Convenient Service

Upholding the customer-focused operation policy of "Customer Satisfaction First", the Group builds innovative service models and continuously improves its one-stop service processes, in turn enhancing service quality and improving the customer service experience.

One-stop Service Provision

The Group optimizes its service methods, sets up professional service teams and perfects one-stop service processes before, during and after the sales process. It also enriches service coverage, handles feedback in a timely manner and processes customer opinions to solve problems for customers with ingenuity.

Full-process service procedures

Pre-sale Services

We understand customer needs, collect customer opinions and develop reasonable and effective service plans

We provide customers with services for inquiries about product performance, stock, orders and delivery time

Sales Services

We develop teaching plans and easy-to-understand handouts and provide free engineering technical manuals

We answer questions or provide reasonable solutions to customer questions with short response times

We rush to the scene to solve problems for users

After-sales Services

We adhere to the service concept of "quick response, quality service, transmitting technology and timely delivery", establishing technical support, product quality follow-ups and effective information feedback and improvement mechanisms

Expanding Sales Channels

With the concept of cooperation, win-win, intelligence and internationalization, the Group has built a global O2O sales platform – Lesso Home, shifting from a single offline sales network to a combined online-offline network. The online platform displays products to customers worldwide through the Internet, while offline physical stores provide customers with product experiences and services and continuously strengthen the development and management of offline sales networks, leaving customers with diverse experiences and services.

O2O

Safeguarding Customer Rights and Interests

The Group provides products and services according to laws and regulations and identifies, understands and satisfies customer needs in a timely manner. It lays emphasis on protecting customers' legal rights and information security, and continuously improves service quality and customer satisfaction. In 2018, customer satisfaction for the Company reached 97.31%.

2018 97.31%

Responsible Marketing

The Group has formulated *the Advertising Resources Management Measures* to unify the application specifications of advertising, label use and marketing activities, and insists on conforming product labeling and advertisement with the requirements of laws, regulations, rules and other regulatory documents, in order to ensure the authenticity and reliability of product promotion to achieve responsible marketing.

Customer Feedback

The Group listens to customers' voices via telephone, WeChat, email, fax and corporate communication (cc), and timely conveys customer feedback to relevant departments, and continuously follows up feedback until the customer is satisfied. In 2018, the Group received 18 valid complaints about products or services, and the customer complaint response rate was 100%.

CC

2018

18

100%

Protecting Customer Privacy

The Group attaches great importance to customer privacy and information security, strengthens customer information management and guards against customer privacy leakage risks with strict and standardized processes and operational procedures to ensure customer privacy. There were no complaints arising from the disclosure of customer privacy in 2018.

Building Competitiveness through Technological Innovation

Innovation is a powerful engine for promoting social progress and enterprise development. The Group comprehensively implements the strategy of innovation-driven development by strengthening the construction of science and technology innovation systems and promoting the rapid transformation and implementation of scientific and technological achievements. It stands at the forefront of industry development with its own innovation vitality, so as to jointly contribute to the high-quality living environment of residents. In 2018, the Group invested a total of RMB 758.28 million in research and development and technological innovation.

2018

7.5828

Forging Innovation Ability

The Group continues to improve its science and technology innovation management systems. To this end, it has set up the Guangdong Enterprise Key Laboratory, re-revised *the New Product Development Management Measures* and standardized R&D process management. Further, it also accelerates the cultivation of innovative talents, efficiently allocates internal and external innovation resources and gives full play to the all-around support of technological innovation throughout the Company.

Improve innovation management

Improve scientific research management systems, implement an integrated management system and improve the system management proficiency of each department.

Build an innovation platform

Approved the only "Guangdong Provincial Key Laboratory of Plastic Forming and Processing Technology Enterprises" in Guangdong to achieve breakthroughs in key government laboratories.

Transformation of Innovation Results

The Group accelerated the transformation of innovation achievements, focusing on the continuous research and development of sponge cities, underground piping system, fresh air systems, water platforms and marine cage culture projects. It strives to expand product development areas, continuously improves its level of patent protection for independent innovation achievements and boosts economic efficiency through technological innovation. In 2018, the Group won four provincial and ministerial-level science and technology awards, including the Guangdong Science and Technology Advancement Award, China National Light Industry Council Science and Technology Advancement Award and two Guangdong Light Industrial Association Science and Technology Advancement Awards.

2018

4

1

1

2

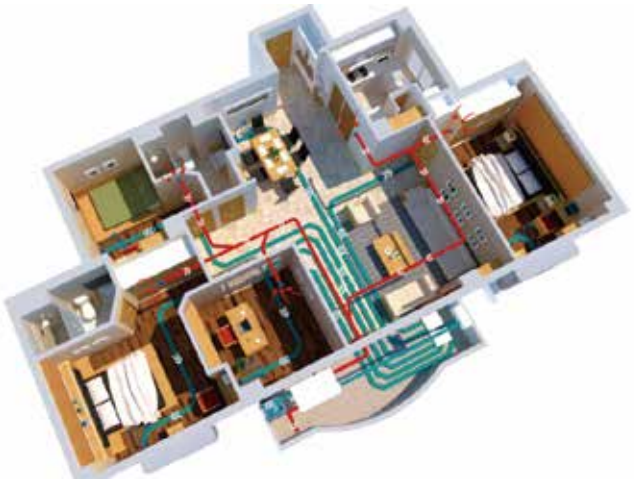
Sponge City

Provides solutions including the overall design, construction and rainwater engineering for sponge cities, and realizes the urban development methods of natural storage, natural penetration and natural purification.

Underground Piping System

Committed to the research and development of integrated piping system and achieving lead-free PVC-U water supply and drainage

PVC-U



Fresh air special pipeline transmission and distribution system schematic diagram

Leading Industry Development

The Group promotes the application of advanced technology achievements, participates in the formulation of various national and industry standards, shares experiences with the industry to lead industry innovation and provides comprehensive technical and practical support for the development of the Company and wider industry. In 2018, the Group led or participated in the compilation and revision of 65 international, national, industry and association standards and national atlases. Among them, eight national and industry standards have been issued and implemented.

2018 65

8

case

Lesso independently hosts urban water supply and drainage standardized construction and product and technology seminar

On 11 October 2018, China Lesso independently hosted the 2018 urban water supply and drainage standardized construction and product and technology seminar in Shunde, Guangdong. Participants gave special presentations on topics such as "The status of China's municipal water supply and the application of new technologies", "Urban and suburban sewage treatment processes and new technology applications", "Urban black and odorous water treatment" and "Smart pipe network and smart water affairs". At the seminar, China Lesso actively offered advice and suggestions to further promote the standardization of urban water supply and drainage.

2018 10 11 2018

case

Lesso hosts annual meeting of the steel and plastic pipe industry, fully affirming its industry position

In November 2018, the annual meeting of the steel-plastic pipe industry was successfully held, hosted by Zhongshan Lesso Walton Coating Steel Plastic Pipe Co., Ltd. As the primary manufacturer of steel-plastic pipes in South China, Lesso Walton established Zhongshan Engineering Technology Research and Development Center by virtue of the strong scientific research strength of China Lesso, and participated in the formulation and revision of industry standards. Its leading position in the steel-plastic pipe industry was affirmed by Hua Mingjiu, deputy secretary-general of the China Construction Metal Structure Association. In the future, Lesso Walton will continue to increase investment in innovation and research and development, maintain its leading position in the industry, and contribute more to the construction of the steel and plastic pipe industry.

2018 11 2018

Connecting with Business Partners to Build Win-win Relationships

The Group upholds integrity and a win-win philosophy, promotes the performance level of its partners through its own responsible practices and maintains a responsible supply chain. It builds an open and inclusive platform, actively expands cooperation areas and works with a wider range of partners to achieve win-win relationships and shape sustainable partnerships.

Number of suppliers: 1,024

1,024

Local procurement rate: 58%

58%

Number of suppliers who received economic, social and environmental penalties in 2018: 0

0

GDFA
广东省商业保理协会
SZFA
深圳市商业保理协会
金融产业学院成立挂牌仪式

Creating a Responsible Supply Chain

Qualified suppliers and distributors are important role players for ensuring the product quality and image of the Group. By strengthening supplier responsibility management and developing distributor training, the Group helps suppliers and distributors enhance their ability to perform their duties and achieve win-win development of upstream and downstream enterprises along the supply chain.

Total number of suppliers

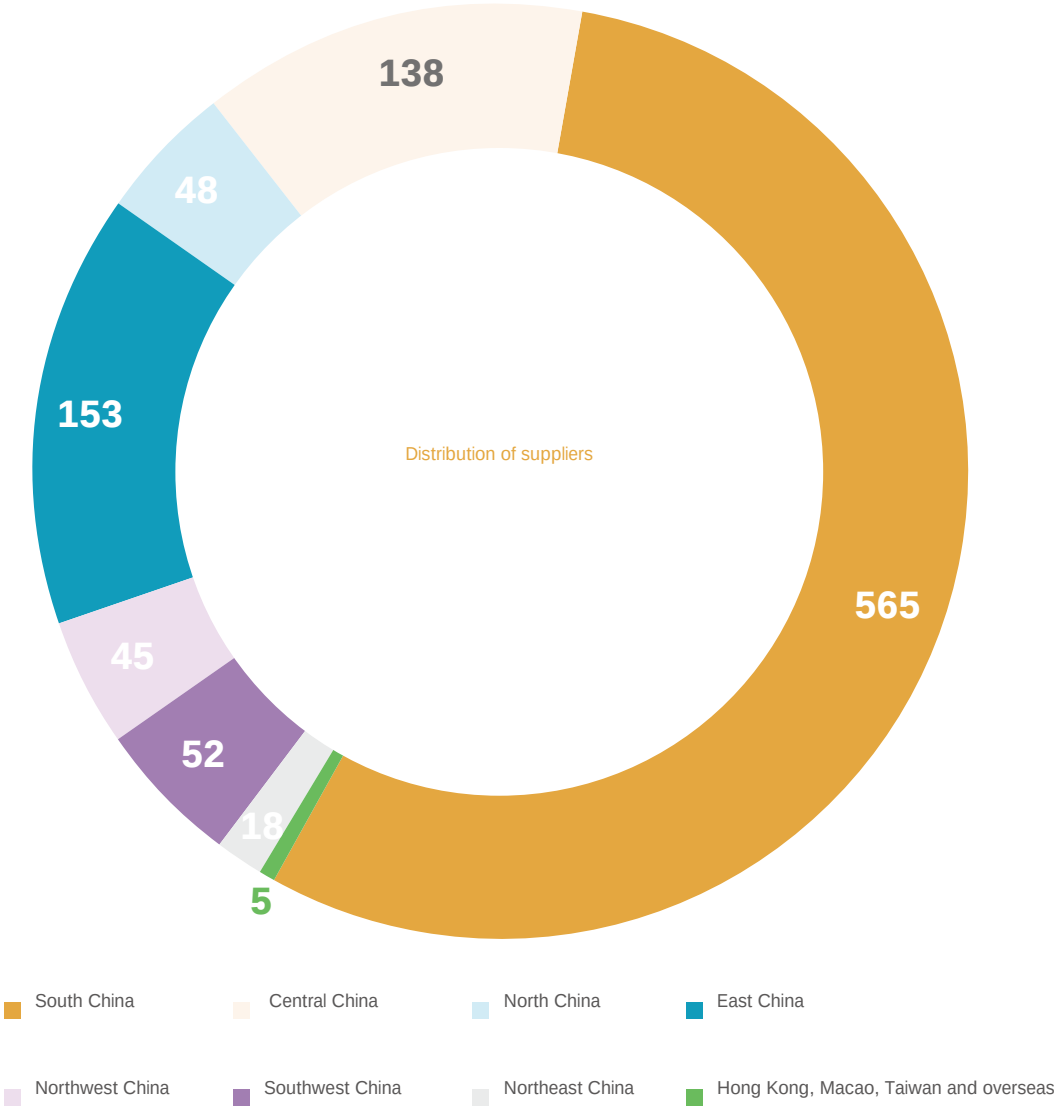
1,024

1,024

Local procurement rate

58%

58%



Strengthening Supplier Management

The Group has formulated the *Supplier Management Measures* to provide systematic management and professional support, promote the common growth and coordinated development of suppliers and create greater value with supply chain enterprises in a broader development space. In 2018, 90% of suppliers were picked out according to ISO 9000 quality standards, ISO 14000 environmental standards and ISO 18000 occupational health and safety standards of the Group.

2018 ISO 9000 ISO 14000 ISO 18000

90%

Standardization	Inspection	Assessment	Improvement	Cooperation
Formulation of a supplier management system for the Group	Conduct site visits to suppliers and implementation of responsible procurement	Regular and independent evaluation and scoring of suppliers by each department	Adoption of an early warning mechanism for suppliers with low scores, proposing rectification opinions, and urging rectification within a time limit	Maintenance of long-term cooperation with suppliers with higher evaluation scores

Improving Supply Chain Responsibility

The Group conducts technical exchanges for suppliers to help them improve their processes and promote mutual growth. In terms of improving the abilities of distributors, we provide training services through launching the "Lesso Customer School" and organizing in-person trainings to help distributors improve their competitiveness.

case

Founding a Lesso Customer School to provide training services for distributors

In an effort to help distributors grow, in 2018, China Lesso introduced an external learning platform and established the Lesso Customer School to provide free training services, including product and construction knowledge, laws and regulations, management and team building, office software, marketing skills and other topics to all channel distributors of the Group. These efforts have allowed distributors to acquire important knowledge efficiently and quickly. In addition to learning, distributors can also use the Lesso Customer School to solve staff training problems.

The Lesso Customer School was officially launched on 23 November 2018. At the end of 2018, it had more than 1,000 visitors, and the average daily number of visitors is 60 to 70. The school has been widely praised by distributors.

2018

2018 11 23 2018

1,000 60 70

Building a Win-Win Industry Circle

The Group continuously expands its cooperation and communication channels with an open and inclusive attitude, and establishes harmonious and productive relationships with its partners. Through complementary advantages, Lesso and its partners can jointly address development challenges and build a win-win ecosystem.

Advancing with the Industry

Work together with upstream and downstream suppliers to develop respective advantages and achieve mutually beneficial development.

We have developed extensive cooperation with Xinjiang Zhongtai Chemical Co., Ltd. in the downstream application of PVC, modern trade, international cooperation and other fields, contributing to the development of the national "Belt and Road" strategy and the "Made in China 2025" plan.

PVC

2025

We have established a strategic cooperation with Yango Group Co., Ltd. on plastic piping system and interior doors to pursue win-win outcomes with quality products and services.

We carried out strategic cooperation with Times China Holdings Co., Ltd. to leverage respective advantageous resources to achieve mutual benefit.

Growing with Colleges and Universities

The Group cooperates with universities to run its school and efficiently integrates high-quality resources to achieve a win-win situation for both universities and enterprises and promote the transformation of scientific and technological achievements.

Connecting with the Natural World to Build Green Homes

Climate change has gradually become an environmental issue of widespread global concern. By gradually improving environmental management, practicing green operations, improving the utilization efficiency of energy resources, and strictly managing waste discharge during production and operation, the Group has actively passed on the concept of green development to the public, and leveraged green operations to forge a green development roadmap where enterprises and the environment are in harmony with each other, in order to build eco-friendly homes and facilitate the construction of a beautiful China.

25.82 million kWh of PV power generated in 2018

2,582

3,774,100 tons of water resources recycled in 2018

377.41

10,115.88 tons of waste recycled in 2018, including plastics, engine oil, oil barrels and tinplate cans

10,115.88

美丽中国 我是行动者
美丽龙江 爱河做起
龙江是我家 清洁靠大家
"六·五"世界环境日
龙江是我家，清洁靠大家

Perfecting Environmental Management

A sound environmental management system is a solid foundation and favorable guarantee for carrying out environmental protection. While strictly adhering to the *Environmental Protection Law* and other relevant laws and regulations, the Group has gradually implemented the Quality, Environment and Occupational Health (QEO) certification model across the entire group and its subsidiaries to ensure that the Group's environmental management is scientific and effective. By the end of 2018, 25 subsidiaries of the Group had passed the QEO certification.

QEO

2018

25

QEO

Greenification of Operations

As a manufacturing-oriented company, the Group places importance on improving the utilization efficiency of energy resources and developing and using clean renewable energy to reduce greenhouse gas emissions. For waste water, waste gases, noise pollution and hazardous and non-hazardous wastes generated during operation, the Group has tapped its potential in energy conservation and emission reduction through water recycling and harmless treatment of wastes, and strived to minimize environmental impact. In 2018, the Group's greenhouse gas emissions totaled 574,386.08 tons.

2018

574,386.08

Energy Efficiency Management

Greenhouse gases are mainly derived from the consumption of fossil fuels. In accordance with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Energy Conservation, Law of the People's Republic of China on the Promotion of Clean Production* and other relevant laws and regulations, the Group has managed the electricity, diesel, gasoline, natural gas and lubricants consumed during operations and raised the proportion of renewable energies used, thereby cutting greenhouse gas emissions.

Electricity conservation

The declaration of the second-batch project on energy consumption improvement of motors was completed, and a total of 521 motors were modified or replaced, which is expected to save 9,603,300 kWh of electricity per year;

521

960.33

Fuel conservation

25 new light-weight forklifts with outstanding performance were put into use, gradually phasing out old forklifts, resulting in a drop in fuel consumption of roughly 0.6 liter per hour;

25

0.6

Solar energy development

The photovoltaic projects of the Hainan and Maoming subsidiaries were connected to the grid for power generation. By the end of 2018, the installed capacity of the Group's distributed solar power generating units was 26.45 MW.

2018

26.45

Solar PV Panels on the Roofs of Plants

2016-2018 PV Project Power Generation and Income from Electricity Savings of the Group
2016-2018

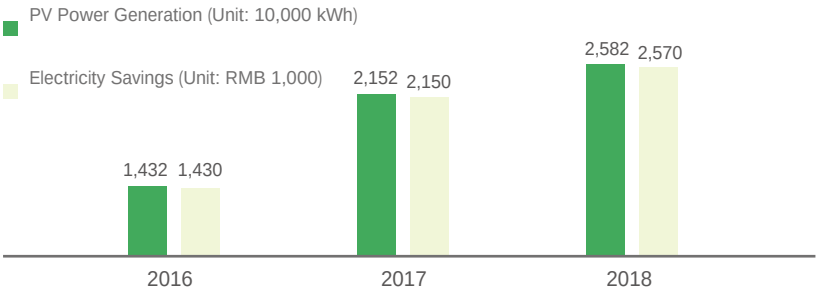


Table 1: Energy Consumption in 2016-2018
1 2016-2018

Type of Energy	Electricity/10,000 kWh /	Diesel/Ton /	Gasoline/Ton /	Natural Gas/10,000 m^3 /	Lubricating Oil/ Ton /
2016	77,051.00	662.00	631.00	496.00	1,622.00
2017	83,916.55	2,403.09	485.13	358.15	190.37
2018	98,759.51	1,826.64	634.05	499.38	105.82

Table 2: Greenhouse Gas Emissions in 2018
2 2018

Type of Greenhouse Gas	Nitrous Oxide/Tons of CO_2e /	Carbon Dioxide/Tons of CO_2e /	Methane/Tons of CO_2e /
Emission	319.26	574,062.61	4.21

Note: The statistical scope of greenhouse gas emissions in 2018 covers Category 1 and Category 2. Category 1 measures direct greenhouse gas emissions from operations owned or controlled by the Group; and Category 2 measures indirect greenhouse gas emissions caused by the Group's purchased electricity.

2018

Water Resource Management

Water Conservation

Attaching importance to the conservation and protection of water resources, the Group has strengthened the recycling of production water and lowered water consumption through transforming and upgrading production equipment.

4,231,300 tons
of water was consumed by the Group in 2018

3,774,100 tons
of water was recycled by the Group in 2018

423.13

377.41

Treatment of Wastewater

With regard to the treatment of domestic sewage, the Group has employed a three-stage septic tank to treat canteen and toilet sewage and has protected collected rainwater in accordance with the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and other laws and regulations.

Canteen sewage

It is strictly forbidden to wash dishes with phosphorus-containing detergent or pour any residual oil or leftovers from the canteen into the sewage; domestic waste filtered from the sewage of the canteen should be treated in compliance with the *Regulations on Waste Management.*

Sanitary wastewater

The operation of toilet facilities should be regularly checked, and septic tanks should be cleaned once a year.

Rainwater control

Rainwater collection pipes should be installed to separate rainwater from sewage; and it is strictly forbidden to stack industrial nor domestic waste in the open air to prevent the rainwater from being polluted.

Waste Management

In strict compliance with the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other regulations, the Group has diminished the environmental impact of waste gases, hazardous wastes and non-hazardous wastes generated during operation by cutting down on their volume and conducting harmless treatment.

Table 3: Amount of Recycled Waste in 2018

3 2018

Type of Waste	Plastics/Ton /	Used Oil/Ton /	Used Oil Barrels/Ton /	Used Tinplate Cans/Ton /
2016	33,728.88	64.78	108.86	135.44
2017	5,874.71	122.05	9.42	48.14
2018	9,942.28	33.68	34.14	105.78

Waste Gas Management

To minimize the impact of waste gas emissions on employees and the environment, the Group has adopted measures such as installing equipment and strengthening monitoring to lessen the emissions of dust and odors in workshops, exhaust of external vehicles and fumes in kitchen.

Table 4: Waste Gas Emissions in 2018
4 2018

Type of Waste Gas	NO_x	SO_x
Emission/Ton /	655,647.15	3,261.93

Dust:The environment-friendly dust removal system, automatic feeding system and air supply system are installed to decrease dust emissions during production.

:

Odor:The UV photo-oxidation equipment is configured to effectively control VOCs exhaust; and the impact of odors on the environment and employees is controlled by adding exhaust gas filtering devices and ventilation devices, providing isolated closed control rooms, and wearing respirators.

: UV VOCs

Exhaust:The vehicle exhaust pollution is curbed by measuring, checking and treating the exhaust of external transportation vehicles.

:

Kitchen fumes:The approach to collect and precipitate kitchen fumes is adopted to minimize emissions.

:

Exhaust gas treatment device in a workshop

Hazardous Waste Treatment

With regard to the treatment of hazardous wastes, the Group has strictly complied with national regulations, implementing control throughout the entire process of classification, procurement, storage, use, disposal, fixed placement and transfer to qualified third-party companies to ensure that the disposal of hazardous waste is compliant. In 2018, 984.68 tons of hazardous wastes were disposed of.

2018

984.68

Table 5: Treatment Methods of Hazardous Wastes

5

Type of Hazardous Waste	Treatment Method
Used mineral oil	Outsourced to recycling companies, classified storage and recyclingl
Used emulsion	
Printer ink and paint	Outsourced to recycling companies
Mercury-containing waste	Outsourced to qualified waste treatment service providers
Waste acid, waste liquid from laboratories	
Waste halogenated organic solvents	
Waste organic solvents	
Waste chemical containers, empty cans	
Sludge	

Non-hazardous Waste Treatment

For non-hazardous wastes generated during operation, the Group has entrusted qualified recycling companies for processing or secondary processing to promote sustainable use of resources. In 2018, a total of 8,596.23 tons of non-hazardous wastes were disposed of.

2018

8,596.23

Table 6: Treatment Methods of Non-hazardous Wastes

6

Type of Non-hazardous Waste	Treatment Method
Copper scraps	Sold to recycling companies
Leftover bits and pieces of copper composite strips	
Iron scraps, waste aluminum materials	
Used plastic bags, cardboards, packing materials	
Tin dross, pins and wires of electronic components	
Empty bottles and empty cans for chemicals	
Waste plastics, plastics contained in non-conforming products	Processed as re-grind materials
Domestic waste	Stored by classification, packed using garbage bags and put into garbage cans with covers, sterilized regularly and delivered to the sanitation department

Noise Control

Pursuant to the relevant requirements of the *Emission Standard for Industrial Enterprises Noise at Boundary*, the Group has mitigated the impact of noise pollution on employees and the surrounding environment by reducing the operating noise of fan rooms and machines in production workshops and distributing labor protection appliances to employees.

Use of Packaging Materials

Packaging materials used by the Group mainly stem from the packaging of pipes and fittings. To effectively reduce the use of packaging materials and mitigate resource consumption and environmental impact, the Group has applied measures such as using automated equipment, taking a package-free strategy and recycling waste materials.

Automatic packaging machines are used to adopt tidy and uniform packaging and reduce the use of reserved and extra-long packaging materials;

Package-free strategies have been adopted for PE200 water supply pipes to save packaging materials;

PE200

Scraps of packaging bags are collected and recycled in a centralized manner to cut down on packaging material waste.

Extending the Green Footprint

While practicing green development, the Group is committed to conveying the concept of green development and environmental protection to the public, encouraging employees to participate in green environmental protection activities and guiding the public to cultivate awareness of ecological and environmental protection so as to jointly protect the planet on which we depend.

case

Actions towards a Beautiful China

On 3 June 2018, the "Act towards a Beautiful China—Building a Beautiful Longjiang Starting from Loving the River", a campaign for the World Environment Day, was officially kicked off. During the event, a number of employees of China Lesso actively took part in the 3km environmental protection public welfare walk to help clean up cigarettes, plastic bags, beverage bottles and other garbage along Xinkaichong of Longjiang Town, protecting the Longjiang water environment with practical actions.

2018 6 3

3

Connecting with You to Build a Promising Future

Upholding its people-oriented philosophy, the Group regards employee growth and community development as an important part of achieving its own sustainable development, respects and safeguards employees' rights and interests, provides employees with broad development space and a comfortable working environment and carries out in-depth poverty alleviation activities to convey continuous warmth and care to the community and promote the harmonious development of society.

252,555 hours spent on employee training

252,555

100% physical examination rate for occupational diseases

100%

RMB 5,129,000 of donations to external parties throughout the year

512.9

Improving Employee Well-being

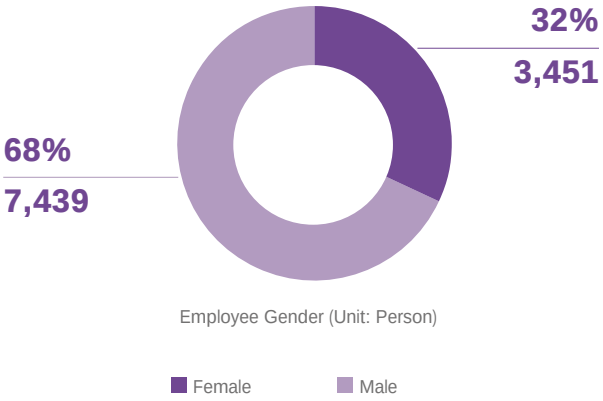
The Group attaches great importance to the rights and growth of employees, safeguards the basic rights and interests of employees, builds a platform for talents to grow, enriches employees' spare time, creates a harmonious and healthy working environment and strives to achieve the common growth and development of employees and the Company.

Safeguarding the Rights and Interests of Employees

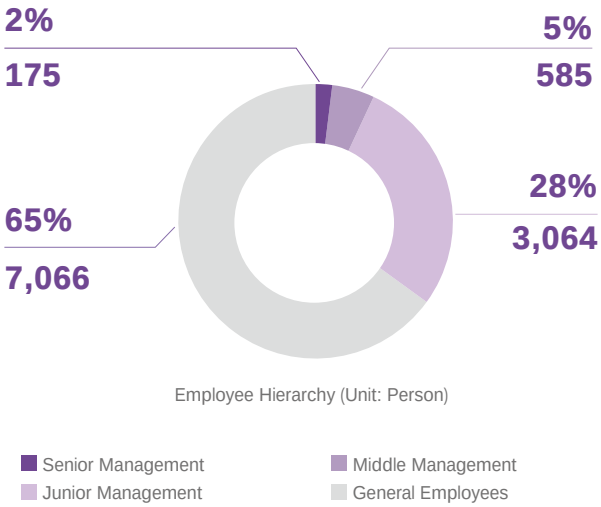
The Group shows respect for labor and talents, and conscientiously implements *the Labor Law of the People's Republic of China* and other relevant laws and regulations and employment policies. We have formulated *the Guidelines on Labor Relations Management* to protect the legitimate rights and interests of employees and create a harmonious labor relationship.

Diversified Talent Structure

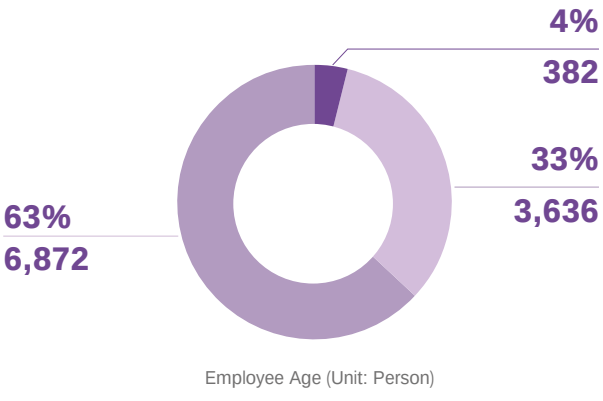
The Group is committed to attracting, motivating and fostering diverse and high-quality talents, and it has formed a multi-level talent echelon.



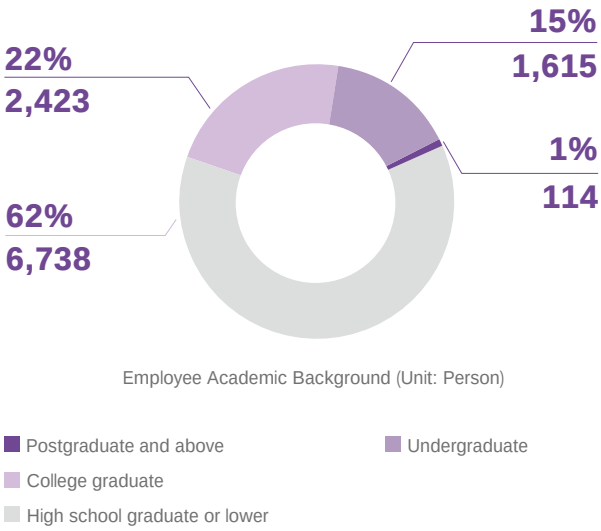
Employee Gender (Unit: Person)



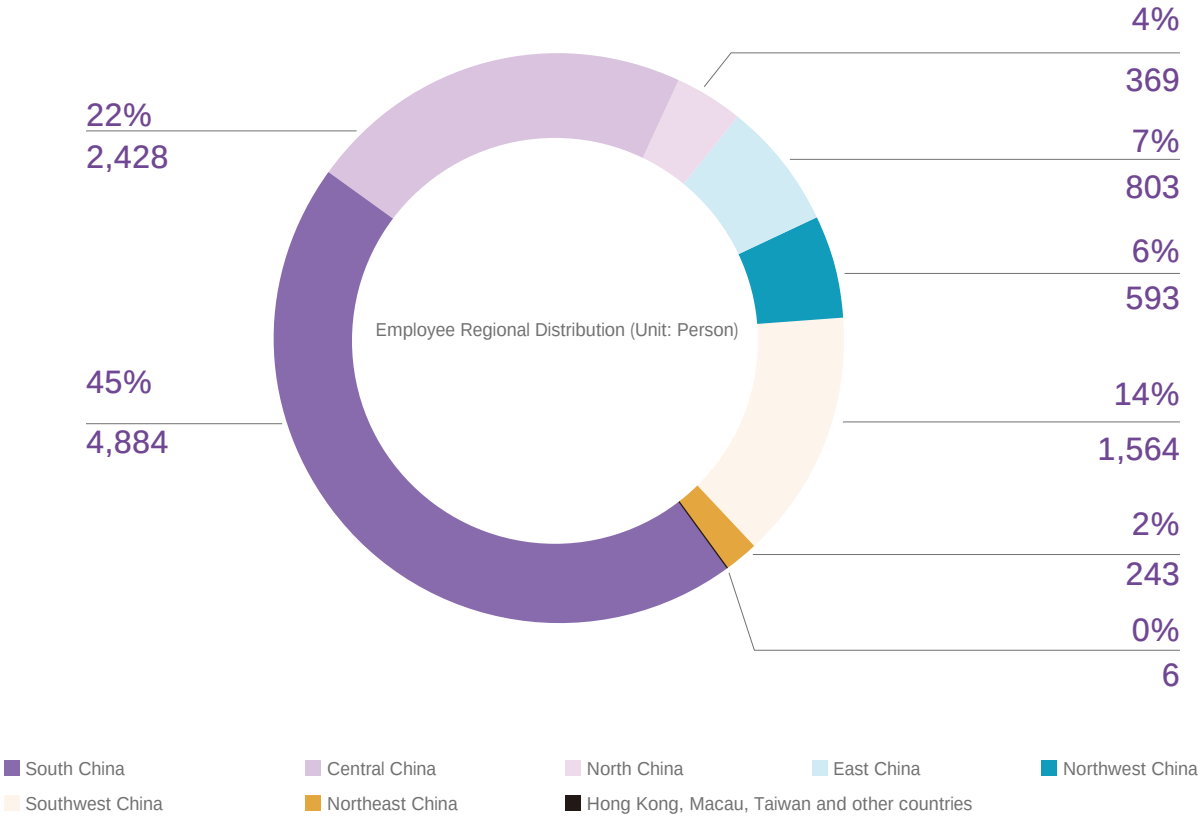
Employee Hierarchy (Unit: Person)

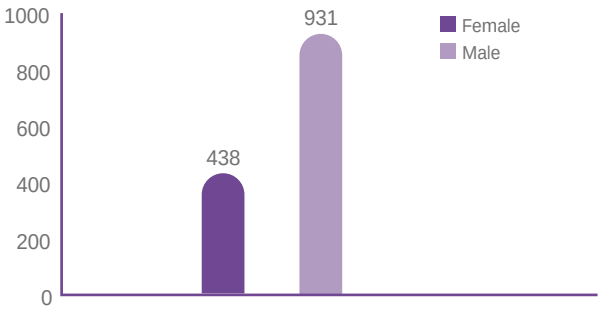


Employee Age (Unit: Person)

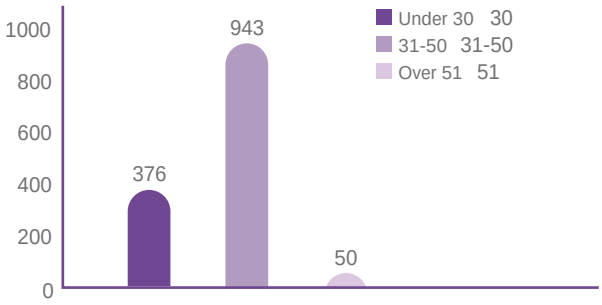


Employee Academic Background (Unit: Person)

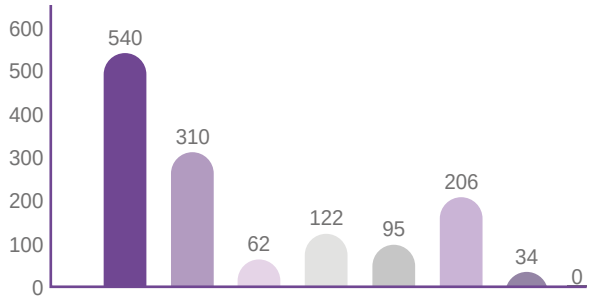


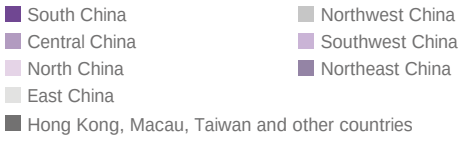


Employee Turnover by Gender (Unit: Person)



Employee Turnover by Age Group (Unit: Person)





Employee Turnover by Region (Unit: Person)

Adhering to Equal Employment

Strictly abiding by policies and regulations, the Group advocates equal employment and signs labor contracts with employees based on the principles of equality, voluntariness and consensus. We resolutely put an end to any discrimination against employees due to factors such as age, gender, marital status, disability, ethnicity, race and religious beliefs, oppose any form of child labor and forced labor and strive to create a fair and lawful working environment for employees.

100%
employment contracts signed

100%

Remuneration and Benefits of Employees

The Group has formulated *the Remuneration Management Regulations of China Lesso*, in which it rationally states the salary level and a dynamic incentive mechanism to fully mobilize the motivation of employees, ensure that employees' remuneration and benefits are competitive in the market and share benefits between the Group and its employees. With a multi-level, three-dimensional and all-around insurance system, we handle social insurance and housing funds procedures for employees in accordance with law and pay the required amount in full, strictly implement the nation's regulations on paid vacation for employees and earnestly safeguard the rights and interests of employees.

100%
social insurance coverage

100%

Democratic Communication and Feedback

As an advocate of honest communication, the Group values the voices of employees, actively improves the mechanism of equal and open dialogue and broadens the channels for employees to participate in democratic management. By means of employee satisfaction surveys, democratic meetings and staff congress, we encourage employees to contribute ideas and suggestions and ensure that employees exercise their rights to know, participate, vote and supervise.

Building a Platform for Growth

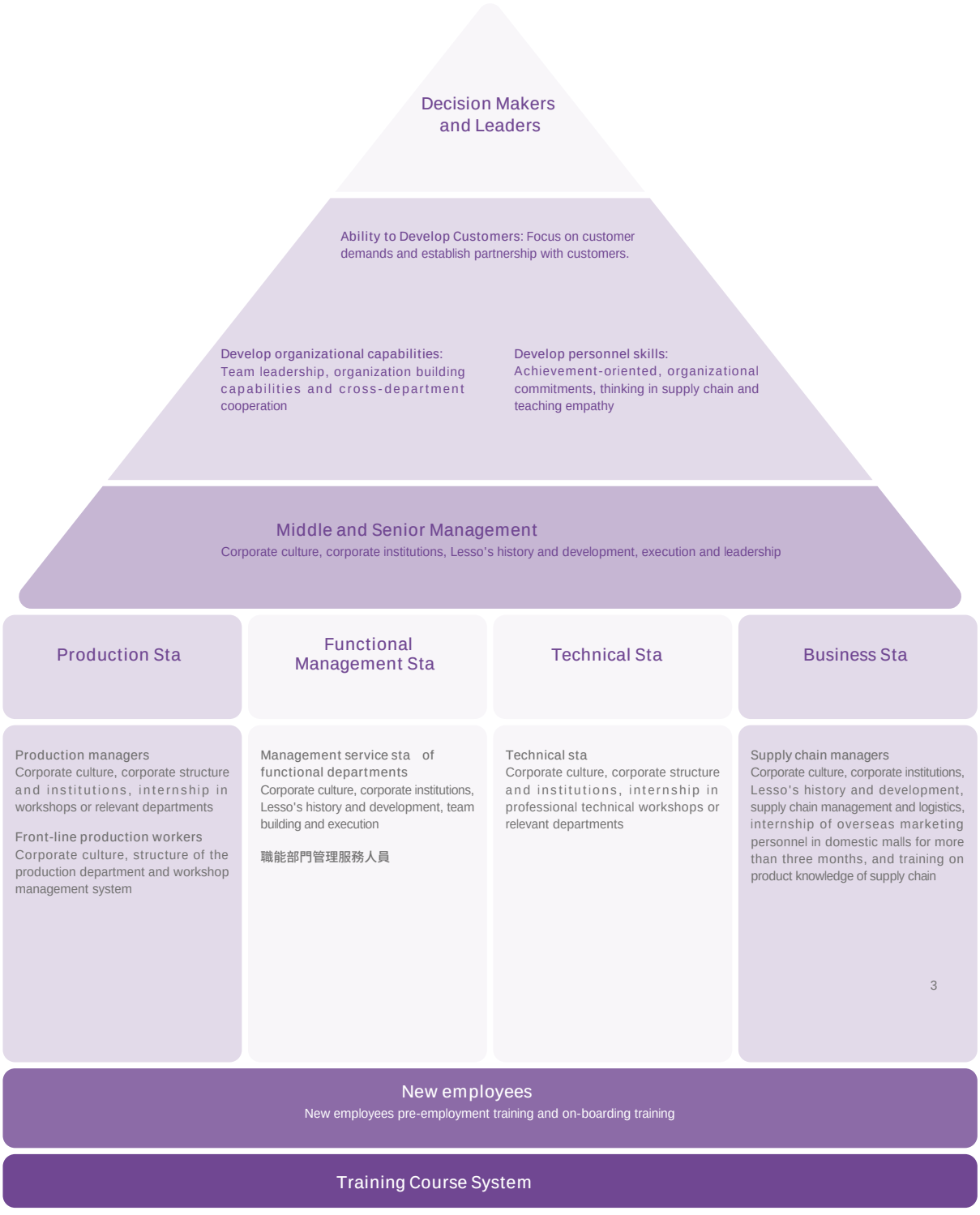
Based on the development needs of employees, the Group offers a comprehensive training system and streamlined career development channels, and promotes a solid career development platform to motivate its employees.

Diversified Training for Employees

Through its Lesso College, the Group has developed professional knowledge manuals and in-house training courses. It offered personalized training based on the training needs of employees of different types and positions. With an aim to improve the professional quality of employees in an all-around manner, Lesso College helped employees enhance their professional competitiveness and achieved the common growth of employees and the Company. A total of 83 training courses were developed in 2018.

2018

83



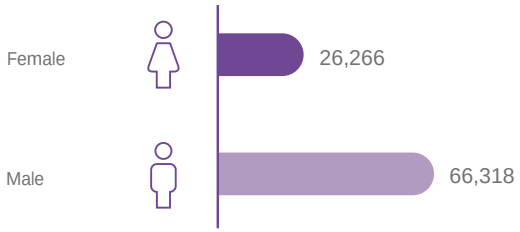
92,584 participants

252,555 employee training hours

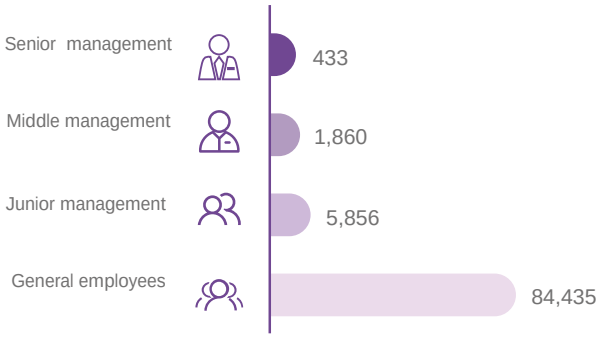
92,584

252,555

Employee training by gender



Employee training by type



case

Addition of "Cantonese Class" and "Lesso Reading" to meet demands of employees

In response to the requirements of foreign employees to learn Cantonese, help them integrate into Cantonese culture quickly and improve communication efficiency, Lesso College has planned and launched the "Cantonese Class" program which realizes an online and offline closed-loop environment through a community learning model, and designs training content in an accurate way. Additionally, the "Lesso Reading" reading club program was launched, which adopts an O2O (online to offline) model. The program is intended to assist employees improve work efficiency and quality of life.

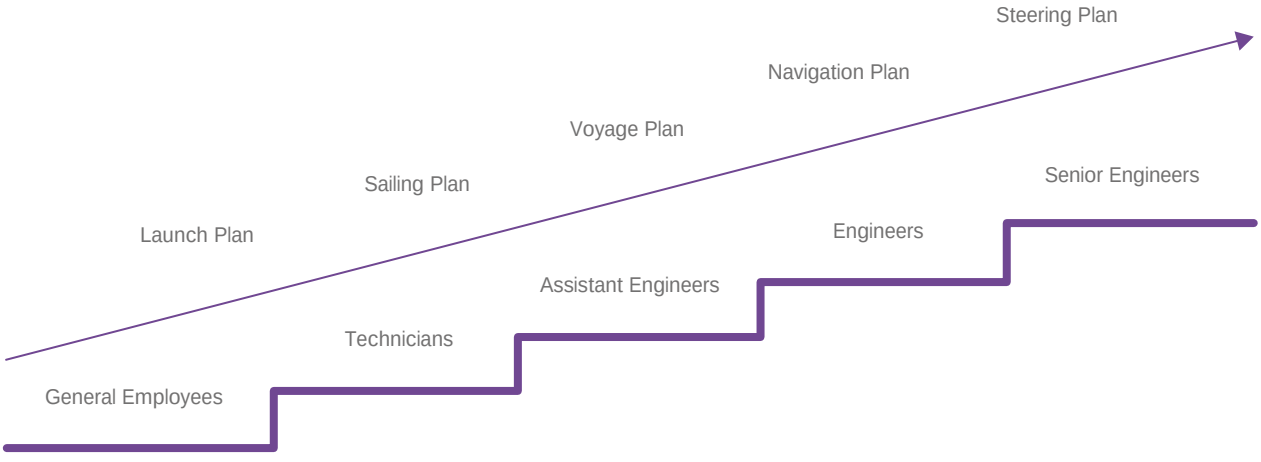
O2O

Lesso College's Cantonese Class

Lesso Lecture

Multi-channel Employee Development

The Group continuously optimizes its talent promotion and career development system so as to help employees set clear professional goals, build up professional development confidence and fully mobilize their enthusiasm, ultimately allowing employees to add value in their respective positions.



Lesso management trainee	Line supervisors and shift leaders	(Deputy) manager of each department (workshop)	Director of each business line

New employee orientation training

Launch Plan

For new hires of the Group to participate in the "New Power" training camp, through which they can quickly familiarize and get comfortable with the Group, transforming themselves into a new sailor to contribute to navigating the Lesso ship.

Sailing Plan

For general employees of the Group to improve professional proficiency, general skills, and multi-skill abilities, thus helping them sail forward.

Voyage Plan

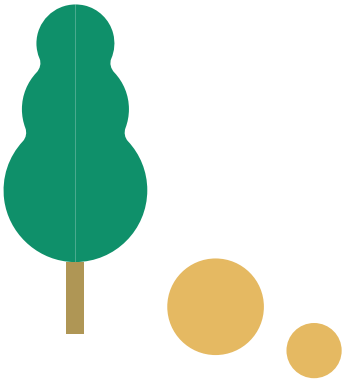
For core employees of the Group to enhance thinking in supply chain, customer relationship management, business management skills, communication and coordination capabilities, thus helping them be able to take on tasks alone.

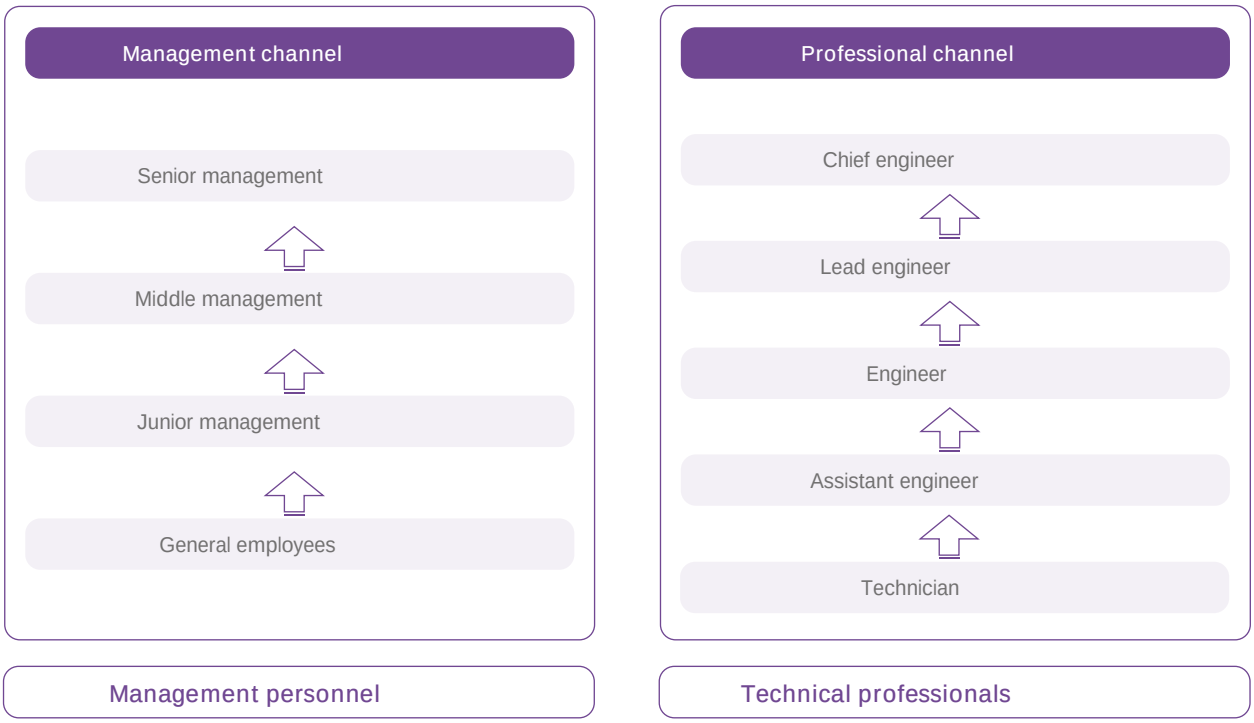
Navigation Plan

For middle and junior management of the Group to improve team leadership, business planning and commanding capabilities, thus helping them lead their teams to sail into the distance.

Steering Plan

For senior management of the Group, with a focus on the promotion of strategic leadership, to organize senior management to participate in the study and training of famous universities at home and abroad in a planned way so as to broaden their global vision and enhance leadership.





Professional Development Channel

case

Teaching and learning

Cultivating talent through "apprenticeship"

Increasing the Happiness of Employees

For the safety and physical and mental health of its employees, the Group develops a wide range of leisure activities to help employees achieve work-life balance. The Group also provides considerate care for female employees and those in need, continuously improving their overall happiness and satisfaction.

Focusing on Occupational Health

The Group strictly abides by occupational health laws and regulations and strives to provide employees with a safer working environment and protect employee health by issuing labor protection equipment, transforming the production environment of workshops and conducting occupational disease examinations.

Work Injury and Lost Days due to Work Injury		2018
Lost days due to work injury (business day)	/	8,040
Number of work-related fatalities (person)	/	0
Rate of work-related fatalities (%)	/%	0
Frequency rate of disabling injury per 1,000 people	/‰	13

case

Installation of fall protection equipment to ensure safety of workers

Fall protection equipment

Caring for Employees

The Group advocates positive, green and healthy work and lifestyle. To this end, a series of cultural and sports activities such as the Mid-Autumn Gala, New Year's Eve Party and Employee Games are held. In addition, the Group actively provides assistance to employees in need and female employees, showing the care and warmth of the Company and enabling employees to enjoy a happy life.

Access to the library and activity room for a variety of leisure activities

Hosting of the "Mid-Autumn, Gathering in Lesso" event

Anniversary of Lesso in 2018

2018

Promoting Warmth through Public Outreach

Adhering to the public welfare concept of "Serving the community and giving back to society", the Group shares its development achievements with the community by actively offering their time to carrying out poverty alleviation and volunteer services. By doing so, the Group is committed to building a stable and harmonious social environment for residents and spreads warmth and love across the community.

Donations of RMB

5,129,000 in 2018

658 hours

of volunteer service in 2018

Employees participation in charitable activities

197 person-time

512.9

658

197

Guangdong Liansu Technology Industrial Co., Ltd. was conferred the "Annual Charity Enterprise Award" by Shunde Charity Organization Alliance in Foshan

Targeted Poverty Alleviation

In response to the government's call, the Group gave full play to its advantages to deepen targeted poverty alleviation efforts and help improve the infrastructure and educational environment in poverty-stricken areas, helping contribute to meeting people's needs for a brighter future. In June 2018, the Group donated RMB1 million to the 2018 "Love Night" party held by Shunde Poverty Alleviation and Development, of which RMB600,000 was used for targeted poverty alleviation projects in three counties, namely Meigu, Jinyang and Leibo of Liangshan Prefecture, Sichuan.

2018

6 2018

100

60

China Lesso donated RMB1 million to the 2018 Guangdong Poverty Alleviation Day and Rural Revitalization activities and was awarded the "Bronze Medal of Cotton Cup for Poverty Alleviation in Guangdong Province in 2017" by the Guangdong Foundation for Poverty Alleviation.

2018

100

2017

case

May joy and sunshine be with you

In November 2018, a team organized by China Lesso went to Leibo County, Butuo County and Yanyuan County in Liangshan Prefecture, Sichuan to carry out poverty alleviation activities. The Company donated 810 children's coats to Waerzui Primary School and Waerzui Preschool in Meiyu Town, Yanyuan County, worth more than RMB140,000, enabling the students of the two schools to enjoy a warm winter. In 2018, China Lesso supported education in Liangshan Prefecture with practical actions, and assisted in targeted poverty alleviation projects. As of October 2018, China Lesso has donated materials and funds of more than RMB1.1 million.

2018 11
810 14
2018 2018 10
110

China Lesso donated children's coats to Waerzui Primary School and Waerzui Preschool

case

Donation to and development of drinking water projects to promote educational development

Butuo County in Liangshan Prefecture is a poverty-stricken area. Many schools do not have safe drinking water due to the climate, terrain and other reasons. In October 2018, Sichuan Lesso Technology Industrial Co., Ltd. donated PE water supply pipe fittings to a safe drinking water project for the Lada Township Central School in Butuo County, Liangshan Prefecture, the value of which was more than RMB200,000. An earlier safe drinking water project at the Jiudu Township Central School in Butuo County, to which a subsidiary in Sichuan donated more than RMB180,000 of pipes and fittings, was put into operation in early May. The project will provide safe drinking water for 963 students and 37 teachers of the Jiudu Township Central School for years to come and realize favorable social benefits. China Lesso's involvement in the construction of the safe drinking water project for the schools in Butuo County, Liangshan Prefecture and support of local education demonstrates the Company's dedication to giving back to the community and fulfilling its corporate social responsibility amid its steady development.

2018 10
PE 20
18
5 963 37

Volunteer Services

The Group engages in various public welfare undertakings and organizes diversified volunteer service activities to deliver warmth to the people in need and jointly promote the development of social welfare.

case

A little kindness goes a long way, returning home filled with love

In February 2018, the 6th "Warm Station, Full of Love" – an activity to provide care for homeward bound migrant workers during the Spring Festival, was held at the Longshan Gas Station in Shunde, which attracted a total of 53 volunteers from China Lesso, Zhida Group and Longjiang Middle School. Volunteers distributed reflective vests, raincoats, knee pads and other materials to migrant workers who were returning home by motorcycle, providing migrant workers a safer and warmer trip back home and delivering the big love of Lesso through a good deed.

2018 2

53

Volunteer teams of Lesso participating in "Warm Station, Full of Love"

case

Supporting drug control efforts with dedication and accountability

In June 2018, China Lesso presented an RMB1 million donation to the Guangdong Narcotics Control Foundation on the occasion of the 31st International Day Against Drug Abuse and Illicit Trafficking. Drug control concerns national security, the rise and fall of the nation and the well-being of the people. In this connection, China Lesso took actions to support ani6 -807. naþ.port

case

Donating blood and sharing life

On 14 June 2018, the 15th World Blood Donor Day, China Lesso held a volunteer blood drive with the theme of "Caring for Others, Donating Blood, Sharing Life". This voluntary blood drive aims to ensure the medical needs and safety of blood use and popularize knowledge about voluntary blood donation. It attracted more than 220 employees, with a total blood donation of more than 75,000 ml. Throughout its years of participation, China Lesso employees have donated in excess of 350,000 ml of blood. In addition, China Lesso also won the title of "2017 Advanced Unit of Volunteer Blood Donation in Shunde District", which fully reflected China Lesso's public welfare concept of "Serving the community and giving back to society".

2018 6 14 15

220 75,000
35 2017

Lesso's voluntary blood drive

case

"Love and Student Aid" in Ya'an

In December 2018, the "Love and Student Aid" activity, jointly carried out by China Lesso, Radio Foshan FM901 and Xishan Primary School, came to Ya'an, Sichuan. Xishan Elementary School assigned a group of teachers in language, mathematics, music, information and other subjects to teach in the Shangli Township Central School and Shangli Qijia Primary School in Ya'an, Sichuan and pay visits to families in need. China Lesso paid the transportation, accommodation and publicity expenses of the support teaching activity and united the strength of social charity, bringing care and warmth to the students in Ya'an.

2018 12 FM901

China Lesso's "Love and Student Aid" came to Ya'an

Outlook

Upholding the co of " relaxin Lesso products", China L con produc astic pipes, building ma and h nishings iety of home choices vices. future, C ss steadily" as its de ent po seize the y government policy rt, and ve to foste synergies across oup's b sinesses an Lesso is steadily p sing towards becoming of building materia home fur ishings, and is tens of millions of in Chin and around the

1

Fostering Ur el

Focusing on the n d duction safety and product quality, provided convenient invest in innovative R&D. We are committed to providing the comfortable living of the public and urban construc uality life in communities everywhere.

2

Establishing ainable Supp n

ing to the concept of honesty and win-win cooperation, we have integrated upstream and chain and established a harmonious and interactive relationship with partners to build a win-win ecosystem.

Report Indicator Index

Environment

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
	General disclosure	Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land and generation of hazardous and non-hazardous waste. a b	"Perfecting Environmental Management" and "Greenification of Operations"	and
A1 Emissions	A1.1	Type of emissions and respective emissions data.	"Energy Efficiency Management", "Waste Management", and "Waste Gas Management"	In 2018, the Group disposed of a total of 984.68 tons of hazardous waste, and 8,596.23 tons of non-hazardous waste. 2018 984.68 8,596.23
	A1.2	Total greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Greenification of Operations"	In 2018, the Group's greenhouse gas emissions were 574,386.08 tons. 2018 574,386.08
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Hazardous Waste Treatment"	In 2018, a total of 984.68 tons of hazardous waste was disposed of. 2018 984.68
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	"Non-hazardous Waste Treatment"	In 2018, a total of 8,596.23 tons of non-hazardous waste was disposed of. 2018 8,596.23
	A1.5	Description of measures to mitigate emissions and achievements.	"Greenification of Operations"	Environmental dust removal systems, automatic feeding systems and air supply systems were used to reduce dust emissions during production.
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and achievements.	"Hazardous Waste Treatment" and "Non-hazardous Waste Treatment"	Printer inks and paints were outsourced to recycling companies; waste plastics and non-conforming plastics were processed as re-grind materials.

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	"Energy Efficiency Management" and "Water Resource Management"	and
	A2.1	Direct and/or indirect total energy consumption by type (e.g. electricity, gas or oil) (in 1,000 KWH) and intensity (e.g. per unit of production volume, per facility).	"Energy Efficiency Management"	Power consumption was 987,595,100 kWh; diesel consumption was 1,826.64 tons 98,759.51 1,826.64
	A2.2	Total water consumption and intensity (e.g. per unit of production volume, per facility).	"Water Resource Management"	The annual water consumption of the Group was 4,231,300 tons. 423.13
A2 Resource Utilization	A2.3	Description of energy use efficiency initiatives and achievements.	"Energy Efficiency Management"	The declaration of the second-batch project on energy consumption improvement of motors was completed, and a total of 521 motors were modified or replaced, which is expected to save 9,603,300 kWh of electricity per year 521 960.33
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and achievements.	"Water Resource Management"	We have transformed and upgraded production equipment to strengthen the recycling of production water supply, reducing dependence on water resources and achieving zero discharge of production wastewater.
	A2.5	Total packaging materials (in tons) used for finished products and with reference to per unit produced where applicable.		No statistics
A3 Environment and Natural Resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	"Noise Control"	
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	"Noise Control"	We have controlled the noise during operation of fans and machines in production workshops, and distributed labor protection equipment to employees to reduce the impact of noise on the environment and employees.

Society

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
	General disclosure	Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	"Safeguarding the Rights and Interests of Employees"	We have implemented *the Labor Law of the People's Republic of China* and other relevant laws and regulations and employment policies, and formulated *the Guidelines for the Management of Labor Relations* and *Remuneration Management Regulations of China Lesso* to safeguard the legitimate rights and interests of employees.
B1 Employment	B1.1	Total number of employees by gender, employment type, age group and geographical region.	"Diversified Talent Structure"	Female: 3,451/ Male: 7,439 Senior management: 175 / Middle Management: 585 / Junior management: 3,064 / General employees: 7,066 Under 30: 3,636 / 31-50: 6,872 / Over 51: 382 South China: 4,884 / Central China: 2,428 / North China: 369 / East China: 803 / Northwest China: 593 / Southwest China: 1,564 / Northeast China: 243 / Hong Kong, Macao, Taiwan and other countries: 6 High school graduates or lower: 6,738 / College graduates: 2,423 / Undergraduates: 1,615 / Postgraduates and above: 114 3,451 / 7,439 175 / 585 / 3,064 / 7,066 30 3,636 /31-50 6,872 /51 382 4,884 / 2,428 / 369 / 803 / 593 / 1,564 / 243 / 6 6,738 / 2,423 / 1,615 / 114
	B1.2	Employee turnover rate by gender, age group and geographical region.	"Diversified Talent Structure"	Female: 4% / Male: 8.5% Under 30: 3.5% / 31-50: 8.7% / Over 51: 0.5% South China: 5% / Central China: 2.8% / North China: 0.6% / East China: 1.1% / Northwest China: 0.9% / Southwest China: 1.9% / Northeast China: 0.3% / Hong Kong, Macao, Taiwan and other countries: 0% 4% / 8.5% 30 3.5% / 31-50 8.7% / 51 0.5% 5% / 2.8% / 0.6% / 1.1% / 0.9% / 1.9% / 0.3% / 0%
B2 Health and Safety	General disclosure	Information on policies and their compliance with relevant laws and regulations that have a significant impact on the issuer, in regards to the provision of a safe working environment and protection of employees from occupational hazards.	"Focusing on Occupational Health"	We have been in strict compliance with the laws and regulations on occupational health.
	B2.1	Number and rate of work-related fatalities.	"Focusing on Occupational Health"	Nil

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
B2 Health and Safety	B2.2	Lost days due to work injury.	"Focusing on Occupational Health"	8,040 working days 8,040
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	"Focusing on Occupational Health"	We have endeavored to provide employees with a safer working environment by issuing labor protection equipment, transforming the production environment of workshops and conducting physical examinations for occupational diseases.
B3 Development and Training	General disclosure	Policies on improving employees' knowledge and skills for fulfilling work duties. Description of training activities.	"Building a Platform for Growth"	We have established Lesso College, developed professional knowledge manuals and internal training courses and provided personalized training for different types of employees with different roles.
	B3.1	Number of employees trained, by gender and employee type (e.g. senior management, middle management).	"Diversified Training for Employees"	Female: 26,266 Male: 66,318 Senior management: 433 Middle management: 1,860 Junior management: 5,856 General employees: 84,435 26,266 66,318 433 1,860 5,856 84,435
	B3.2	Average hours for completion of training, by gender and employee type.	"Diversified Training for Employees"	Female: 20.76/Male: 24.32 Senior management: 6.75 / Middle management: 8.67 / Junior management: 5.21 / General employees: 32.60 20.76 / 24.32 6.75 / 8.67 / 5.21 / 32.60
B4 Labor Standards	General disclosure	Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor. ;	"Adhering to Equal Employment"	We have been in compliance with relevant laws and regulations such as the Labor *Law of the People's Republic of China*, and against any form of child labor and forced labor, to create a fair and legal employment environment.
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	"Adhering to Equal Employment"	We have been against any form of child labor and forced labor to create a fair and legal employment environment.
	B4.2	Description of steps taken to eliminate such practices when discovered.	"Adhering to Equal Employment"	We have been against any form of child labor and forced labor to create a fair and legal employment environment.

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
	General disclosure	Policies on managing environmental and social risks along the supply chain.	"Strengthening supplier management"	*Supplier Management Measures*
	B5.1	Number of suppliers by geographical region.	"Creating a Responsible Supply Chain"	South China: 565 Central China: 138 North China: 48 East China: 153 Northwest China: 45 Southwest China: 52 Northeast China: 18 Hong Kong, Macao, Taiwan, and other countries: 5
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		In 2018, the Group screened up to 90% of its
	General disclosure			

565
138
48
153
45
52
18
5

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	"Transformation of Innovation Results"	We continuously improve the level of patent protection for independent innovation achievements, and promote economic efficiency through technological innovation. In 2018, the Group applied for 389 patents and authorized 154 patents. 2018 389 154
B6 Product Responsibility	B6.4	Description of quality assurance processes and recall procedures.	"Product Quality Testing" and "Product Recall Procedures"	The Group conducts comprehensive multi-dimensional inspection from the incoming of raw materials, product design and sample creation to production and product delivery. It relies on the three inspection system of "self-inspection, mutual inspection and sampling inspection" to control production and ensure stable product quality. A strict product recall process has been established. For unqualified products, the Group will initiate the product recall process as soon as possible.
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	"Protecting Customers' Privacy"	We value the privacy and information security of customers, strengthen customer information management, guard against customer privacy exposure with strict regulatory procedures and operational procedures and effectively protect the privacy of our customers.
	General disclosure	Information on policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	"Anti-corruption and Anti-fraud"	*Anti-fraud Management System*
B7 Anti-corruption	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	"Anti-corruption and Anti-fraud"	In 2018, the Group did not receive any reports on fraud. 2018 0
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	"Anti-corruption and Anti-fraud"	We have established an anti-fraud management team to prevent behaviors that harm the interests of the Group and shareholders, and set up a variety of reporting channels to accept complaints and reports of fraudulent behaviors that harm the interests of the Group.

Aspect	Indicator No.	Indicator Content	Location in the Report	Indicator Performance
B8 Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	"Promoting Warmth through Public Outreach" and "Implementing Targeted Poverty Alleviation"	By sharing its development achievements with society, actively assuming social responsibilities and conducting poverty alleviation and volunteer services, the Group is committed to building a stable and harmonious social environment for the residents.
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sports).	"Implementing Targeted Poverty Alleviation" and "Carrying out Volunteer Activities"	We have deepened targeted poverty alleviation and helped poor areas improve their infrastructure and education environment, making contributions to the realization of people's need for a beautiful life.
	B8.2	Resources allocated (e.g. money or time) to the focus areas.	"Promoting Warmth through Public Outreach", "Implementing Targeted Poverty Alleviation", and "Carrying out Volunteer Activities"	Donations throughout the year totaled RMB 5.129 million, volunteer service time totaled 658 hours and there were 197 employees participating in the volunteer activities.

512.9 658

197

Honors

Honors Won for Environmental Efforts

Award Winner	Honor	Presented by
Guangzhou EP Environmental Engineering Ltd.	Brand Enterprise in Environmental Protection of Guangdong Province	Organization Committee of IE Expo Guangzhou
Lesso Technology Development (Guiyang) Co., Ltd.	Advanced Unit of Energy Conservation and Emission Reduction of Guangzhou Province	Guizhou Province Energy Conservation and Emission Reduction Research Association
Changchun Lesso Industrial Co., Ltd.	Building Energy Conservation Technology Certificate Issued by Jilin Province	Jilin Provincial Department of Housing and Urban-Rural Development
Zhongshan Lesso Walton Coating Steel Plastic Pipe Co., Ltd.	Selected Certificate for *Green Building Product Selection Guide Directory*	China Building Material Test & Certification Group Co., Ltd.

Safety Honors

Award Winner	Honor	Presented by
Lesso Technology Development (Wuhan) Co., Ltd.	Level III Standardization of Work Safety Enterprise	State Administration of Work Safety
Lesso Technology Development (Guiyang) Co., Ltd.	Demonstration Enterprise of Safety Culture Construction of Guiyang	Guiyang Municipal Safe Production Committee Office
Shaanxi Lesso Technology Industrial Co., Ltd.	Level II Standardization of Work Safety Enterprise of the Industry and Trade Industry	Administration of Work Safety of Shaanxi Province

Product Quality Honors

Award Winner	Honor	Presented by
China Lesso Group Holdings Limited	2017 Excellence Enterprise of the Manufacturing Industry of Guangdong Province	Guangdong Manufacturers Association, Guangdong Association for the Promotion of Industrial Development

China Lesso Group Holdings Limited	Pipe and Pipe Fitting Supplier Preferred by Top 500 Chinese Real Estate Development Enterprises 2018 2018 500	China Real Estate Association, Shanghai E-house Real Estate Research Institute, and China Real Estate Appraise Centre
Guangdong Liansu Technology Industrial Co., Ltd.	Member of Guangdong Association for Quality	Guangdong Association for Quality
Guangdong Liansu Technology Industrial Co., Ltd.	Model Enterprise of Pipeline Valve Manufacturing and Service	Lv Ying Award Selection Committee
Guangdong Liansu Technology Industrial Co., Ltd.	Guangdong Patent Award (Excellence Award) (A Highly Damped Polyviny81EFC8e 0 056TJ0 Tc 0618i 4A1e3oride Md)0 1 amped Polyviny81E 0 8Method0 0 85 Tpaf8	

Guangdong Liansu Technology Industrial Co., Ltd.	Second Prize for Scientific and Technological Progress by Guangdong Light Industrial Council	Guangdong Light Industrial Council
Guangdong Liansu Technology Industrial Co., Ltd.	Third Prize for Scientific and Technological Progress by Guangdong Light Industrial Council	Guangdong Light Industrial Council

Social Honors

Award Winner	Honor	Presented by
China Lesso Group Holdings Limited	Social Contribution (Charity Unit) Bronze Medal	The People's Government of Longjiang Town, Shunde District, Foshan
Zhongshan Lesso Walton Coating Steel Plastic Pipe Co., Ltd.	Guangdong Province Enterprise of Observing Contract and Valuing Credit	Guangdong Province Administration for Industry & Commerce
Guangdong Liansu Technology Industrial Co., Ltd.	Guangdong Poverty Relief Hongmian Cup 2017, Bronze Cup 2017	Guangdong Provincial Leading Group for Poverty Alleviation and Development
Guangdong Liansu Technology Industrial Co., Ltd.	Charity Enterprise of the Year Award 2017 2017	Charity Organization Federation of Shunde District, Foshan
Guangdong Liansu Technology Industrial Co., Ltd.	Tax Contribution Pioneer Enterprise of Shunde District 2017, Bronze Medal 2017	CPC Committee of Shunde District, Foshan, the People's Government of Shunde District, Foshan
Lesso Technology Development (Guiyang) Co., Ltd.	2017 Social Responsibility Report Publication Certificate 2017	Guizhou Province Industry & Knowledge Economic Federation, Guizhou Province Quality Association
Sichuan Lesso Technology Industrial Co., Ltd.	Sincere Donation, Eternal Love	The People's Government of Butuo County, Sichuan Province
Yunnan Lesso Technology Development Co., Ltd.	A Caring Enterprise Showing Love for Students	Youth League Committee of Jiangchuan District, Yuxi

Reader Feedback

Dear Sir/Madam,
Thank you for taking the time to read this report. We look forward to receiving your opinions and suggestions so as to improve the compilation of the report and enhance our performance in the fulfilment of corporate social responsibility.

1. What type of stakeholder do you identify as?

☐Government ☐Investor ☐Employee ☐Customer ☐Supplier ☐Dealer
☐Academic/Research Institute / ☐Peer ☐Community and the Public
☐Welfare Group/NGO / ☐Media ☐Others (Please specify) _____

2. Your opinion on this report:

	Very Good	Good	Acceptable	Bad	Very Bad
Structure of the report					
Information disclosure					
Layout and design					
Readability					
Overall evaluation					

3. Which part(s) of this report are most useful to you? (Select 2 at most) 哪些内容最切合您的需要？（可選2項）

☐Chairman's message ☐Corporate governance
☐Socially responsible management of business ☐Diversified products ☐Quality service
☐Win-win cooperation with partners ☐Green development ☐Giving back to the community
☐Caring for employees

4. Do you have any other comments or suggestions regarding our Corporate Social Responsibility Report or performance? Please feel free to email your feedback to China Lesso's CSR mailbox: csr@lesso.com.

CSR csr@lesso.com