

Weichai Power Co., Ltd.

Environmental, Health and Safety (EHS) Policy

1. Background and Objectives

Occupational health, safety, and environmental protection are important parts of sustainable development for enterprises. Weichai Power Co., Ltd. (hereinafter referred to as "Weichai Power" or "the Company" or "We") adheres to the safety work principle of "safety first, prevention-oriented, standardized management, and green development", and adheres to the environmental protection work principle of "people-oriented, green development, technological innovation, full participation, strict prevention and control, and responsibility for damage", Implement the environmental protection concept of "Lucid waters and lush mountains are invaluable assets", safeguard the health rights and interests of company employees, suppliers, service providers and contractors in the supply chain, operating business communities, and other stakeholders (such as joint venture partners, licensees, outsourcing partners, etc.), and enhance their understanding of environmental management policies and environmental impacts.

The Company has formulated this policy to declare Weichai Power's commitment and responsibility to employee health, safety, and environment. In its commercial activities, the Company will comply with and respect the relevant laws of the host country on health, safety, and environment, as well as international conventions recognized by the Chinese government.

2. Scope of Application

This policy applies to all employees (including full-time employees, part-time employees, labor dispatch employees, interns, etc.) of Weichai Power and all its subsidiaries both domestically and internationally, as well as contractors and individuals who carry out work/services on

behalf of the Company. This policy applies to all business processes of the Company, including production operations, product services, distribution logistics, waste management, due diligence, and mergers and acquisitions. The Company encourages business partners such as suppliers, contractors, and service providers to comply with this policy.

3. Compliance with laws, regulations and international conventions

The Company strictly complies with national laws, regulations, and convention requirements, and formulates this policy with reference to relevant principles. Including but not limited to Chinese laws and regulations such as the Occupational Disease Prevention and Control Law of the People's Republic of China, Work Safety Law of the People's Republic of China, Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Environmental Protection Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Water Pollution Prevention and Control Law of the People's Republic of China, and Solid Waste Pollution Prevention and Control Law of the People's Republic of China, as well as international conventions such as the Occupational Safety and Health Convention. If there is a discrepancy between the laws of the country/region where the business is located and this policy, we will adopt the higher of the two standards.

4. Management Activity Policy

4.1. Health and Safety Management

4.1.1. Health and safety management system

The Company has formulated internal institutional documents such as the "Production Safety Accident Management and Control Procedure" "Safety Risk Grading Control Management System" and "Safety Production Rewards and Punishments Management System" to standardize the Company's safety production. As the highest oversight body for health and safety, the board of directors is responsible for coordinating the health and safety production strategy and supervising the Company's health and safety management work; The Safety

Production Committee is led by the Chairman and is responsible for formulating and reviewing safety production strategies, guidelines, and policies, and coordinating the resolution of major safety production issues; The Safety and Environmental Protection Department assists the Safety Production Committee in managing safety production affairs, supervising, managing, and assessing the safety production of various production units and affiliated companies, regularly conducting safety inspections and risk assessments, and implementing corrective measures.

The Company has passed ISO 45001 and other health and safety management system certifications, and implements internal inspections and external audits of occupational health and safety to continuously monitor compliance.

4.1.2. Health and Safety Management Activities

The Company shall consistently allocate safety investments, optimize resource allocation, and progressively enhance the occupational health and safety (OHS) management system to elevate both occupational health and safety standards and environmental performance.

The Company shall conduct ongoing safety risk identification and assessment, and based on the assessment results, establish clear priorities and develop actionable plans to manage potential risks and hazards, prevent accidents, eliminate safety hazards, and ensure a safe and healthy working environment for employees, thereby maximizing the protection of their health and safety.

The Company shall establish occupational hazard monitoring procedures and implement regular inspection plans. Additionally, the Company shall provide employees with job-specific personal protective equipment (PPE) free of charge in accordance with regulations, and mandate the use of such equipment based on the potential occupational hazards identified in their tasks, to eliminate or mitigate the impact of

occupational risks.

The Company shall design and implement job-specific safety awareness campaigns and training programs, tailored to the practical needs of different roles, to embed safety principles into daily operations and enhance employees' capabilities in accident prevention and emergency response.

The Company shall actively encourage frontline employees' participation, establish open communication channels, and systematically collect and integrate feedback from employee representatives to collaboratively advance the continuous improvement of health and safety environments.

The Company shall establish supplier access qualification, dynamic evaluation, and elimination rules, integrate OHS requirements into procurement and contracts, and incentivize suppliers to align with this policy, prioritizing collaboration with partners demonstrating exemplary EHS performance.

4.1.3. Performance evaluation and target monitoring

The Company shall develop measurable OHS performance metrics (covering employees and contractors), set quantitative improvement targets aligned with internal management objectives, prioritize management actions based on target goals, and conduct periodic progress reviews to ensure systematic monitoring and effective control of OHS risks.

4.2. Environmental management

4.2.1. Environmental management system

The Company shall strictly adhere to the aforementioned laws and regulations, formulate internal regulatory documents including the Measures for the Administration of the Legal Disclosure of Environmental Information, the Environmental Protection Inspection

Control Procedures, the Environmental Protection Mark and its Use Standards, and the Environmental Protection Responsibility Management Control Procedure, and shall pass the ISO 14001 environmental management system certification and ISO 50001 energy management system certification, fulfilling responsibilities in environmental protection and energy conservation, jointly safeguarding our planet, and contributing to sustainable development.

As the highest governing body for environmental management, the Board of Directors is responsible for overseeing the Company's environmental initiatives. The Board of Directors has established an ESG committee responsible for the overall environmental management work of the Company, supervising, guiding, and assessing environmental management related work. The Company has established dedicated departments such as the Safety and Environmental Protection Department and the Manufacturing Department to fulfill environmental supervision and energy management responsibilities, promote the implementation of various policies and procedures, carry out energy-saving and emission reduction actions, and promote environmental protection.

The Company shall regularly conducts internal and external audits of the environmental management system. An independent external audit shall be conducted at all production and operation sites of the company at least once every three years. Any issues identified during the audits shall be communicated and the relevant departments shall be required to complete corrective actions and close the loop. Such issues shall also be incorporated into the scope of subsequent priority supervision, for the purpose of achieving continuous improvement in environmental performance.

4.2.2. Environmental protection actions

The Company shall promote the identification of environmental protection hazards and the optimization of environmental management,

refine the environmental protection framework, and ensure continuous improvement in environmental practices.

The Company shall develop and improve energy management processes and policies, strengthen daily monitoring and control of energy consumption, conduct periodic evaluations of energy use efficiency across all departments and operational stages, and promptly identify and rectify energy waste.

The Company shall implement rigorous water resource management measures, including optimizing production processes and adopting water-efficient technologies and equipment, to reduce water consumption in operations, and enhance water recycling. The Company shall also proactively address water scarcity challenges in critical regions and collaborate with local communities and stakeholders to develop sustainable water resource solutions.

The Company shall prioritize rational land utilization by selecting sites with minimal environmental impact for development and construction, avoid damaging ecologically sensitive zones and promote intensive land use models to minimize land resource waste.

The Company shall prioritize the adoption of environmentally friendly materials and technologies, promote material recycling, and reduce carbon emissions.

The Company shall strictly prohibit deforestation and forest degradation throughout all business activities, including but not limited to direct logging and forest fragmentation or degradation caused by projects. Proactive measures shall be taken to preserve the integrity and ecological functions of forest ecosystems.

The Company shall implement environmental education and training programs for internal and external stakeholders to elevate their

ecological awareness, and cultivate a corporate culture centered on sustainability, thereby establishing a globally leading EHS image.

4.2.3. Waste and pollutant management

Weichai Power strictly complies with relevant national and local laws and regulations, comprehensively identifies and strictly controls various types of waste and pollutants generated during the operation process. The Company is committed to achieving source reduction, process control, and compliant disposal of waste and pollutants through technological innovation and management optimization.

a. Wastewater management

All production wastewater shall be effectively pretreated before being directed to the Company's centralized sewage treatment facilities to ensure stable and compliant treatment. Weichai Power is committed to achieving zero direct discharge of industrial wastewater, strictly prohibiting any form of dilution discharge and unauthorized discharge, and systematically reducing fresh water consumption by continuously improving the reuse rate of reclaimed water.

b. Waste gas management

The Company shall fully promote clean production, ensure stable and superior emissions of atmospheric pollutants to national and local standards, and actively promote ultra-low emission transformation. The Company shall implement strict source control and process governance for the exhaust gas generated during the production process, and establish regular monitoring and real-time disclosure mechanisms to ensure dual control of pollutant emission concentration and total amount.

c. Solid waste management

Solid waste management shall strictly follow the principles of "reduction, resource utilization, and harmless treatment". The Company shall implement full lifecycle management of all waste, strictly implement

classification management, and prioritize comprehensive utilization. For special waste such as hazardous waste, standardized storage, transfer, and disposal shall be implemented in accordance with the law to ensure safety and traceability throughout the process. Random stacking and disposal are strictly prohibited. The Company shall continue to explore innovative technological solutions for internal and external collaboration, and improve the level of resource utilization of waste.

4.2.4. Biodiversity

The Company shall conduct biodiversity impact assessments throughout the entire life cycle of business activities, identify direct and indirect impacts that may affect biodiversity at multiple levels, including species, habitats, ecosystem functions, etc. The Company shall follow the principles of "avoidance, reduction, and restoration", promoting the restoration and reconstruction of biodiversity.

4.2.5. Supply Chain Management

The Company shall establish supplier access qualification, dynamic evaluation, and elimination rules, and integrate environmental management requirements into procurement and contracts. The Company shall also encourage suppliers to implement effective environmental management systems, conduct internal environmental compliance audits, and mandate continuous monitoring and improvement of suppliers' environmental performance. Accordingly, suppliers shall be required to implement strategies for reducing waste gas, waste water, and non-hazardous and hazardous waste, conserving resources, and avoiding ecological damage, to minimize the environmental impact of operations, products, and services.

4.2.6. Performance evaluation and goal monitoring

The Company shall set environmental targets aligned with business operations, conduct regular performance monitoring, and transparently disclose environmental impact assessments, governance measures, and progress updates in annual sustainability reports and on the official

website.

5. Supplementary Provisions

Reviewed and approved by the ESG Committee of the Board of Directors of Weichai Power, this policy shall take effect upon issuance. Weichai Power shall review this policy at least annually and revise and update it in accordance with evolving national laws and international conventions.