

Sany Heavy Equipment International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 631



Environmental, Social and Governance Report

2024

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About This Report

Overview

This report is the fifth ESG (Environmental, Social and Governance) report of Sany Heavy Equipment International Holdings Company Limited since 2020 (hereinafter referred to as the "Report"). This report will systematically elaborate Sany Heavy Equipment International Holdings Company Limited's strategy, policies and highlights of the Company's ESG and sustainability in 2024.

Reporting Period

This Report sets out the Group's overall performance in environmental, social and governance aspects for the period from January 1, 2024 to December 31, 2024 (the "Reporting Period"). Some contents date back to previous years or involve 2025.

Reporting Scope

The reporting scope of this Report is based on the importance of the revenue of the business to the Group. The disclosed information covers the business segments that are the main sources of revenue of the Group, including the mining equipment segment, logistics equipment segment, oil and gas equipment segment and emerging business segment. Unless otherwise specified, the scope of disclosure in this Report is consistent with that in the annual report.

Appellations

For the convenience of presentation, Sany Heavy Equipment International Holdings Company Limited is hereinafter referred to as "Sany International" or the "Company" in this Report. Sany Heavy Equipment Co., Ltd., the main subsidiary of the Company, is hereinafter referred to as "Sany Heavy Equipment", Sany Marine Heavy Industry Co., Ltd. is hereinafter referred to as "Sany Marine Heavy Industry". Sany Energy Equipment Co., Ltd. is hereinafter referred to as "Sany Energy". "Sany Silicon Energy (Zhuzhou) Co., Ltd. is hereinafter referred to as "Sany Silicon Energy". The Company and its subsidiaries are hereinafter referred to as "the Group".

Basis of Establishment

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide*, Appendix C2 to the *Listing Rules* of Hong Kong Stock Exchanges and Clearing Limited (the "HKEx"), and based on four reporting principles, Materiality, Quantitative, Balance and Consistency specified in the Guide. The contents disclosed in this Report comply with the requirements of "comply or explain" in the Guide of HKEx.

Materiality:

The Company follows a systematic process to identify materiality issues and determines the content and scope of disclosures through processes such as stakeholder communication and management assessment. For a more detailed materiality identification process, please see [ESG Governance - Material ESG Issues].

Quantitative:

The key quantitative performance indicators disclosed in this report follow scientific statistical standards, methods, calculation tools and common conversion factors, and the Group have explained the important cited sources, calculation methods and data changes (where applicable) in the report. Where applicable, quantitative performance targets have also been set.

Balance:

The purpose of this report is to provide objective and balanced disclosure of Sany International's efforts and performance in all aspects of ESG during the reporting period, and to avoid disclosures that may inappropriately influence stakeholders' decision making.

Consistency:

The content and data disclosed in this report, as well as the statistical methods and caliber used, are consistent with those of previous years. Changes that may affect meaningful comparisons with previous years' reports are explained where appropriate.

Report Acquisition

This Report is prepared in both Chinese and English. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. The electronic version of this Report can be downloaded from the official website of the Company at www.sanyhe.com and the website of HKEx news at www.hkexnews.hk.

Information and Feedback

If you have any questions or suggestions for the Report, please call us or consult us by letter. Our contact information is as follows:

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About Sany International

Sany Heavy Equipment International Holdings Company Limited, listed on the main Board of the HKEx on November 25, 2009, was officially transferred to the list of Hong Kong Stock Connect stocks under the Shenzhen-Hong Kong Stock Connect on September 10, 2018. As a domestic enterprise in the fields of mining machinery, logistics equipment, oil and gas equipment and equipment manufacturing for emerging industries, Sany International is actively expanding the global market and strengthening international cooperation while maintaining the steady development of its local business. By continuously strengthening its independent research and development capabilities, the Group promotes the three major

transformation and upgrading strategies of globalization, digital intelligence and low-carbon, which not only achieves its own high-quality development, but also instills a strong impetus to the progress of the entire industry. In the process of business expansion and innovation, the Group has always attached importance to environmental protection and social responsibility, deeply integrated the concept of sustainability into the corporate strategy, and is committed to promoting the harmonious coexistence of society and the environment while achieving economic benefits, laying a solid foundation for the long-term development of the Group.

▲ Mining Equipment



The mining equipment business segment includes coal machinery, non-coal mining machinery, mining vehicle equipment and smart mine equipment, comprising coal mining machinery products such as roadheaders and coal mining equipment; non-coal mining machinery products, such as tunnel roadheader and mining machine; mining vehicle products, such as mining transport equipment and widebodied vehicle and other relevant products; and smart mine products, which include but not limited to unmanned driving, automated integrated mining and smart mine operation systems. As a leading supplier of heavy energy equipment in China, the Group has a wide and rich product line in coal machinery manufacturing, taking the lead in introducing integrated mining equipment, transportation equipment and a full set of solutions, vigorously promoting coal and rock roadheader machines, integrated mining anchor and protection equipment, combined mining units and mining transport vehicles. The Group has developed a range of intelligent excavation and mining machines, intelligent shearers, pure-electric wide-body dump trucks, and intelligent unmanned wide-body dump trucks, leading the industry in rapid advancement toward electrification, intelligence, energy efficiency, and green mining.

▲ Oil & Gas Equipment



The oil and gas equipment business segment includes frac spreads, drilling, workover and automated pipe handling equipment, and oil and gas field technical services. It is committed to providing customers with complete sets of oil and gas equipment, comprehensive solutions and integrated services that are safe, efficient, intelligent and environmentally friendly.

▲ Emerging Industries



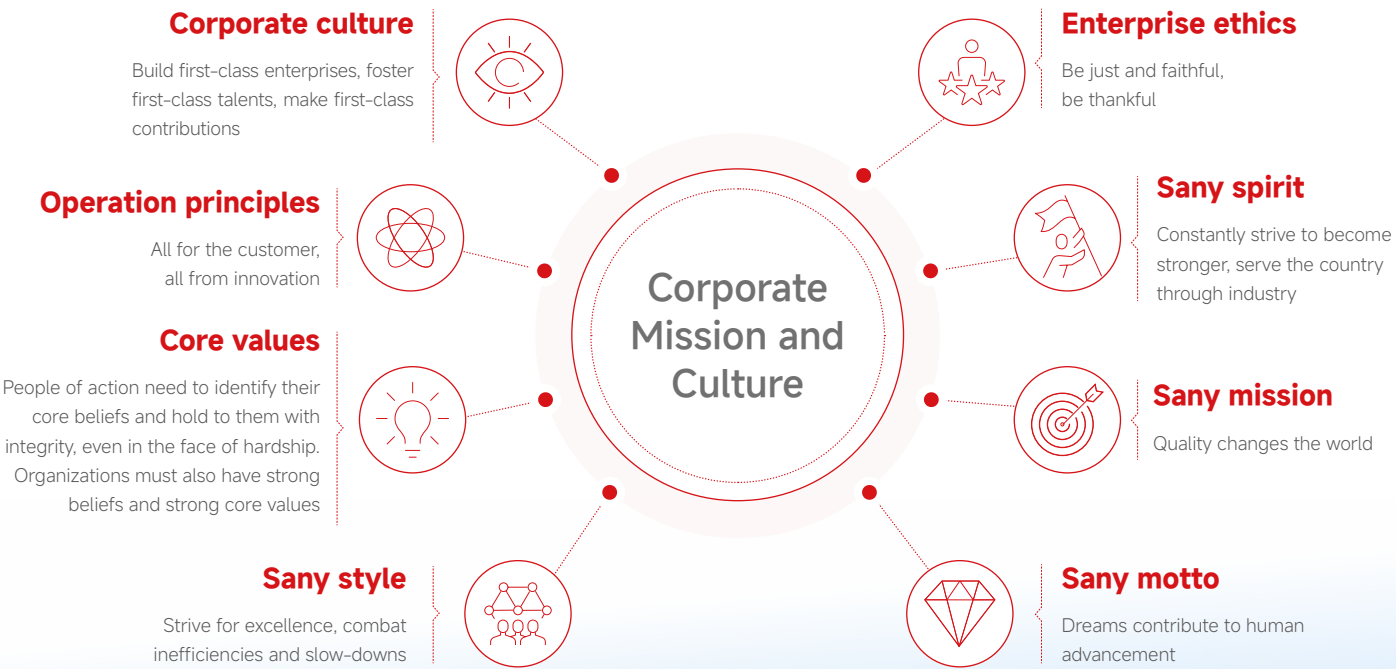
The emerging industry equipment segment includes solar modules, hydrogen production equipment and power battery modules and energy storage systems. As the Group's exploration, layout and trials in the fields of photovoltaic, hydrogen energy and power battery, it will create more opportunities for the Group in the global energy transition.

▲ Logistics Equipment



Logistics equipment, which includes container equipment (including small-scale port machinery such as front loader, stacking machine, and large-scale port machinery such as quayside gantry crane), bulk material equipment (gripper, elevated hoisting arm) and general equipment (heavy-weight forklift, telehandler, etc.) As a large-scale logistics equipment manufacturer engaged in the research and development, manufacturing and sales of marine heavy machinery, and one of the suppliers of complete sets of port machinery equipment with the largest tonnage, the most complete series, the most advanced technology in China, the Group is committed to developing electrification, unmanned operation and smart ports and accessories and providing related services, creating intelligent products and leading the industry.

Corporate Mission and Culture



Chairman's Statement



The year 2024 marks a critical phase for advancing the goals set forth in the 14th Five-Year Plan. Amid the accelerating global transition towards sustainability and the deepening implementation of China's "dual carbon" strategy, Sany International has remained closely aligned with national policies, sustaining robust growth while advancing its globalization, digitalization, and decarbonization. In 2024, under the strategic framework of the "Sustainability 2025 Strategy", the Group continuously enhanced its ESG-focused strategic planning and resource allocation, systematically driving the implementation of a wide range of sustainability initiatives.

Sound corporate governance is the cornerstone of sustainability. The Group regards the establishment of a comprehensive, transparent, and efficient governance system as a top priority. Through a three-tiered governance structure-strategic direction set by the Board of Directors, coordinated execution by the management team, and detailed implementation by professional teams-the Group ensures that ESG principles are deeply embedded throughout the decision-making and operational processes. In terms of system building, the Group continues to optimize the compliance and risk management systems while strengthening internal control mechanisms. In corporate

culture, the Group upholds the principles of integrity and adheres strictly to ethical business conduct. These efforts not only deliver stable returns for shareholders but also contribute positively to social sustainability through responsible business practices.

The Group leverages digital and intelligent innovation to drive industrial upgrades and enhance core competitiveness through the integration of intelligent and electrified technologies. By pioneering smart mining and intelligent logistics solutions, the Group is leading the transformation of the industry. The globalization strategy has achieved breakthrough progress: while consolidating the presence in emerging markets across Asia, Africa, and Latin America, the Group has also successfully expanded into high-end markets in Europe and North America, building a global value chain that encompasses R&D, manufacturing, and services. Low-carbon development is at the core of the Group's strategy. The Group is promoting the electrification of port machinery, optimizing energy management systems, and fulfilling the green commitments through concrete actions. These strategic initiatives reflect the Group's innovation capabilities and sense of responsibility as an industry leader, and will continue to create exceptional value for global customers.

Guided by China's dual carbon goals, the Group has embedded green development principles deeply into corporate strategy and established a low-carbon management system that spans the entire value chain. At the operational level, the Group is advancing clean energy adoption and digital upgrades-enhancing energy efficiency through photovoltaic power generation and smart factory development. Across the industrial chain, the Group collaborates with partners on carbon inventory and emission reduction initiatives, and explores innovative models for waste recycling. The Group also extends green principles to the office environments and corporate culture, encouraging employees to adopt low-carbon lifestyles. In 2024, the Group continues to monitor progress towards environmental targets, demonstrating leadership in green transformation through practical action.

The Group regards talent development as an enduring driving force for the company's growth and remains committed to cultivating workforce. The Group establishes and regularly reviews policies regarding employee rights, fostering open and active communication, and creating a fair and harmonious working atmosphere and an inclusive, equitable and diverse environment that supports employees in realizing their personal value. In pursuit of a better society,

The Group actively collaborates with the society to engage in public welfare. Through community outreach and charitable donations, the Group responds to societal needs, achieving both economic performance and social value.

With unwavering commitment and a strong sense of mission, the Group will continue to advance ESG system construction under the guidance of the "the strategies of globalization, digitalization and decarbonization" in 2025. By enhancing strategic investment and optimizing management mechanisms, the Group aims to build a value creation system that is environmentally friendly, socially inclusive, and governed by excellence. Confronting the challenges of a new era, the Group will join hands with partners to pursue commercial success while addressing environmental issues and promoting social well-being-striving to become a globally recognized benchmark for sustainability.

Liang Zaizhong

Chairman



01

ESG Governance

Sany International has integrated the sustainability governance system from the perspectives of governance, environment, society and quality, formulated sustainability strategies based on its own advantages, and built a responsible ecological system. At the same time, the Company achieves long-term and sound development by responding to key issues of concern to stakeholders.

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ESG Governance Structure

Sany International fully integrates environmental, social and governance (ESG) concepts into its development strategy and daily operations, continuously improves its sustainability governance, and elevates its sustainability work. In order to further strengthen ESG management, in February 2023, the Board of Directors formally established the Environment, Social and Governance Committee (ESG Committee), and established a four-level governance structure of "Board of Directors – ESG Committee – Management Personnel – Working Group" to promote the overall planning and layout of ESG work from top to bottom, and continue to improve the ESG management system.

Level	Organisation	Personnel	Responsibility
Leadership	The Board of Directors	Composed of 10 directors, the highest decision-making body for the ESG management in this Group	<ul style="list-style-type: none">Has ultimate overall responsibility for ESG matters that complement the Company and supervises the ESG governance of the Company
	ESG Committee	Composed of two executive directors and four independent non-executive directors	<ul style="list-style-type: none">To formulate and review the Group's objectives, strategies, risks, opportunities, initiatives, policies, management guidelines and practices as well as policies and practices of corporate concern in relation to ESG and make recommendations to the BoardTo oversee the Group's achievement of ESG related objectives and monitor the Group's performance, and make recommendations to the Board on actions required to improve the relevant performance, to approve/review or recommend to the Board for approval the Group's corporate culture related policies, and to encourage management to put in place effective mechanisms to establish and maintain a good corporate cultureTo ensure that the Group has an appropriate and effective ESG risk management and internal control system, to monitor and review ESG trends and related matters, and to make recommendations to the Board on how to address risks affecting the Group to ensure effective and adequate internal controlReview the achievement of annual environmental and social responsibility and sustainability performance targets (e.g. pollution management, resource management, GHG reduction, etc.) and link them to management performance remuneration
Management layer	Management Personnel	Composed of the administrative general head and responsible person of first-level department	<ul style="list-style-type: none">Responsible for communicating ESG matters to the leadership, providing information needed to make decisions, and supporting ESG strategyGuiding, supervising and monitoring the implementation of ESG strategies in businessOrganizing the preparation of the Group's annual ESG report
Implementation layer	ESG Working Group	Composed of various operating departments	<ul style="list-style-type: none">Implement the Company's instructions in all ESG matters and put ESG concepts into practice in specific mattersBearing the responsibility for ESG special work according to the functional positioning of the operating departmentParticipating in the preparation of the Group's annual ESG report

Sany International's ESG Governance Structure

Sustainability Strategy

The Group is committed to benefiting the environment and society in the course of development. the Group formulated the "Sustainability Strategy 2025" based on 5 strategic pillars: quality first, operation based on responsibility, human orientation, environmental benefits and social benefits, and have set corresponding sustainability goals.

Dimension				
Quality first	Operation based on responsibility	Human orientation	Environmental benefits	Social benefits
Strategy				
Quality first is the core of our long-term development.	The development of win-win cooperation is our most basic operation concept.	Talent is the source of power for the corporate development, and cultivating top talents is one of our important visions.	Environmental protection and green development are our consistent policies for sustainability.	As an enterprise with a sense of social responsibility, the Group is committed to promoting local economic development and contributing to local people's livelihood and harmony.
Goal and path				
We aim to provide customers with a full range of high-quality products with stable performance and reliable quality that meet the needs of industrial development through high-quality production and technological innovation.	We adhere to legal compliance and honest operation, provide first-rate services to customers, and work with suppliers to achieve mutually beneficial partnerships, striving to become an excellent enterprise trusted by employees, making customers satisfied, and enabling partners to obtain win-win results.	We aim to create a working environment that allows employees to work happily and efficiently, and give full play to their talents. We are committed to providing a good career development platform to achieve the common development of employees and the enterprise.	We aim to expedite the application of green technology and contribute green, energy-saving and efficient products to the industry; save resources and reduce emissions, and promote the production and construction of the enterprise with the policy of sustainability.	We aim to create a first-class enterprise, make a first-rate contribution, actively promote industrial development and are committed to community construction and volunteer services to achieve the unification of economic and social benefits.

Sany International Sustainability Strategy 2025

Statement of the Board of Directors

Board Responsibilities

As the core leadership and highest decision-making body of ESG work, the Board of Directors is responsible for coordinating the Company's ESG management and information disclosure, and overseeing the setting of goals and strategies related to ESG impacts, risks and opportunities, as well as the implementation of strategies and the progress in achieving goals.

Risk Management

The Board of Directors of the Group meets annually to listen to the progress report of the ESG Committee on sustainability work, identify ESG management risks after clarifying the management status of the Company, and supervise and review the implementation of ESG strategies and the achievement of objectives to ensure the steady progress of ESG objectives. The Group manages ESG risk issues in the course of business operations, and through multi-level co-construction, makes joint efforts to control ESG risks within a controllable range. The Group also reports to the Board members on ESG related regulatory changes and policy updates, key ESG news in the industry and ESG case analysis through the monthly Board of Directors newsletter, in order to enhance the Board's ESG skills and capabilities.

Materiality Analysis

In 2024, the Group further refines and optimizes its significance analysis on ESG issues. The Board is involved in the evaluation, prioritization and management of important ESG issues. Under the guidance of the Board of Directors and the ESG Committee, the ESG Working Group maintains timely, close and transparent communication with stakeholders on an annual basis to identify and assess stakeholders' concerns on environmental, social and governance issues, and the ESG Committee discusses and reviews the evaluation results.

Target Tracking

The Group integrates ESG factors into its daily operations and has formulated the "Sustainability Strategy 2025", which sets development strategies and targets for the major sustainability issues, and regularly tracks and evaluates the progress of the targets to ensure that the measures are implemented. At the same time, the Group regularly conducts ESG evaluation on key issues and submits them to the ESG Committee for review to guide the management to optimize the ESG target management system. The ESG Committee regularly reviews the ESG objectives and reports to the Board. In 2024, the Group disclosed its ESG progress and target performance through the *Environmental, Social and Governance Report*.







Stakeholder Communication

The Group is committed to building good relationships with stakeholders and ensuring deep stakeholder engagement through regular dialogue and cooperation, thereby safeguarding the effectiveness of ESG management and jointly building long-term value. In formulating the ESG strategy and optimizing ESG management, the Group pays full attention to the expectations and needs of all stakeholders, effectively incorporates the demands of all stakeholders into the operation and decision-making process through regular communication mechanisms, and jointly implements the ESG concept with stakeholders.

In order to meet the needs of different types of investors,

the Group maintains close communication with investors through a variety of channels, including regular investor meetings, telephone conferences, website announcements and social media platforms for interaction, to promote healthy exchanges with investors and ensure that the Group is able to respond to investors' suggestions and opinions in a timely manner. In March 2024, the Group successfully organized the "Performance Investor Presentation" in the form of a combination of online and offline activities, which gave investors an in-depth understanding of the business philosophy, development strategy and latest business results of the Group, and further consolidated the trust and cooperation between the Group and investors.

Stakeholders	Expectations and requirements	Communication and response
Customers	 <ul style="list-style-type: none">• Providing cost-effective services and products• Improving product quality and service level• Product after-sales service and guarantee• Environment-friendly and low carbon products	<ul style="list-style-type: none">• Customer satisfaction investigation• Survey questionnaire• New product introduction meeting• Regular visits
Government and regulatory organizations	 <ul style="list-style-type: none">• Paying taxes in accordance with law• Compliance operation• Complying with laws and regulations• Supporting local development• Promoting local employment• Protecting local environment	<ul style="list-style-type: none">• Daily email and telephone communication• Working conference and training• Irregular visits, supervision and inspection
Investment Organizations/ Shareholders/ Analysts	 <ul style="list-style-type: none">• Information disclosure and transparency• Corporate operation status• Strengthening risk management and control• Creating economic value	<ul style="list-style-type: none">• Annual report and periodic report• Annual general meeting of shareholders• Performance release conference• Announcement• Investor hotline and mailbox• Roadshow of investor relations
Suppliers/Partners	 <ul style="list-style-type: none">• Transparent and honest cooperation• Win-win and mutual benefit• Continuous operation• Fair trade	<ul style="list-style-type: none">• Regular communication• Regular visits• Supplier training• Supplier audit

Stakeholders	Expectations and requirements	Communication and response
Employees	 <ul style="list-style-type: none">• Protecting the rights and interests of employees• Safe and healthy working environment• Good career development platform• Competitive salary and welfare benefits• Internal communication channels	<ul style="list-style-type: none">• Direct communication• Employee mailbox• Employee satisfaction survey• Employee training• Annual meeting/Team building activities
Academic/ Research institutions	 <ul style="list-style-type: none">• Carrying out research cooperation• Providing employment opportunities• Conducting technical exchanges	<ul style="list-style-type: none">• Visit• Daily email and telephone communication
Industrial Association/ Professional organization	 <ul style="list-style-type: none">• Driving industrial development• Improving product quality• Corporate social responsibility	<ul style="list-style-type: none">• Visit• Special sessions• Training
Media	 <ul style="list-style-type: none">• Services and products• Future development trends• Corporate social responsibility• Financial performance	<ul style="list-style-type: none">• Public Reporting• Interviewing related personnel
Non-government agency/Public benefit organization	 <ul style="list-style-type: none">• Supporting public welfare• Fulfilling social responsibilities	<ul style="list-style-type: none">• Holding public benefit activities• Special sessions
Local Communities	 <ul style="list-style-type: none">• Promoting employment• Enhancing community value• Promoting local development	<ul style="list-style-type: none">• Holding public benefit activities• Media report• Daily email and telephone communication

Material ESG Issues

In order to fully address the challenges that may arise from changes in internal and external factors, the Group takes into account the materiality of each issue to Sany International and its stakeholders in accordance with the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guide*. The Group conducts a systematic assessment of material issues each year. Fully aware of the impact of ESG risks on business development, the Group incorporates ESG risk management into its overall risk management process and continuously improves its management level to better address and mitigate the impact that ESG risks may have on the Company's operations and stakeholders.

During the Reporting Period, in order to more accurately analyze and respond to the impact of these changes, the Group collected survey responses from internal stakeholders (management, general employees) as well as external stakeholders (customers, investors, suppliers and partners, academic institutions, public interest organizations and the media), and continuously tracked changes in the interest of key stakeholders on ESG issues, and updated the ESG issue database and the material issues matrix. By 2024, the Group has identified 23 major ESG-related issues through the external attention to each issue and the practical experience of outstanding peers.



Sany International material issues analysis process



Sany International 2024 Sustainability Materiality Issue Matrix

Category	Issues	Category	Issues
Environmental issues	01 Climate change	Social issues	12 Customer service and satisfaction
	02 Atmospheric pollutants emission management		13 Employee training and development
	03 Energy conservation and consumption reduction		14 Employee diversification and equal opportunities
	04 Wastes management		15 Supply chain management
	05 Sewage discharge management		16 Employee communication
	06 Water resource management		17 Engagement in social activities
	07 Green Office	Governance issues	18 Compliant operation and risks control
Social issues	08 Employee rights and interests guarantee		19 Technological innovation
	09 Product quality and safety		20 Honest and faithful operation
	10 Employees' safety and health		21 Intellectual property protection
	11 Customer privacy and information safety		22 Promoting industrial development

Sany International's list of Environmental, social and governance issues for 2024¹

¹ In Sany International's 2024 Environmental, Social, and Governance (ESG) Issues List, bolded items indicate high-materiality issues.

02

Governance and Compliance

The Group is deeply aware that compliance is the fundamental guarantee to effectively promote the high-quality development of enterprises. The Group adheres to the bottom line of compliance, establishes and continuously improves the corporate governance structure, effectively implements the anti-corruption management and complaint reporting mechanism, continuously promotes risk management and intellectual property rights and information security protection, and internalizes the governance approach as an inalienable driving force for the sustainable operation of the company.

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Corporate Governance

Governance Structure

To promote long-term stable development, the Group strictly complies with laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on Banning Commercial Bribery*. It also strictly abides by the requirements of the *Corporate Governance Code in Appendix C1 of the Listing Rules of the Hong Kong Stock Exchange*. The Group operates in a standardized manner based on the governance structure of the General Meeting of Shareholders and the Board of Directors. By establishing and improving internal management systems and processes, refining the *Articles of Association*, and strengthening compliant operations, the Group can effectively respond to various risks and challenges in its operation and business development, providing a solid guarantee for its healthy and stable development.



Sany International Corporate Governance Structure

The Group appoints members of the Board of Directors based on the principle of appointing people on their merits, fully considering the industry experience and technical advantages of each board member and evaluating candidates according to objective criteria. In addition, to broaden the decision-making vision of the Board of Directors, introduce different ways of thinking and viewpoints, and thus make more comprehensive and forward-looking strategic decisions, the Group also attaches importance to the impact of gender diversity on the company within the Board of Directors.

5

Independent Non-Executive Directors

1

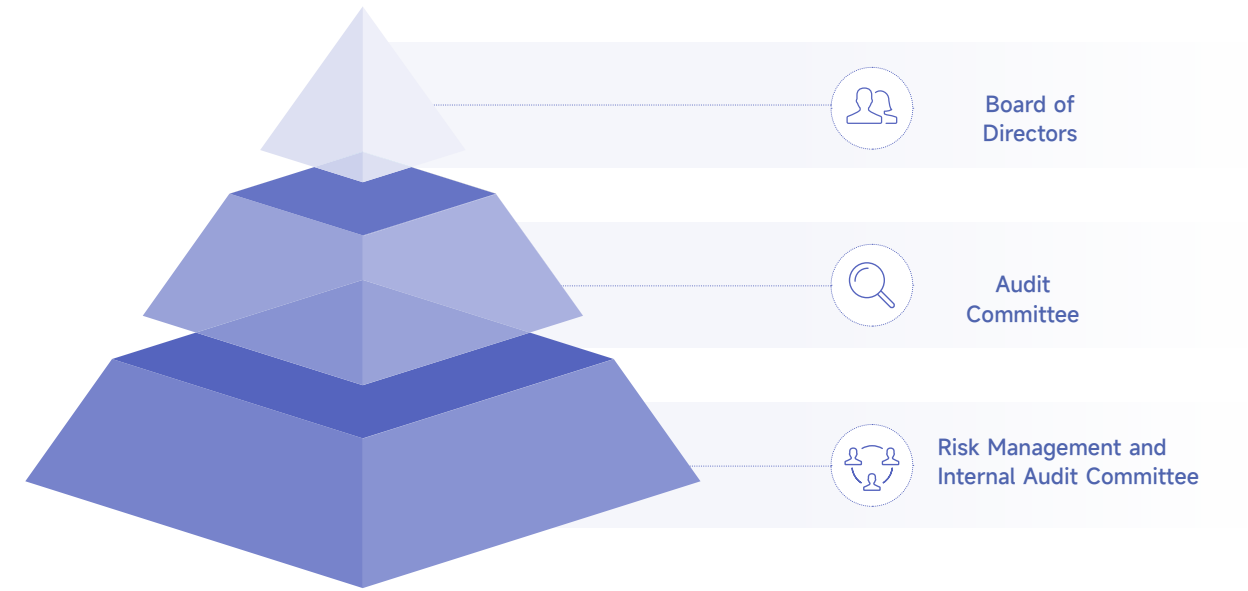
Female Director

Board of Directors' Responsibilities

To effectively implement and allocate the work responsibilities of the Board of Directors, Sany International's board of directors has established the Audit Committee, Remuneration Committee, Nomination Committee, ESG Committee, and Strategic Investment Committee, and has formulated detailed regulations on the scope of authority and working procedures of each committee at the group level. Each committee is composed of different directors who are responsible for discussing and making decisions on specific matters of the company and regularly reporting their work to the board of directors. The composition and operation of the board of directors are strictly regulated and supervised to ensure the scientific and rational nature of corporate decision-making. In 2024, the Group held a total of 2 general meetings of shareholders and 11 Board meetings.

Risk Management

To comprehensively enhance the Group's risk management capabilities, the Group established a comprehensive risk management system that is deeply integrated into every aspect of corporate management. A multi-level risk management structure led by the board of directors and the audit committee, with the assistance of the risk management and internal audit committee, has been established to ensure that risk management covers all aspects of corporate operations. Through a systematic mechanism for risk identification, assessment, and response, the Group effectively reduced operational risks and provided a solid guarantee for sustainability development.



Sany International Risk Management Structure

Through systematic risk identification, assessment and response mechanisms, combined with internal monitoring and risk communication, the Group ensures that risks are controlled and dealt with in a timely manner to minimize their negative impact.

Risk Identification

- Implement risk early warning and assessment through a variety of means, including internal monitoring, risk analysis and data modeling, to comprehensively and systematically identify and evaluate various risks faced by enterprises.

Risk Response

- Establish a scientific risk prevention and control system, formulate targeted risk response strategies, and ensure that risks can be detected in a timely manner, effectively handled and controlled within a reasonable range.

Risk Communication and Coordination Mechanism

- Ensure smooth information flow among departments, timely access to and share risk information, and take effective measures to solve problems quickly to minimize the negative impact of risks on business operations.

Sany International Risk Management Mechanism

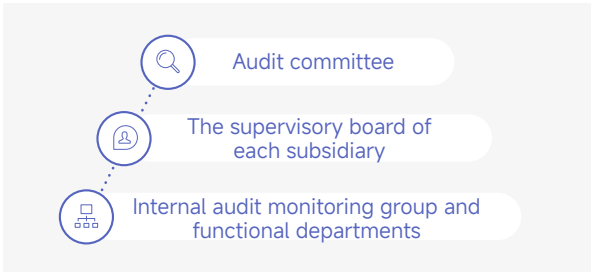
Business Ethics

Sany International adheres to the principle of integrity and pursues compliance throughout the entire business process. The Group continuously strengthens the business ethics management system, improving management mechanisms and processes, clarifying the behavioral norms and ethical requirements for employees, and thus create a corporate culture that is honest, fair, transparent, and harmonious.

Business Ethics Management System

In terms of management structure, the Group established a three-tier business ethics management structure consisting of the audit committee, subsidiary company supervisory boards, internal audit and supervisory groups, and various functional departments, with the audit committee under the board of directors providing guidance and supervision, further strengthening the synergistic effect of corporate governance and risk control. Each subsidiary company supervisory board regularly conducts at least one business ethics audit per year, jointly promoting anti-fraud efforts and investigating suspicious or illegal activities such as bribery, extortion, fraud, and money laundering to ensure clean and lawful operations. As of the end of the Reporting Period, ethics audits have covered all subsidiaries of Sany International.

In terms of institutional guarantees, the Group strictly complys with national laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, and the *Provisional Regulations on Prohibiting Commercial Bribery*. The Group has publicly disclosed the *Conflict of Interests and Integrity Management System* on company's official website and has formulated a series of policies such as the *Accountability Management System* to regulate the anti-corruption and anti-bribery business ethics behavior of all employees and suppliers. The Group has also established the *Commercial Personnel Behavior Management Regulations*, requiring business procurement personnel to ensure integrity



Sany International Business Ethics Management Structure

and self-discipline, and improve the level and image of business operations. In addition, the Group requires all employees to accept and pass the *Negative List of Fraudulent Behaviors in Coping with Assessment and Accountability Examination*, and also requires employees to declare conflicts of interest and integrity annually, to eliminate the occurrence of forgery, fabrication, tampering with records or vouchers, misrepresentation of administrative policies and systems, and concealing or covering up facts. Employees who violate the rules, according to the seriousness of specific events and their roles, will be subject to classified punishments such as fines, salary reduction, dismissal, and investigation by relevant judicial institutions.

Anti-Corruption Training

The Group actively promotes a culture of integrity and strengthens the awareness of integrity among all employees and suppliers to maintain a clean and upright corporate culture. The Group conducts various professional ethics training and dissemination activities for the board of directors, management at all levels, and all employees (including part-time and contractor's employees), continuously consolidating employees' awareness of integrity and honesty through diverse training and dissemination forms. As of 2024, the Group has achieved 100% coverage in business ethics training and awareness initiatives.



New Employee Induction and Key Position Promotion Training

- Use courseware to publicize the form of integrity and confidentiality system training, including integrity and corporate culture, party discipline and national law, typical cases of fraud, internal confidentiality system and other content

Morning Meeting Training

- A morning meeting is held every Thursday, during which the company's management reports on the recent results of the company, and at the same time, all staff are briefed and educated on verified cases involving corruption

Board Training

- All directors have completed 4 special ethics trainings

Anti-Corruption Training

Whistleblowing Management

The Group always maintains an open attitude, actively listens to the voices of all sectors of society, attaches great importance to and supports external supervision, and has established a standardized supervision mechanism. The Group has also joined the Chinese Enterprise Anti-Fraud Alliance to further strengthen anti-corruption and anti-fraud efforts. To improve internal governance, the Group has formulated a comprehensive *Whistleblowing Management System*, clarifying the processes for investigation and feedback, clearly defining the responsibilities of relevant departments, and effectively investigating illegal and disciplinary violations through measures such as guiding, protecting, and rewarding whistleblowers.

In terms of whistleblowing channels and whistleblower protection, the Group has established suggestion boxes and hotlines, supporting both oral and written reporting forms, and strictly keeping the personal information of whistleblowers and the content of their reports confidential. The Group solemnly promises that whistleblowers will not suffer any unfair treatment, retaliation, or personal harm due to their reporting actions.

Whistleblowing Channels

Email : jiancha@sany.com.cn

Tel: +86 024-89318111

WeChat, Feishu: Sany Integrity Public Account

Reception office: 073, 4th Floor, R&D Building, Shenyang Park

QQ: 2592689550

The above channels are ultimately managed by the "Sany Smart Supervision and Audit Platform," which clearly defines the involved units and regulatory departments, determines the secondary and tertiary treatment processes according to regulations, implement feedback and follow up on the work progress, so as to improve the efficiency of report supervision and management.

During the Reporting Period, the Group had one litigation case due to embezzlement of position, which has been concluded, and the results were communicated to all employees for educational purposes.

Anti-Corruption in the Supply Chain

The Group regards supplier integrity management as an important link in implementing the company's business ethics philosophy. The Group formulated and publicly disclosed the *Statement of Requirements for fairness and Integrity in Business Procurement Activities*, and has specifically signed integrity clauses in the supplier access annual contracts to regulate and clarify the behavioral standards and responsibility division of both parties in cooperation, and to strengthen the management and supervision of suppliers. During the cooperation process, the Group regularly holds quarterly integrity meetings covering all suppliers and conducts regular supplier inspections to prevent acts of interest transfer and fraud, and to safeguard the company's interests. For suppliers who violate the law and integrity clauses, the Group imposes penalties 100 times the amount of the bribe and blacklist them for no future cooperation. During the Reporting Period, the Group signed integrity agreements with 1,435 suppliers.

Intellectual Property Protection

The Group follows the principle of "Incentivized Creation, Effective Application, Legal Protection, and Scientific Management" and strive to improve the intellectual property system. The Group strictly complies with relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Tort Liability Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Standard*, and has established intellectual property systems and implementation standards such as the *Research and Development Patent Work and Management Regulations*, the *Foreign Patent Application Operation Guide*, the *Trademark Management System*, the *Enterprise Copyright Management System*, and the *Trade Secret Management System* to comprehensively standardize and improve the process of patent application and maintenance. The Group closely integrates corporate business strategy, research and development strategy, and intellectual property strategy into a trinity strategic system, providing strong support for the company's long-term development and ultimately forming a relatively complete intellectual property system.



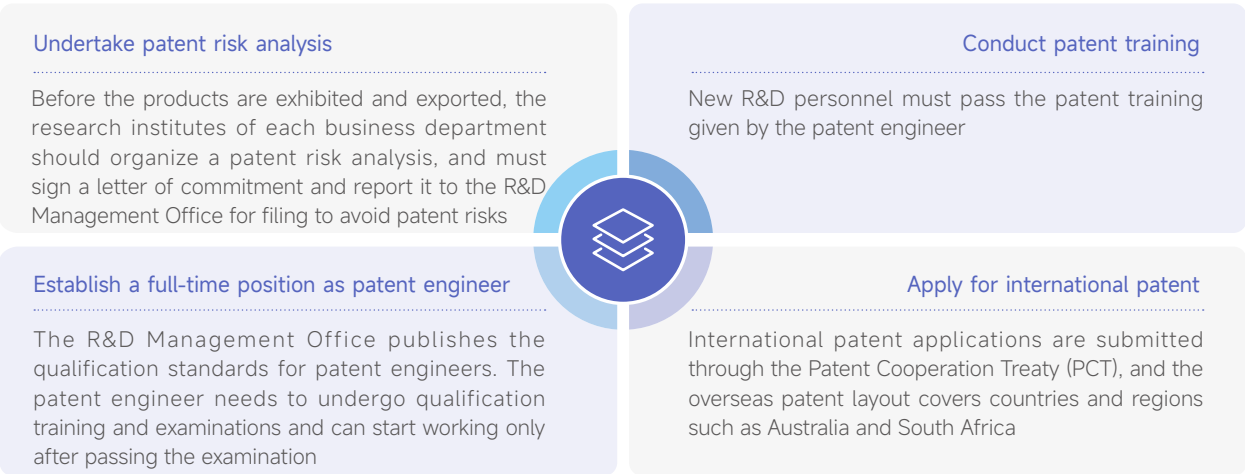
Intellectual Property Development Strategy and Goals

The Group established an intellectual property management system consisting of three levels: the Intellectual Property Committee, the R&D Management Headquarters, and the Research Institutes, to standardize product patent management work, protect the results of inventions and creations, and proactively prevent patent infringement risks.



Intellectual Property Management Structure

In terms of management measures, the Group strengthens the full-process management of intellectual property through patent risk analysis, conducting patent training courses, and patent engineer qualification certification. To further enhance scientific and technological innovation capabilities, stimulate the enthusiasm for innovation and creation, and promote the innovative enthusiasm of employees, the Group established a series of incentive systems that clearly encourage employees to apply for patents and publish papers, accelerating the transformation of intellectual property through cash rewards.



Intellectual Property Management System

Case

Building an intellectual property digital platform

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During the Reporting Period, the Group established an intellectual property strategy platform centered on the Technology Information Port, integrating resources such as Chinese and foreign patent databases, Chinese academic journal doctoral and master's thesis databases, and Chinese and foreign standards databases. To conduct in-depth Chinese and foreign patent strategy analysis, promote technological innovation, and avoid patent risks in product exports, the Group also introduced a third-party international platform covering the INPODOC, DWPI databases, and patent analysis system functions, including most of the patent information worldwide.

In addition, the Group successfully developed a patent management system, achieving integrated operations for patent search, analysis, application, statistics, and management, comprehensively enhancing the electronic management level of patent work, and providing strong support for the innovative development and intellectual property protection.

As of the end of the Reporting Period, the Group had no intellectual property infringement litigation and made significant progress in patent applications and protection, exceeding its patent targets for 2024. The specific indicators of patents are as follows:

Index	Unit	2024
Number of Patents	Pieces	3,174
Number of New Patent Applications	Pieces	672
Number of Newly Authorized Patents	Pieces	445
Number of Software Copyrights	Pieces	247
Number of New Software Copyright Applications	Pieces	59
Number of Newly Authorized Software Copyrights	Pieces	60

Information Security and Privacy Protection

The Group is committed to effectively improving the company's information security level and establishing a solid data security defense for users by perfecting the privacy and information security governance structure, refining management technology, and conducting training and assessments.

Information Security Management System

The Group strictly complies with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Consumer Rights and Interests Protection Law of the People's Republic of China*, and the Hong Kong Special Administrative Region's *Personal Data (Privacy) Ordinance* and *Consumer Council Ordinance*. The Group established systems such as the *Sany International Industrial Control Information Security Management System*, the *Sany International Third-Party Personnel Information Security Management Regulations*, the *Employee Information Security Management System*, and the R&D Information Security Management System that apply to all employees, comprehensively protecting customer rights and privacy and the security of company information assets. The Group

strictly safeguards and keeps all customer information confidential, and no information can be obtained without authorization.

The Group continuously strengthens employees' awareness of confidentiality, requiring all employees to participate in information security training and pass relevant exams to ensure that the responsibility for protecting business secrets is implemented for every relevant individual. In the event of file leakage or information security incidents, the Group will promptly inform the relevant personnel and impose corresponding penalties; if it involves illegal activities, the Group will pursue their legal responsibilities. During the Reporting Period, the Group did not have any information security or privacy leakage incidents.

Red Line of Information Security Behaviors

The Group defines the "Ten Prohibitions" red line behaviors affecting information security to deal with and mitigate the hidden dangers and risks of information security, including: without approval, it is strictly forbidden to transfer the confidential information of the Company to the outside of the Group in any form through USB copy, email, and WeChat; it is strictly forbidden to use confidential information such as internal documents, drawings, processes, marketing and financial reports for personal business activities; and it is strictly forbidden to lend or share other people's domain

accounts and information system accounts. Violations of the red line of information security, the Group will seriously deal with and investigate relevant responsibilities in accordance with the *Accountability Management System*. In the event of an information security incident, employees must promptly report to their supervisors and the IT department. The report should include any observed or suspected security vulnerabilities in systems or services, and, if necessary, provide a report detailing the incident analysis process.

Information Security Training

The Group provides employees with information security training courses covering multiple modules such as password security, email security, terminal security, data security, and smartphone security. The courses offer specific security usage and protection suggestions for potential information security issues, enhancing employees' awareness of information security from multiple dimensions, standardizing their information security behavior, and ensuring the effective protection of the company's information assets.

During the Reporting Period

the Group conducted one

Group-level information security training session

03

Products and Services

The Group consistently adheres to a customer-centric philosophy, regarding products and services as the core pillar of corporate development. The Group is committed to providing global customers with efficient, reliable, intelligent, and environmentally friendly equipment as well as comprehensive solutions. Market-oriented, the Group continues to increase R&D investment, optimize product design and performance, and strictly comply with responsible marketing requirements. Through university-industry collaboration, the Group enhances R&D capabilities and establishes a robust supplier management system. The Global Supplier Portal (GSP) system enables efficient and transparent collaboration with suppliers, ensuring a high-quality and stable supply chain.

R&D Innovation	32
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R&D Innovation

In the era of rapid technological advancement, the Group has always placed R&D innovation at a core strategic position. Driven by a relentless pursuit of technological breakthroughs and a deep understanding of industry trends, the Group continuously increases incentives and investments in R&D. By integrating clean technology development and smart production concepts across the entire industrial chain, the Group strives to lead industry transformation through innovation, creating greater value for the enterprise and contributing more to society. In 2024, the Group's R&D investment reached RMB 1.52 billion.

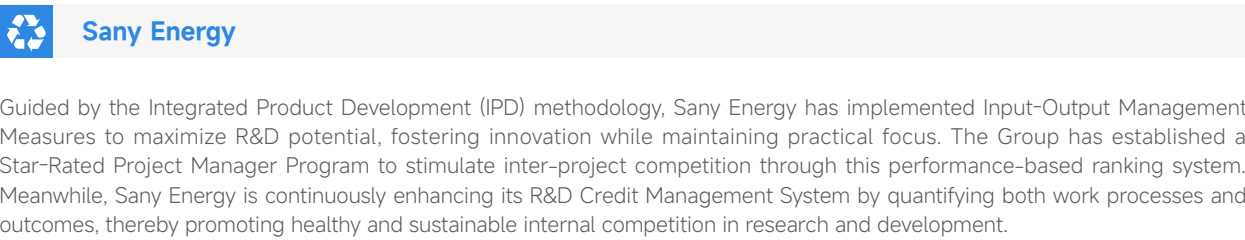
R&D Team Development

The Group places high importance on R&D team development, striving to build a highly skilled, professional, and innovative research and development workforce.



R&D Team Development

Meanwhile, all business divisions of the Group continue to increase R&D investments, actively foster an innovation-encouraging atmosphere, and build platforms for employee innovation to stimulate employees' creativity.



Clean Technology R&D

The Group has consistently positioned its low-carbon strategy as one of three core corporate development strategies. By leveraging intelligent technologies, electrification, and new energy photovoltaic solutions, the Group actively develops clean technology products and systems to reduce energy consumption and environmental impact. This supports the strategic goal to "increase clean technology R&D investment by 15% from 2023 to 2025".

Intelligent Technologies

Sany International's Business Units strategically integrate cutting-edge intelligent technologies into product design, tailored to core business characteristics. By optimizing energy utilization and enhancing resource efficiency - from intelligent path planning and automatic obstacle avoidance to remote monitoring and data-driven management - the Group developed clean solutions with autonomous perception, intelligent decision-making, and high-efficiency execution capabilities. This technology-driven approach positions the Group as an industry leader in advancing cleaner, more efficient operational paradigms.



As of the Reporting Period

Sany Heavy Equipment's intelligent roadheaders have secured an

80%

market share, maintaining its leading position in the sector

With cumulative sales of

300 units

total revenue reaching RMB

1.5 billion

these machines have been deployed in over

213 domestic mines

significantly enhancing mining productivity and operational intelligence. This achievement underscores Sany Heavy Euiptment's pivotal role in accelerating the advancement of intelligent tunneling practices across China.

Sany Marine Heavy Industry

Sany Marine Heavy Industry is committed to enhancing the automation level of port equipment by integrating advanced intelligent systems into its machinery. Through developing remote control and automated operation technologies for equipment like quayside cranes, coupled with intelligent upgrades and innovations, the Group achieved highly efficient automated operations that deliver precise, high-performance handling while significantly improving operational safety and reliability.

High-Performance Quay Crane Remote Control Automation

The high-performance quay crane remote control automation system developed by Sany Marine Heavy Industry achieves an operational efficiency of 28 moves/hour with an impressive 90% success rate for landside automated operations.

Four-Rope Rubber-Tired Gantry Crane (RTG) Full Automation Upgrade

Sany Marine Heavy Industry has successfully completed large-scale full automation upgrades for multiple four-rope rubber-tired gantry cranes (RTGs), achieving world-leading automation performance with an effective operational efficiency of 22 moves/hour and an impressive 1:4 operator-to-equipment ratio.

Sany Marine Heavy Industry's Intelligent Technology Achievements

Sany Energy

Sany Energy consistently adheres to the development philosophy of "Smart Oilfields and Green Oilfields," driving digital-intelligent transformation focused on enhancing oilfield quality and efficiency. The Group is committed to developing autonomous anomaly detection for equipment and personnel, intelligent wellsite development, and related technology applications to advance the industry toward minimally-manned and unmanned wellsite operations.

Autonomous Anomaly Detection

- "Fracturing Pump Valve Body Rubber Failure Detection" utilizes AI algorithm to realize the application of valve body rubber failure alarm and fault location technology, and the efficiency of pump inspection has been increased by 70%.
- The "Drilling Operation Abnormality Detection" utilizes computer vision technology to automatically detect the standardization of manual operations and eliminate potential safety hazards at the well site.

"One-Click Dual Control" Intelligent Wellsite Development

- "One-Click Fracturing" utilizes digital twin technology to realize collaborative fracturing unit construction, automatic displacement allocation, and pressure anomaly warning.
- The "one key linkage" realizes autonomous cooperative operation of drilling rigs through computer vision and control technology, achieving a breakthrough in operational efficiency from less than 20 columns/hour to 25 columns/hour, and leading the industry.

Sany Energy Intelligent Technology Achievements

Electrification Technology

The Group is fully committed to the research and development process of electrification technology, and continues to strengthen the promotion of electric and hybrid port equipment to achieve efficient energy management, promote the use of renewable energy, and promote the electrification of port machinery on a global scale.

Hybrid mining trucks

- Sany Heavy Equipment pioneered a new hybrid power system with a comprehensive fuel saving rate of ≥ 20%, reducing carbon emissions by about 15,000 tons per year.



Motorized wheel

- Sany Heavy Equipment pioneered the multi-power module + intelligent energy management electric wheel system, delivering 20% increased power, over 20% fuel savings, and approximately 18,000 tons of annual carbon emission reductions.



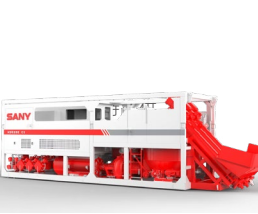
SMHW40E Pure Electric Gripper

- Sany Marine Heavy Industry launched the SMHW40E all-electric material handler, featuring electronic control response and independent power rotation technologies, which boosts overall efficiency by 20% while reducing total operating costs to just 20% of comparable fuel-powered equipment.



150-barrel all-electric drive mixing skid

- Sany Energy has iteratively upgraded the 150-barrel all-electric drive sand mixing skid in the oil fracking industry. Compared with the previous generation of 130-barrel all-electric drive sand mixing skid, its total installed power has reached 900kW, and the maximum water displacement has reached 24m³/min, which is upgraded by 50% and 20%, and the performance parameters have been at the forefront of the domestic market, which can help the customers to realize the fracking operation with large-displacement and high-pressure sand ratio.



Electrification Technology Achievements of Sany International Business Divisions

New Energy Photovoltaic Technology

The Group is advancing into the forefront of new energy photovoltaic technology by actively developing the solar industry ecosystem, building a comprehensive vertical supply chain from renewable energy resource development through integrated component production - including cells, silicon wafers and ingots - driving coordinated technological R&D and industrialization to power the global energy transition.

Photovoltaic Full-Process Technology Products

Case

"Tengyao" TOPCon mass-production new module series

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Sany Silicon Energy launched its new "Tengyao" TOPCon mass-production solar module, featuring exceptional temperature coefficient, low degradation rate, and superior low-light performance, delivering an 8% increase in single-line production capacity while reducing balance-of-system (BOS) costs by 2%, lowering levelized cost of electricity (LCOE) by 2.3%, boosting project return on investment (ROI) by 1%, and achieving TÜV Rheinland certification.



Case

High-efficiency next-generation battery products

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Sany Silicon Energy has launched a new high-efficiency TOPCon solar cell featuring an advanced PECVD-processed double-sided back-contact (BC) structure that eliminates conventional high-temperature boron diffusion, delivering significant advantages in both cost and performance. Available in sizes from 182 to 191, the breakthrough product achieves a record conversion efficiency exceeding 26.7%.



Case

Edge passivation equipment

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Sany Silicon Energy has launched its new TOPCon edge passivation equipment, which utilizes advanced plasma enhanced time-based ALD + fast water cooling technology to significantly increase module power by more than 5W and dramatically reduce coating time to 10 minutes. Through directional deposition technology, the equipment realizes a wrap-around plating control of less than 2mm and a false solder ratio of less than 0.02%.



Case

Sany Silicon Energy high-efficiency power supply network

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Sany Silicon Energy has integrated multiple energy sources, with photovoltaics at its core complemented by energy storage and backup diesel generation systems, to establish a highly stable and reliable power supply network. In Zambia's Ruida Mining Project, the Company implemented an integrated "PV + Storage + Diesel" microgrid featuring 13MWp solar capacity for optimal solar energy capture, 39MWh battery storage for flexible power distribution, and diesel backup for contingency needs—effectively meeting the mine's complex and continuous electricity demands while achieving energy self-sufficiency and significantly reducing reliance on traditional power grids.



A delegation of five officials led by Mr. Malanbo, Director of the Kasempa Local Government Presidential Office, visited Sany Silicon Energy's Zambia Ruida Mine "PV-Storage-Diesel" microgrid power generation project for an inspection and guidance session

Photovoltaic Industrialization Development

Industry Exchange

As an industry leader, the Group recognizes the critical importance of industry exchanges for technological innovation, market expansion, and sustainability. The Group actively engaged in multidimensional industry collaboration activities, establishing close partnerships with universities and enterprises to jointly conduct research projects aimed at solving key technical challenges in the sector.

Sany Marine Heavy Industry

The Group has collaborated with Wuhan University of Technology to jointly research and develop key technologies for automated container grabbing and releasing in remote-controlled stackers.

The Group has partnered with Sun Yat-sen University to jointly develop key technologies for 3D mapping and positioning inside cabin cleaning machinery.

The Group has collaborated with Sun Yat-sen University to jointly develop core technologies for automatic centering perception in railcar loading operations using front-end loaders.

The Group has collaborated with Chongqing University on the project of Quayside Crane Landside Relative Position-Posture Detection System.

Sany Energy

In 2024, Sany Energy joined forces with China University of Petroleum, National University of Defense Technology and other universities to carry out a number of technical projects, aiming at solving a number of key core technologies dependent on developed countries, pioneering industry-leading technologies, and improving equipment performance and efficiency to meet customer needs.

Collaborative R&D Project with China University of Petroleum

Electric Drive Logging Truck Multi-Functional Control Technology Development Project

- The project has successfully resolved critical bottleneck issues in electric drive logging equipment control technology, achieving approximately RMB500,000 yuan in cost reductions.

Fracturing Pump Lubrication System Optimization Research Project

- The project has established a scientific and high-efficiency pipeline structure optimization method along with a precise lubrication oil volume calculation system.

Coiled Tubing Simulation and Analysis Software

- The R&D project is currently in progress and is expected to achieve real-time monitoring and intelligent analysis of downhole tubing conditions.

Collaborative R&D Project with National University of Defense Technology

Collar Automatic Positioning System Technology Development Project

- The solution addresses the requirement for manual height adjustment during makeup/breakout operations of drill pipes by iron roughnecks, enabling fully automated one-button functionality.

Sany Silicon Energy

The collaborative project "Solar Cell Performance Analysis" with the Australian National University was launched in August 2023 and lasted for 6 months to detect the causes of efficiency loss of TOPCon cells through testing and simulation.

Quality Control

The Group has always placed quality management at the core of its operations, adhering to an unwavering pursuit of excellence by establishing a comprehensive and rigorous quality management system that spans the entire product lifecycle from design and development to after-sales service, committed to delivering high-quality and reliable products and services to customers.

Product Quality Management System

The Group strictly complies with relevant laws and regulations, including the *Product Quality Law of the People's Republic of China* and the corporate standard *Q/SY011244-2021 Grading and Requirements for Criticality of Product Quality Characteristics*, as well as internal standards. The Group continuously optimizes and refines the internal *Quality Management Regulations*, covering areas such as quality policies and system development, while rigorously controlling quality risks across the entire value chain—from procurement and manufacturing to delivery.

Meanwhile, the Group adheres to international quality management system standards such as ISO 9001, Special Equipment Manufacturing Licenses, and ISO 3834 (International Welding Quality Requirements), mandating that all business units comply with the respective quality management requirements to ensure product quality consistency and reliability. During the Reporting Period, both Sany Heavy Equipment and Sany Marine Heavy Industry obtained ISO 9001 Quality Management System certification for their product design and manufacturing processes.

Manufacturing Quality Management

The Group is committed to continuous improvement by setting scientifically-based quality objectives and implementing a series of precise and effective quality enhancement initiatives, driving product quality to consistently higher standards.

Quality Improvement Management Process

• Through historical data analysis, market research, and customer feedback, the Group identifies quality issues in existing products and pinpoint improvement opportunities.

• Based on market demand, customer feedback, and corporate strategy, the Company formulates and releases quality improvement objectives and action plans for its products.

• The Group allocates necessary resources – including manpower, funding, and technical support – to ensure the successful implementation of quality enhancement initiatives.

The Group implements rigorous quality controls across the entire product lifecycle through process control, real-time monitoring, quality inspection, and continuous improvement. By refining the *Non-Conforming Product Management System*, the Group strictly standardized disposal procedures to ensure efficiency and accuracy of on-site information flow. Furthermore, comprehensive professional training is provided to manufacturing and inspection personnel, ensuring strict adherence to protocols for handling non-conforming products. These measures significantly enhance the efficiency of managing both in-house and incoming material defects, reinforcing the commitment to operational excellence.

Case

Sany Heavy Equipment digitalized end-to-end quality management system ▼▼▼

Sany Heavy Equipment has developed the "Duty Quality Cloud System," enabling end-to-end quality monitoring across the entire production chain—from supplier component manufacturing, inbound materials, in-house production, assembly and testing, final shipment, to pre-delivery acceptance. This system digitizes self-inspection and specialized inspection processes while incorporating real-time alerts for non-conformance indicators at each stage, ensuring robust product quality control.

Incoming Inspection

Through the digital Quality Inspection System (QIS), inspection criteria are preconfigured in the system, enabling quality inspectors to strictly execute standardized checks and digitally record all test data within the QIS platform.

In-Process Inspection

Through the MOM (Manufacturing Operations Management) digital system, inspection items are pre-configured to ensure strict compliance with quality standards by inspectors, who record all test data directly in MOM, while shipment documentation (photos/videos) is captured via the Quality Cloud mini-program.

Outgoing Quality Control

Through the MOM digital system, inspection items are pre-configured to ensure strict compliance with quality standards by inspectors, who record all test data directly in MOM, while shipment documentation (photos/videos) is captured via the Quality Cloud mini-program.

Supplier-Side Quality Inspection (SQI)

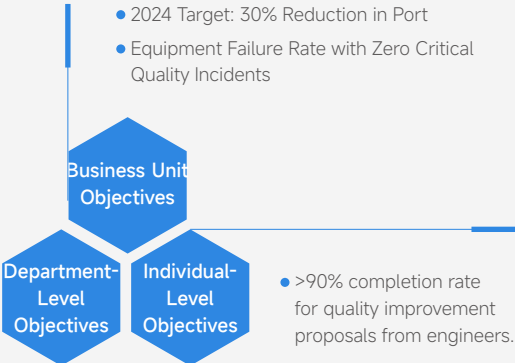
Conduct comprehensive audits of suppliers' quality assurance capabilities, process competence, and R&D proficiency during production processes.

Case

Sany Marine Heavy Industry quality enhancement campaign ▼▼▼

In 2024, Sany Marine Heavy Industry established three-tier quality objectives (business unit, department, and individual levels) and implemented multiple quality enhancement initiatives to maintain its leading position in the highly competitive market.

- 15% Reduction in Both Welding Defect Rate and Coating Nonconformity Rate
- Throughout the year, successfully completed over 100 quality improvement projects, with a focus on resolving common issues in equipment welding, coating, and assembly processes.



Sany Marine Heavy Industry Quality Objectives

The implementation of automated welding robots with optimized parameters significantly reduces manual operation errors.

Specialized welding process training programs have been implemented to enhance operators' technical proficiency.

The adoption of eco-friendly coatings combined with upgraded spraying equipment has significantly improved coating uniformity and adhesion performance.

The introduction of automated coating production lines has effectively minimized quality issues caused by manual operations.

Sany Marine Heavy Industry Quality Enhancement Initiatives

Meanwhile, the Group actively implements digitalization and automation technologies in quality management and manufacturing processes to enhance product quality with greater efficiency.

Non-Destructive Testing (NDT) for Welding Quality Control

By employing digital non-destructive testing (NDT) technologies such as Ultrasonic Testing (UT), Magnetic Particle Testing (MT), and Penetrant Testing (PT), Sany International can accurately detect weld defects—including cracks, pores, and slag inclusions—without damaging the welded components, ensuring welding quality while reducing inspection costs and time.

Coordinate Measuring Machine (CMM) Dimensional Inspection

By utilizing computer software to process dimensional data from coordinate measuring machines (CMM), Sany International achieves high-precision measurement of geometric dimensions and form tolerances, enabling rapid determination of workpiece compliance with design specifications, significantly enhancing inspection efficiency and accuracy.

Genba Video

Through the "Genba Video" system (capturing real-site, real-object, real-condition scenarios), Sany International achieves online identification of production anomalies and defect analysis, enabling comprehensive quality monitoring and risk early-warning for manufacturing operations, thereby enhancing precision management.

Photovoltaic Product Automated Production Line

The emerging photovoltaic industry utilizes automated production lines comprising robotic manufacturing and inspection equipment, AGV robots, and intelligent control systems, effectively minimizing human errors, enhancing production precision, enabling real-time process monitoring, optimizing operations through big data analytics, performing predictive maintenance, and achieving comprehensive quality control and traceability for raw materials, components, and finished products.

Intelligent Quality Enhancement Initiatives

Supplier Quality Management

Regarding supplier quality management, the Group has established regulations including the *Incoming Material Control Procedure*, *Component Approval Process*, the *Technical Upgrade Project Management System*, the *Ad-hoc Equipment Procurement Policy*, and the *Equipment Installation & Acceptance Protocol*, achieving full-process quality traceability from raw materials to finished product shipments.

Furthermore, the Group rigorously enforces supplier qualification and audit mechanisms. Sany Heavy Equipment has established the *Sany Heavy Equipment Supplier Quality Supervision Process*, conducting comprehensive audits of suppliers' quality assurance capabilities, process competence, and R&D proficiency. Sany Marine Heavy Industry performs on-site audits for all critical suppliers to ensure compliance with quality management system requirements. Building upon existing procedures, Sany Silicon Energy has optimized processes across the supplier lifecycle—including onboarding and nonconformance reviews—while streamlining order evaluation procedures to integrate upstream and downstream photovoltaic production workflows.

Product After-Sales Management

The Group strictly adheres to internal regulations such as the *Product Recall Management Procedure*, promptly investigating defective products, addressing identified flaws through corrective actions, and implementing preventive measures to minimize potential risks and hazards to customers.

During the Reporting Period, the Group recorded zero product recall incidents attributable to quality issues, with the percentage of sold or shipped products requiring retrieval for safety or quality reasons standing at 0.

Quality & Awareness Enhancement Training



The Group places paramount importance on cultivating employees' quality awareness through regular training initiatives, enhancing their recognition of quality significance while fostering a sense of responsibility and mission—ensuring voluntary adherence to quality standards and proactive participation in improvement activities, thereby building an enterprise-wide culture of "Everyone prioritizes quality" mindset.

Case

Quality upgrade campaign Q&A activity

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In 2024, Sany Heavy Equipment streamlined and optimized three key processes—the *Quality Dashboard Management Process*, the *Essential Quality Knowledge Management Process*, and the *Nonconforming Product Management Process*—conducting targeted training for relevant personnel and organizing a Quality Upgrade Campaign Q&A activity to reinforce these new procedures.




Case

Welding Skills Competition

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To further enhance employees' technical proficiency and foster a culture of "racing to exceed" in quality, Sany Marine Heavy Industry successfully organized the Welding Skills Competition in 2024. Under the theme "Pursuing Excellence, Forging the Soul of Craftsmanship," the event attracted over 100 top welders from production lines, showcasing elite techniques and artisan spirit in port equipment manufacturing. Through this competition, outstanding employees significantly advanced their welding expertise—creating a robust foundation for product quality improvement—while ensuring the inheritance of critical skills across the workforce.



Case

On-site quality issue specialized training

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In November 2024, Sany Energy conducted theoretical and hands-on training for frontline employees to address quality issues such as inadequate paint protection. After completing both classroom instruction and practical demonstrations, trainees underwent theoretical assessments by instructors to evaluate their comprehension—those failing were required to retrain until passing. Upon successful theory evaluation, employees then took practical examinations, with mandatory retraining for any failures until full compliance was achieved. All participating employees ultimately passed both the theoretical and practical certification tests.

Case

QC (Quality Control) team training

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In 2024, Sany Silicon Energy conducted QC (Quality Control) team training for production line leaders, establishing QC teams that successfully developed and presented 81 QC projects. Meanwhile, Sany Heavy Equipment launched a group-wide Quality Upgrade Campaign encompassing initiatives such as 'Quality Star' awards, quality performance boards (red/blacklists), departmental quality flags (red/black), QC team training for all employees, rationalization proposals, and the 'Three Zeros' initiative—propelling quality management to new heights.



Supply Chain Quality Management

The Group is committed to building a transparent, efficient, and responsible supply chain management system encompassing supplier management, risk identification and assessment, supplier qualification and tiered management, performance evaluation, and compliance monitoring—ensuring supply chain stability and sustainability. Meanwhile, the Group actively strengthens communication and collaboration with suppliers through initiatives such as supplier conferences and specialized training programs to enhance supplier capabilities and foster integrated, synergistic development across the supply chain.

Supplier Management

The Group strictly complies with relevant laws and regulations, having established internal management systems including the *Sany International Supplier Management Policy*, the *Supplier Alliance Management Guidelines*, and the *Customer-Nominated Development List*, while continuously enhancing its supplier management framework with detailed process documentation covering supplier registration, evaluation, onboarding, audits, certification, and exit mechanisms—ensuring standardized supplier governance and promoting sustainability across the value chain.

Meanwhile, the Group has established the Global Supplier Platform (GSP) system as the sole interface for all supplier interactions, achieving systematic and standardized supplier engagement. This comprehensive platform features user-friendly functionality with interface modules covering the entire supplier lifecycle—including supplier profiles, multi-process approvals, and monthly performance evaluations—ensuring end-to-end digital management.

Supply Chain Risk Identification and Assessment

The Group prioritizes supply chain risk identification and assessment by rigorously reviewing all supplier's certifications (e.g., environmental/quality compliance) and conducting on-site evaluations covering labor rights, corporate culture, and employee satisfaction—enabling proactive ESG risk detection, early warning of emerging threats, and immediate activation of systematic response and traceability protocols upon risk occurrence to ensure supply chain stability and sustainability.

Case

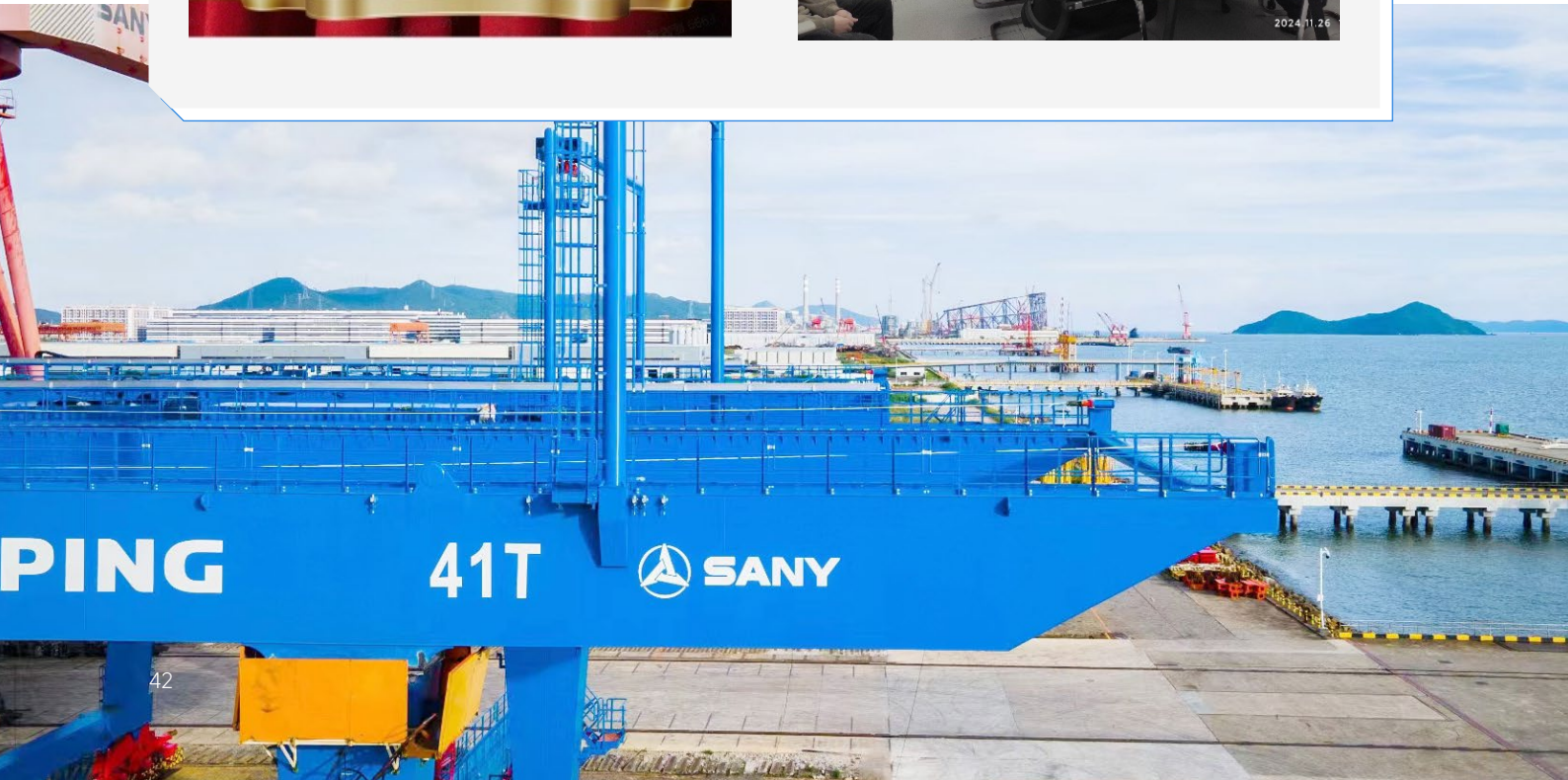
Sany Marine Heavy Industry supply chain risk identification and mitigation

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Sany Marine Heavy Industry identifies and addresses ESG risks within its supply chain by strengthening supplier management, driving green transformation, safeguarding labor rights, and enhancing governance standards—conducting regular ESG evaluations and audits to ensure supply chain sustainability and compliance.

Environmental risk	Social risk	Governance risk
<div><div>Risk description</div><div><ul style="list-style-type: none">Carbon footprintDepletion of resourcesPollutant emissions...</div><div>Response</div><div><ul style="list-style-type: none">Encourage and support suppliers to adopt environmentally friendly materials and technologiesReducing carbon emissions and resource consumptionPromoting a green transition in the supply chain</div></div>	<div><div>Risk description</div><div><ul style="list-style-type: none">Labor interestCommunity relations...</div><div>Response</div><div><ul style="list-style-type: none">Ensure that labor rights in the supply chain are fully protectedRequire suppliers to comply with relevant laws and regulations and international labor standardsIncrease job satisfaction and loyalty of supplier employees</div></div>	<div><div>Risk description</div><div><ul style="list-style-type: none">Corruption, non-transparent behavior in the supply chainViolation of laws and regulations...</div><div>Response</div><div><ul style="list-style-type: none">Enhancing supply chain transparency and compliance managementEstablishment of robust anti-corruption mechanisms and internal control systems</div></div>

Sany Marine Heavy Industry ESG Risk Identification and Mitigation in Supply Chain



Supplier Entrance and Tiered Management

During the supplier entrance process, the Group conducts comprehensive evaluations covering the supplier's operational history, compliance with qualification standards, validity of quality certifications, environmental credentials, tax records, and business integrity-progressively implementing scenario-based admission controls. Meanwhile, the Group has established green supplier qualification criteria, incorporating ESG performance as a key selection metric. Existing suppliers undergo green ratings to incentivize high-emission, energy-intensive suppliers to pursue technical upgrades or energy transitions.

The Group categorizes and tiers suppliers based on their qualifications, delivery capabilities, business alignment, strategic objectives, and historical performance. Systematically collected data-including monthly KPIs for quality, on-time delivery, and cost reduction-forms the basis for performance evaluations, which strictly classify suppliers into Grades A, B, C, or D. Suppliers rated Grade D with severe contractual breaches are decisively blacklisted, while underperforming suppliers face either elimination or on-site remediation audits with improvement support.

Supplier Appraisal and Performance Evaluation

The Group conducts regular supplier evaluations and performance assessments to ensure continuous compliance with its quality, environmental, and social responsibility requirements. Supplier assessments are primarily based on four key dimensions-Quality, Cost, Delivery, and Service (QCDS)-while also incorporating critical ESG factors such as green initiatives, business ethics, and human rights compliance.

Environmentally friendly

- Consideration of carbon emission, energy saving and emission reduction and other relevant measures in the examination and review sheet



Business morality

- Assessing whether suppliers are honest, checking taxpayer qualifications, authenticity of certificates, bidding and bidding collusion, etc.



Human rights

- Examine whether the supplier has formulated and implemented a talent development program, conducted employee satisfaction surveys and continuously improved labor-management relations, and considered employee safety and health in the evaluation form.



Supplier Communication

The Group attaches great importance to the communication and cooperation with suppliers, and has established a platform for face-to-face communication with the senior management of suppliers by holding regular supplier conferences to discuss the industry development trend, clarify the direction of cooperation and requirements, and promote the strategic synergy between both parties. At the same time, the Group actively carries out the work of supplier support, organizes internal expert teams to provide professional guidance and training for suppliers' weaknesses in production technology, quality management, cost control, etc., and assists suppliers to improve their comprehensive capabilities and achieve common growth, thereby strengthening the overall competitiveness of the supply chain.

Case Sany Heavy Equipment supplier conference ▼▼▼

Sany Heavy Equipment grandly convened its 2024 Supplier Conference under the themes 'Embarking on a New Journey, Forging New Glory' and 'High-Quality Development, Global Win-Win Cooperation.' The event brought together over 120 global supplier partners and more than 300 supplier representatives in Shenyang to discuss industry trends and collaboratively strategize for future growth.

To recognize suppliers' outstanding contributions in quality assurance, supply stability, collaboration, and service over the past year, the conference honored 38 suppliers with five distinct awards: 'Best Strategic Partner,' 'Excellence in Quality Award,' 'Outstanding Supplier,' 'Best Collaborative Supplier,' and 'Top Supply Reliability Supplier'.



Case The 10th Sany Marine Heavy industry supplier conference ▼▼▼

To strengthen supplier collaboration and jointly enhance product quality and core competitiveness, Sany Marine Heavy Industry convened its 10th Supplier Conference in Zhuhai on December 13, 2024, under the theme 'A New Journey to Ten Billion, Achieving Success Together.' Chairman Fu Weizhong outlined the Company's philosophy through three pillars-'customer-centric responsiveness,' 'mutual benefit through shared success,' and 'deep customization via collaboration'-while recognizing collective achievements in globalization, digitalization, and decarbonization over the past year. Suppliers engaged in in-depth discussions on innovation synergy, technical cost reduction, and knowledge sharing, exploring new cooperative opportunities.

Case Sany Silicon Energy factory visit ▼▼▼

In 2024, Sany Silicon Energy maintained proactive communication with suppliers through factory visits and on-site exchanges, strengthening partnerships and facilitating industry knowledge sharing. These engagements enhanced mutual understanding, effectively bolstered supplier confidence, and improved suppliers' comprehension of the Group's supply chain policies.

Supplier Development Program

To enhance supplier capabilities and achieve mutual growth, the Group actively implements supplier development initiatives. Based on individual supplier assessments and needs, the Group provides customized training programs to improve their operational competencies and management expertise.

During the on-site evaluation of suppliers, the Group provides follow-up rectification and management improvement measures in the GSP system for the problems identified. The supplier will rectify the problems and submit them to the evaluation experts for review and approval to complete the closed loop of problems, which effectively avoids the supplier from neglecting the rectification of problems and further helps the supplier to improve its management capability.

Customer Service

The Group always adheres to the customer-centric service concept and is committed to building an all-round, multi-level customer service system to provide customers with efficient, convenient and intelligent service experience, so as to meet the growing needs of customers, enhance customer satisfaction and loyalty, and help enterprises achieve long-term development.

Customer Service System

The Group has established a comprehensive and advanced customer service system covering a wide range of service channels and methods to ensure that it can respond to customers' needs in a timely and efficient manner.

Case

Sany Customer Cloud Platform

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By building the Sany Customer Cloud Platform, the Group has constructed a fully digitalized, networked and intelligent eco-cloud, which provides "one-click quick call" services, automatically matches service engineers, and provides customers and partners with performance management solutions covering the entire life cycle of equipment.

Coal Machine Lecture Hall	Cloud Services	Intelligent Call Center	Accessory Mall	Logistics Visibility
Construct an online communication platform for learning and training, which can realize online learning, live teaching, online examination, message interaction, etc.	Realize remote service visualization, back-office experts and front-line service instantly share the vision of the fault site, supporting the service engineers in need to solve the difficult faults efficiently and quickly.	Through the customer cloud or virtual phone and other tools, remote online guidance to customers to deal with faults, intelligent voice browsing, visualization IVR, customers, customer service, engineers instant online three-way call or video.	Relying on Sany customer cloud platform, the Company has established an online parts mall where customers can place orders for parts online.	Realize the whole process of parts shipment online query, logistics status visualization display

Comprehensive Customer Service System


In addition, Sany International's business segments use intelligent services to achieve rapid response to customer demand, continuously optimize service quality, and fully protect customer rights and interests.

Sany Heavy Equipment




The customer platform is upgraded from the customer cloud to the intelligent Gongchengjia platform, where customers are summoned through online one-click, service engineers take orders online through the CRM system, and the whole service process of receiving, departing, arriving, completing, and evaluating is visualized online, with a service efficiency score of 98 points in 2024. Conducted six monthly training sessions for operators and maintenance personnel to enhance the skill level of operators of customer equipment and improve the efficiency of equipment operations.

Sany Marine Heavy Industry



Establishment of green channel to deal with downtime faults: downtime faults by the CEO's daily breakfast meeting special scheduling, missing materials through the direct delivery of suppliers, disassembled to ensure supply and other means of air transport to the site, solving the customer's equipment downtime problems at the first place.

Sany Energy



Customers can through the "intelligent Gongchengjia APP", remote one-key quick call, the system can combine with the location of the equipment and other information intelligently dispatched to the service engineer, the service engineer will communicate with the customer within 15 minutes, and arrive at the customer site within 2 hours.

Examples of Business Segment Customer Service


During the Reporting Period, the Group continued to carry out service roadshows, conducted comprehensive physical examinations of customers' equipment, focused on troubleshooting and prevention of problems, inspected the use of new products, listened to customers' voices, improved customer satisfaction and created value for customers.

Case

Sany Heavy Equipment service miles

▼▼▼

In 2024, led by the Overseas Service Support Department of Sany Heavy Equipment, with the participation of all regions, the Group started the Service Miles Activity with the theme of "Smart Benefits, Winning the Future Together" for the global mining equipment customers. Through equipment inspection, customer visits and training, problem and suggestion collection and solution, etc., Sany Heavy Equipment went into customers and listened to their voices: a total of more than 1,800 sets of heavy-duty equipment inspections were completed, with an inspection completion rate of 132%; 78 seminars and training sessions were held, covering 560 customer service personnel; 152 problems were solved, and 66 voices of customers were adopted.




Case

Sany Energy service miles

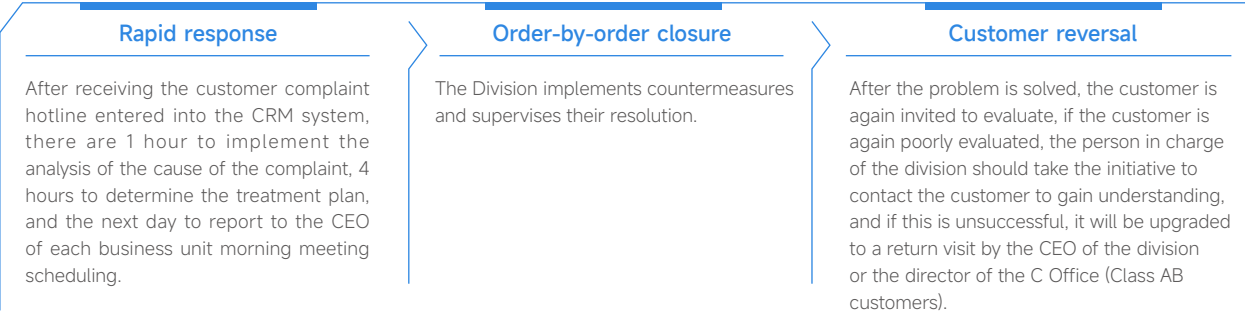
▼▼▼

Through special customer visits, inspection of customer equipment, cleaning up of problems, and enhancement of customer adhesion and service experience, Sany Energy visited 165 customers, inspected 1,237 units of equipment, conducted 48 training sessions, collected 462 suggestions, and received 13 silk flags and thank-you letters from customers during 2024 Service Miles.



Customer Complaint Handling Channels and Processes

The Group has established comprehensive customer complaint handling channels and processes to ensure that customers' problems can be solved in a timely and effective manner. Customers can submit their complaints through various means such as service hotline, online customer service and emails, etc. Complaints will be recorded and categorized immediately upon receipt, and will be responded to and handled quickly by a professional team, and the results will be fed back to the customers in a timely manner, so as to ensure customer satisfaction. As at the end of the Reporting Period, the number of customer complaint cases of the Group totaled 19, and the resolution rate of customer complaints reached 100%.



Customer Complaint Handling Process

Customer Satisfaction Survey and Results

The Group attaches great importance to customer satisfaction surveys and regularly collects feedback from customers through various means, including SMS return visits, telephone return visits and offline return visits, etc., to investigate customers' comments on equipment quality, accessories and services, and to comprehensively understand customers' satisfaction with products and services as well as suggestions for improvement. Through in-depth analysis of the results of the customer satisfaction survey, the problems and deficiencies in the service are found in a timely manner, and improvement measures are formulated in a targeted manner to continuously improve the quality of service and increase customer satisfaction and loyalty.

In 2024, each business segment collects customers' rating scores from multiple dimensions, such as product quality, delivery, service, packaging and price, and makes an analysis report based on customers' improvement suggestions and requirements.

Sany Heavy Equipment

Customer satisfaction score of 88.4 in 2024 ranked second in Sany Group

Sany Marine Heavy Industry

With a service satisfaction score of 84.5 in 2024, customer satisfaction ranked third in Sany Group.

Sany Energy

The annual satisfaction score for 2024 is 78.38, including 83.45 for service satisfaction, 79.15 for parts satisfaction, 77.32 for quality satisfaction, and 74.42% net recommendation. Overall a total of 57 quality issues and recommendations collected, 22 service issues and recommendations, 28 parts issues and recommendations, all issues and recommendations have been analyzed for reasons and countermeasures. The overall trend is lower in the first half of the year and higher in the second half.

Sany Silicon Energy

The 2024 Customer Satisfaction Survey evaluation score of 95.7 for the current year's major customers is a slight improvement over the 2023 average score (95.57).

Case

Sany Heavy Equipment overseas customer recognition

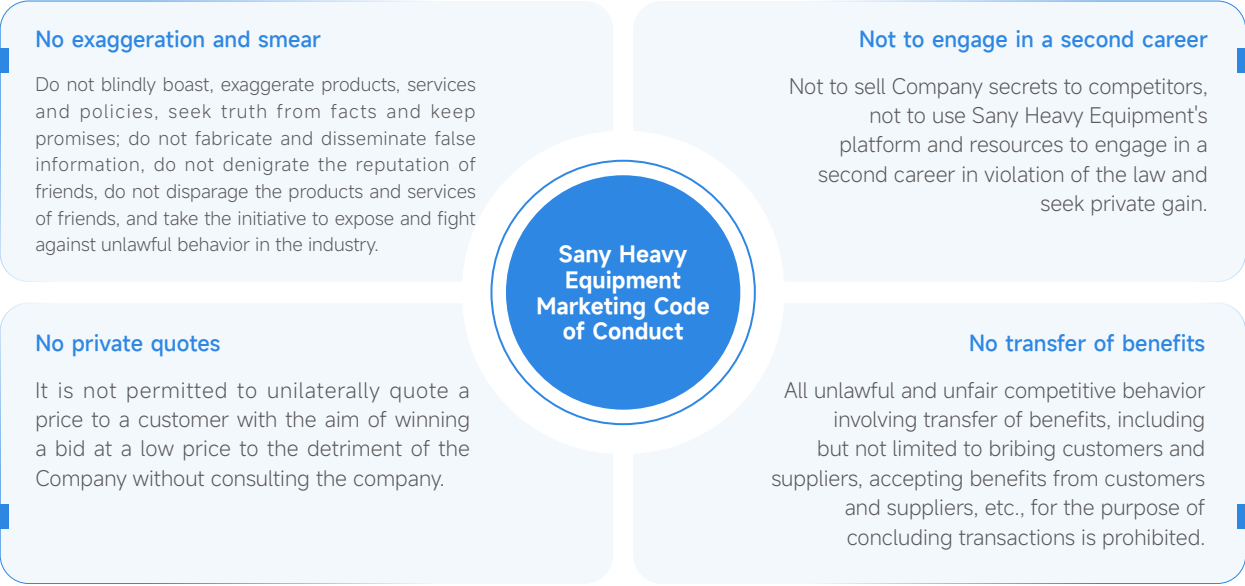
Sany Heavy Equipment Suriname service team stood firm with the service exceeding the customer's expectation, and gained 1 silk flag from the customer, the customer re-purchased 10 sets of mining trucks, and the service team gained high praise from the customer.

Responsible Marketing

The Group strictly complies with the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China Against Unfair Competition* and other relevant laws and regulations, and has established a comprehensive compliance and publicity system and policies to ensure that the contents of its brands and advertising campaigns are truthful, accurate and lawful. The Group is committed to resolutely eliminating false propaganda, exaggeration and other malpractices in its marketing activities, adhering to honesty and integrity, and conveying the value of its products and services to consumers with truthful and objective information. The Group has established a strict

internal penalty mechanism, and will impose financial penalties, demotions, suspensions and even dismissals as administrative penalties on the relevant responsible persons for any violation of the principle of responsible marketing once it is found to have occurred.

Sany Heavy Equipment combined with its own characteristics and industry norms, formulated a marketing code of conduct with "four no's" as the core, which provides clear norms and guidance for marketing activities, and ensures that all publicity behaviors are in line with the requirements of the law and social and ethical standards.



04

Employee

The Group consistently regards its employees as the core resource for corporate development. Grounded in a corporate culture dedicated to cultivating top-tier talent, the Group thoroughly implements talent recruitment and development strategies. The Group provides employees with a comprehensive talent training mechanism, scientific career promotion channels, a robust welfare and benefits system, and reasonable incentive measures, all aimed at enhancing their sense of identity and belonging to the company.

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Employee Employment

Compliant Employment

The Group resolutely upholds international conventions and principles, including the *Universal Declaration of Human Rights*, the *ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work*, and the *Ten Principles of the UN Global Compact*. The Group strictly complies with regulations concerning minimum working age, working hours, leave policies, and related provisions. At the same time, the Group actively implements national labor protection laws, such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. Through internal policies, including the *Recruitment Management System*, the *Recruitment Channel Optimization Management Measures* and the *Process and Management System for Jointly Running a School*, the Group systematically standardizes talent selection processes and employment criteria to ensure professionalism in

talent acquisition from the outset. Furthermore, the Group provides fair and reasonable employment opportunities and humane treatment, guaranteeing that employees are not discriminated against or treated differently based on gender, age, race, region, religion, marital status, or any other factor.

The Group strictly prohibits all forms of human trafficking, child labor, and forced labor. The Group rigorously adheres to the *Provisions on the Prohibition of Using Child Labor* and complies with the *Law of the People's Republic of China on the Protection of Minors*. During recruitment, the Group conducts thorough background checks to explicitly prohibit the hiring of individuals under the age of 16, ensuring that all employees work voluntarily. During the Reporting Period, the Group had no incidents of child labor or forced labor.

Talent Acquisition

The Group places high importance on talent acquisition and intellectual recruitment. The Group actively carries out talent introduction initiatives through diversified recruitment channels, including internal competitive recruitment, employee referrals, campus recruitment, and social hiring. For campus recruitment, the Group regularly organizes offline information sessions and job fairs, maintaining long-term partnerships with numerous universities. The Group continuously advances university-enterprise collaboration programs to attract an increasing number of outstanding graduates to join the workforce. Regarding social recruitment, the Group collaborates with leading domestic job platforms and headhunting firms to actively expand recruitment channels, providing robust support for long-term development.

Case

Sany International Campus Recruitment Initiative

In March and September-October 2024, Sany International conducted its campus recruitment program, visiting a total of 8 universities including Chongqing University, Guangxi University, Wuhan University of Technology, and South China University of Technology. The company organized campus recruitment activities featuring both information sessions and on-site career fairs. Additionally, Sany International held discussion forums with university administrators and faculty members to actively explore potential models for university-enterprise collaboration.

Case

Sany International university-enterprise joint talent development program

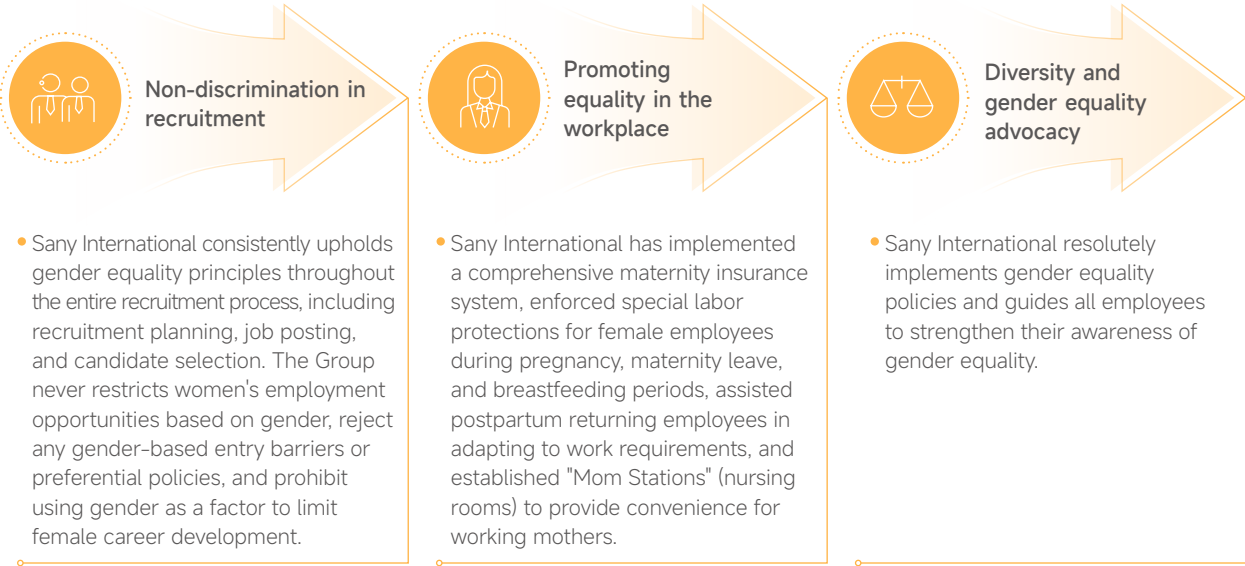
In 2024, Sany International extensively engaged in university-enterprise collaboration through various initiatives including joint R&D projects. The Group has successfully established and implemented joint talent development programs with Wuhan University of Technology and Hunan University, fostering the cultivation of students through these partnerships.



During the Reporting Period, the Group had a total of 8,490 employees, with an average turnover rate of 28.8% across all business divisions.

Human Rights Protection

The Group places high importance on fostering diversity and equality, actively safeguarding the labor rights of female employees, employees with disabilities, ethnic minorities, and staff from different countries. The Group strictly prohibits any incidents of discrimination, harassment, or bullying, and ensures that no employee faces unfair treatment based on age, gender, physical condition, race, nationality, religion, or any other factor.



The Group has always placed the protection of employee rights and humanistic care at the core of corporate development, establishing a system for employee democratic participation and respecting employees' rights to freedom of association and collective bargaining to promote harmonious and stable corporate growth. To achieve this management objective, the company has implemented a trade union system as a two-way communication bridge. The trade union not only represents employees in corporate decision-making and safeguards their legitimate rights and interests but also regularly organizes various thematic activities to enhance team cohesion and members' sense of belonging.

Through this democratic channel, employees can fully exercise their right to provide suggestions and deeply participate in corporate governance, ensuring grassroots voices are incorporated into decision-making considerations. Simultaneously, the trade union mechanism serves as a demand perception system for management, continuously optimizing management models, improving welfare systems, and enhancing workplace environments by collecting and analyzing employee feedback, effectively boosting employee engagement and organizational identification. For all decisions involving employees' vital interests, the Group involves employee representatives in the voting process.

Compensation and Welfare

Compensation and Welfare

To attract, motivate, and retain high-caliber talent while building a strong human resource foundation for business growth, the Group has established a market-competitive compensation system for employees. Beyond meeting statutory national requirements, the Group implemented comprehensive internal policies including the *Management System for Staff Incentives and Integrity*, the *Management Measures for Staff Incentive Scheme*, the *Paid Annual Leave Management Process*, the *Employee Welfare Management Regulations*, and the *Reward and Punishment Management Process*. Guided by the principle of equal pay for equal work regardless of gender, these policies fully address employee needs and ensure multi-dimensional compensation fairness.

Basic welfare

Legal holidays are given according to national regulations, such as marriage leave, bereavement leave, maternity leave, paternity leave, breastfeeding leave and work-related injury leave;

Employees in Chinese Mainland: Five insurances and the housing fund are paid according to law;
Employees in Hong Kong SAR: Medical insurance and year-end bonus are provided;

Special groups (foreign experts, personnel on business trips abroad): The corresponding insurance is covered.

Welfare for all employees

All employees receive standardized birthday welfare in kind valued at RMB 100 per person;
Employees receive cash rewards based on their job grade for milestone birthdays;

Festival welfare in kind are distributed during holidays;

Housing welfare include providing staff dormitories and other accommodations;

Heatstroke prevention and cooling welfare;

Meal allowance;

Clothing welfare;

Transportation welfare;

Employee event welfare;

Schooling welfare for employees' children.

The Group provides all employees with non-monetary welfare including retirement and pension plans, demonstrating the commitment to sustainability through comprehensive long-term security mechanisms that embody the humanistic care.

Non-monetary and other welfare

Commercial insurance:
The Group provides overseas accident and medical insurance for employees on international business trips.

Occupational disease medical examination:
The Group provides free annual health check-ups for management employees and free occupational disease medical examinations for frontline production workers annually.

Occupational health examination:
The Group conducts regular annual occupational health examinations for positions involving occupational health hazards.

Equity Incentive

The Group has also established a diversified employee performance system that incorporates mechanisms such as equity incentives to enhance employees' income levels and share the company's development achievements with them, thereby boosting work motivation and professional fulfillment while continuously strengthening employees' confidence in the company's future growth. During the Reporting Period, the Company resolved to grant 27,061,582 restricted shares to 2,394 eligible participants under the terms of the 2019 Restricted Share Award Plan.

Equity incentive:

- The Company has implemented an employee stock ownership plan, granting equity incentives to middle/senior management and R&D positions, covering approximately 30% of the workforce.

Performance Bonus

The Group have established a multi-performance system to all employees such as year-end performance bonus, profit-sharing plan and extraordinary target rewards. The Group provides reasonable performance components for R&D, sales, senior management, and front-line employees and issue performance rewards according to employees' contributions. In 2024, over 200 employees participated in the profit-sharing plan.

Training and Development

The Group adheres to the philosophy of "Build A First-class Enterprise, Foster First-class Talents, Make First-class Contribution", consistently regarding talent as the key driving force for corporate development by perfecting career growth pathways and optimizing training systems to create a comfortable workplace environment, providing employees with diversified development platforms for mutual growth and progress.

Employee Training

The Group has established internal management systems including the *Training Management Process* and the *Training Management System*, and through scientific planning and clear training objectives, has created an online learning platform "Sany Online College" open to all employees, implementing categorized and tiered training for different levels of personnel such as executives and general staff to ensure comprehensive coverage across the corporate. Additionally, in accordance with internal regulations including the *Entry Training Management Process*, the *Entry Training Management Measures* and the *Credit System Training Management System*, the Group sets clear annual training targets for both new hires and existing employees.

R&D

- Professional knowledge and skills
- Patent knowledge and risk management
- Data analysis model
- Standardized management

Business

- Supplier management
- Procurement budget planning
- Customer communication and service
- Marketing knowledge training

Quality

- Quality control tools
- Quality management system and research
- Operation safety training

Career Development

- Human resources management
- Leadership training

Employee Training Program

Internal Training

The Group systematically implements a multi-level training system focusing on key position competency building, professional skill enhancement, and organizational standardization development goals:

Project	Target participants/content	Frequency/Cycle	Coverage	Key achievements
Pre-appointment training for key positions	Level 2 & 3 positions	3 sessions	-	Delivered 5 key talents
Annual training program	All employees	99 days/person/year	All employees	Institutionalized learning time guarantee
Professional certification exams	9 major business lines	Annual coverage	All employees	Driving "everyone being professional, and professionalism for everyone" transformation
Frontline team leader training	New employees, QC team leaders	6 sessions (including promotion training)	70+200	Produced "Team Leader Work Manual"
Promotion training for key line positions	Marketing, HR, office operations	3 sessions	8 passed	Mandatory training-result linkage for promotion qualifications
Project manager certification	R&D project managers	1 session	25 passed	Implementation of professional certification mechanism
Specialized training for delivery managers	Microgrid project delivery managers	5 days	11 people	Filled talent gap in business area
Full-process IPD training	R&D quality, requirements management	3 sessions + monthly intensive training	55 people	Key positions receive 2-day monthly offline intensive training
Group youth camp input	Fresh graduate reserve talents	Annual recommendation	2 people	Entered group talent pool
Headquarters promotion training participation	Key position employees	Annual	22 people	Cross-level talent development linkage

Overview of Employee Training in 2024

Case

IPD full-process training

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In November 2024, the Group organized specialized IPD system training covering key position employees in offline intensive sessions and core position employees participating via online live streaming. This training emphasized the strategic value of the IPD system for full product lifecycle management and cross-departmental collaboration efficiency enhancement, while systematically analyzing core methodologies for IPD process optimization, resource integration, and market-oriented implementation.



Case

Conducted Business Leadership Model (BLM) training to advance towards becoming a strategy-driven enterprise

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In April 2024, the Group organized a global Business Leadership Model (BLM) study and assessment training program aimed at enabling key personnel within the Group to learn advanced strategic planning concepts and methodologies while enhancing their strategic planning and execution capabilities.



Case

Sany Marine Heavy Industry conducted practical training on Product Lifecycle Management (PLM) and Creo Parametric Design

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In November 2024, Sany Marine Heavy Industry - Smart Port Machinery Research Institute conducted dual-module practical training on Product Lifecycle Management (PLM) and Creo parametric design for new hires, adopting a "theoretical explanation + real-time operation + in-class testing" approach covering the full-process management logic of PLM systems and core skills in Creo 3D modeling and parametric design.



External Professional Qualification Training

In 2024, the Group implemented external professional qualification training covering 10 major job categories including R&D, business, quality, and process engineering, targeting key positions, core positions, frontline production roles, and support functions; over 100 employees passed external certification assessments and successfully obtained authoritative professional qualifications such as PMP (Project Management Professional), NPDP (New Product Development Professional), and Certified Purchasing Manager, further enhancing their job-specific professional competencies.

Case

Advanced talent development

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During the Reporting Period, the Group selected some core talents to pursue advanced studies at China Europe International Business School, enhancing their management vision and strategic thinking through systematic learning to build a reserve of high-level management talents.

CEIBS | EMBA

中欧国际工商学院高级管理人员工商管理硕士(EMBA)课程
China Europe International Business School Executive MBA Programme

预录取通知

尊敬的梁先生:

我很高兴地代表中欧国际工商学院EMBA招生委员会通知你,你已被预录取为本院高级管理人员EMBA课程2024级秋季班新生。祝贺你!

中欧国际工商学院秉承“认真、创新、追求卓越”的校训,培养兼具中国深度和全球广度,并积极承担社会责任的领导者。欢迎你加入中欧,开启两年充实的学习之旅,与中欧人一起在严谨治学、积极进取的氛围中,追求自我的提升与完善。

申请中欧是你的选择,也是我们的荣幸。加入中欧不是一个结果,而是一个新的开始。我们期待着你在校园欢迎的时刻,并深信你在中国学习的两年将是你人生中最值得回忆的一段时光。我们衷心希望你在中欧所收获的知识能为你终生学习和事业腾飞源源动力。

请在2024年5月25日前点击“预录取确认”确认入学意愿。收到确认后,我们将为你保留EMBA课程2024级秋季班的入学资格。开学前将给你发送EMBA课程2024级秋季班录取通知书。

如有问题,请通过电话 (0755-3699 5166) 或电邮 (embasz@ceibs.edu) 联系中欧EMBA课程部。

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录取通知

亲爱的唐伟斌同学:

我很高兴地代表中欧国际工商学院EMBA招生委员会通知你,你已被录取为本院高级管理人员工商管理硕士EMBA课程2024级春季班——深研1班A班新生。祝贺你!

中欧国际工商学院秉承“认真、创新、追求卓越”的校训,培养兼具中国深度和全球广度,并积极承担社会责任的领导者。欢迎你加入中欧,开启两年充实的学习之旅,与中欧人一起在严谨治学、积极进取的氛围中,追求自我的提升与完善。

申请中欧是你的选择,也是我们的荣幸。加入中欧不是一个结果,而是一个新的开始。我们期待着你在校园欢迎的时刻,并深信你在中国学习的两年将是你人生中最值得回忆的一段时光。我们衷心希望你在中欧所收获的知识能为你终生学习和事业腾飞源源动力。

During the Reporting Period, the total training and development hours for Sany International employees amounted to 365,052 hours.

Employee Promotion

To ensure the fairness and impartiality of the promotion mechanism and establish a scientific talent development system, the Group has implemented systematic promotion management policies that drive employee career development and organizational effectiveness through three key mechanisms: talent inventory, talent identification, and performance management.

Talent inventory mechanism

On a semi-annual basis, the Group conducts comprehensive evaluations of employees through 360-degree assessments, professional certifications, and annual performance reviews over the past three years, categorizing talents into a 16-grid matrix with the top 20% ranked employees identified as high-potential candidates who receive priority access to promotion training programs across various business lines.

Talent identification mechanism

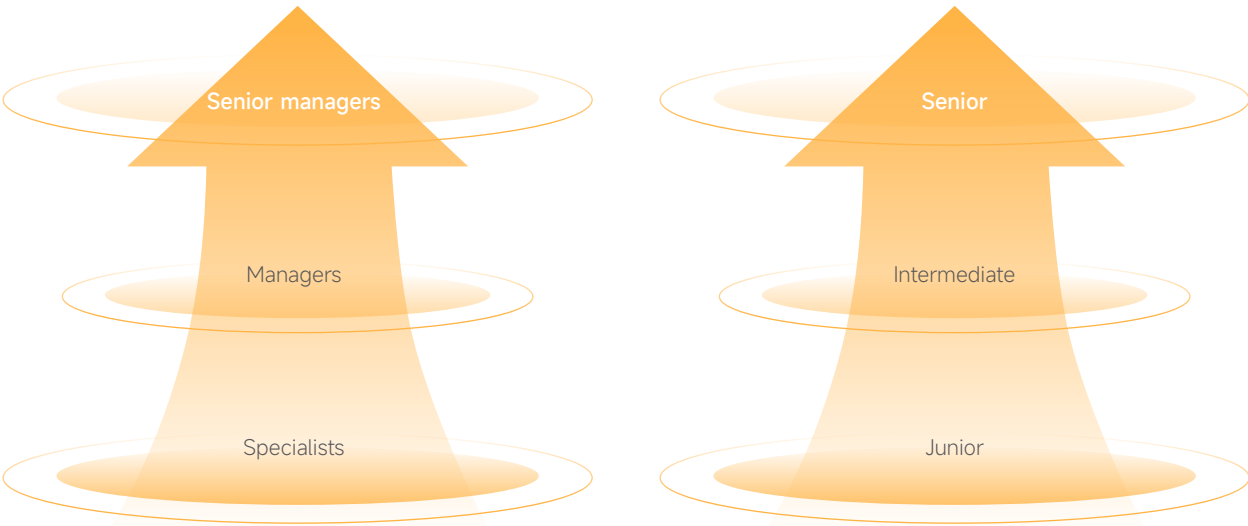
The Group combines business unit recommendations with HR evaluations (considering talent inventory results, age, potential, etc.) to identify outstanding talents for inclusion in the high-potential talent pool and recommendation for general manager meetings; top performers may participate in specialized training programs and be included in the key position succession pool as priority candidates for promotion.

Performance management

The Group has established a promotion performance evaluation system covering all employees, objectively recording and scientifically assessing work achievements through tiered implementation of debriefing reviews and performance evaluation mechanisms to ensure fair recognition of work value at all levels. Additionally, the Group will determine performance bonuses based on employee performance evaluation results.

Employee Promotion Mechanism

Employees must complete a series of established procedures to qualify for promotion opportunities. The Group identifies high-potential talents through its comprehensive promotion mechanisms, including talent inventory assessment, talent identification, and performance management systems. Selected candidates undergo rigorous evaluation by a professional review team that assesses their professional competencies and technical expertise before being included in the future talent pipeline for promotion at appropriate opportunities. Furthermore, the Group has designed clear career progression paths tailored to the distinct characteristics of both management positions and professional technical R&D roles.



Employee Care

The Group practices humanistic care and values employee health, aiming to create a warm work environment for employees by providing comprehensive communication channels and an integrated health protection system that offers all-round meticulous support and care for their lives.

Employee Communication

The Group is committed to creating an equal, smooth, and transparent communication environment by encouraging employees to actively contribute ideas and maintaining open dialogue through channels such as employee forums and satisfaction surveys to build an open communication platform that listens to every employee's voice and jointly drives the company's continuous growth.

Case

Employee communication channels

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The Group values and listens to all employees' opinions and voices by establishing multiple communication and grievance channels including email, phone calls, chairman's mailbox, internal systems, new employee communication meetings, interview sessions, and administrative special discussion meetings to promptly understand and respond to employee feedback. The Group commits to communicating with employees within 2 days after receiving complaints, promptly forwarding issues to the review committee, and arranging personnel to resolve employee concerns within 3 days.

Case

Employee satisfaction survey

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During the Reporting Period, the Group continuously optimized employee experience through systematic mechanisms by conducting monthly/quarterly/annual online satisfaction surveys covering office facilities, accommodation, security, dining, and property management. In 2024, Sany Heavy Equipment achieved an employee satisfaction score of 97 points, ranking first among the Group's 9 Tier-1 campuses. Additionally, Sany Energy and Sany Silicon Energy released online employee satisfaction questionnaires focusing on catering services, property cleaning, office experience, and security access, specifically collecting data from employees entering/exiting campuses and cafeteria diners while using sampling surveys to ensure result objectivity. In 2024, the Zhuzhou industrial zone employee satisfaction score improved to 96 points (out of 100), representing approximately 10% growth compared to the 2023 score of 87 points.

In 2024

Sany Heavy Equipment achieved an employee satisfaction score of **97 points** ranking **first** among the Sany Group's 9 Tier-1 campuses

the Zhuzhou industrial zone employee satisfaction score improved to **96 points (out of 100)** representing approximately **10%** growth compared to the 2023 score of 87 points.

Employee Care

The Group values humanistic care and continuously addresses employee needs by organizing various activities, lectures, and seminars to enrich employees' extracurricular cultural life and enhance their sense of fulfillment, belonging, and happiness.

Case

"Summer Cooling Care" initiative

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In August 2024, amidst the scorching summer heat with continuously rising temperatures, the Group organized the "Summer Cooling Care" initiative to effectively safeguard frontline workers' health and labor safety by distributing cooling beverages, heatstroke prevention medicines, sun protection supplies and other care packages to frontline employees, allowing them to feel refreshing coolness and care during the extreme heat.



Case

Neighborhood Family & Medical Care Campaign

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In 2024, focusing on employee health management, the Group collaborated with Provincial Directly Affiliated Traditional Chinese Medicine Hospital in Zhuzhou to conduct continuous health lectures for employees from April to June while providing door-to-door services such as acupuncture and massage, and established a green medical channel at the hospital to safeguard employee health.



Case

Employee care symposium

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The Group conducts monthly employee forums to address daily needs within the campus including clothing, food, housing, and transportation while identifying and resolving work-life challenges, having successfully resolved 68 employee requests throughout the year such as establishing parcel collection stations, adding beverage bars, and solving employee parking issues.

Solving a total employee needs of

68



Case

Staff Fun sports day



In 2024, employees of the Group participated in the Staff Fun Games organized by Sany Group, featuring five innovative team challenge events under the theme "Unity and Solidarity, Forging Ahead with Determination, Scaling New Heights, Advancing Steadily and Sustainably, and Spreading Happiness," where employees fully demonstrated their team spirit and competitive enthusiasm through active participation in various competitions, embodying the outstanding qualities of Sany people - perseverance, hard work, and pioneering innovation - through their actions.



Case

"Children of the Sea, Growing Together" migrant bird parent-child activity



On August 15, 2024, Sany Marine Heavy Industry organized a family day event where employees brought their children to visit automated assembly lines and robotic workstations, expanding the children's horizons and sparking their interest and enthusiasm for mechanical intelligence.



Occupational Health and Safety

The Group adheres to the occupational health and safety management policy of "full participation, prevention first, safety and health, compliance with laws and regulations, and continuous improvement," strictly complies with relevant laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and has revised and improved multiple safety systems such as the *Hidden Hazard Investigation and Management System*, *Emergency Response Plan for Sudden*

Safety Accidents, *Contractor Safety Management System*, *Work Safety Responsibility System*, and *HSE Reward and Punishment System*, while requiring contractors to sign the *Safety and Environmental Protection Agreement* which obligates them to comply with the Company's specified work safety rules and regulations and designate on-site work safety supervisors, with the requirement that suppliers must promptly report any major accidents for further evaluation of their supply qualifications.

Occupational Health and Safety Management System

The Group has established the Occupational Health, Safety and Environment (HSE) Management Department to conduct systematic identification and assessment of operational risks across all positions and reduce workplace health and safety risks through preventive measures, with all subsidiaries simultaneously setting up corresponding Safety, Environmental Protection and Occupational Health Management Committee (Safety Committee) chaired by subsidiary general managers to coordinate the implementation of work safety and occupational health concepts throughout the entire production and operation process while regularly providing specialized reports to the board of directors to strengthen the protection of employees' occupational health rights and jointly build a safe, healthy and orderly workplace environment.

To strengthen the work safety responsibility mechanism, the Group has incorporated work safety management objectives into the performance evaluation systems of managers at all levels (including subsidiary general managers) while linking part of the directors' performance assessments to work safety performance.

By the end of the Reporting Period, all the Group's facilities that had passed acceptance inspections, been put into operation, and maintained stable operations for at least one year had fully obtained ISO 45001 Occupational Health and Safety Management System certification. Additionally, Sany Energy successfully passed the 2024 HSE system annual audit and obtained the Hunan Province Level II Safety Standardization Enterprise certification.

Management by Objectives

The Group strictly complies with national work safety laws and regulations as well as industry standards, systematically strengthening the management mechanism for production operations and occupational health objectives by precisely embedding safety management responsibilities into each production process, while ensuring full compliance with HSE management standards across all business operations through the integration of Health, Environment and Safety (HSE) management system indicators into annual individual performance evaluation targets for all positions.

To ensure the achievement of work safety objectives, each subsidiary formulates annual HSE-specific plans and implementation programs, while functional departments collaborate with subsidiary HSE teams to establish coordinated supervision mechanisms and conduct

systematic identification and closed-loop rectification of HSE management weaknesses on a regular basis.

In terms of supply chain collaborative management, the Group adopts a "zero casualties" vision, focusing on key areas including employee safety protection, fire protection standardization, labor protection equipment configuration, special work permits, and special equipment maintenance, by establishing a series of safety management objectives covering contractors for implementation and control.

During the Reporting Period, all subsidiaries of Sany International fully achieved their annual safety and health targets, with 110 work-related injuries recorded and a total of 12,386 days lost due to work-related injuries.

Production Safety Management

Safety Risks Management

At the safety risk management level, the Group strictly adheres to the *Hazardous Sources Identification and Risks Assessment Control Procedure*, regularly collaborating with subsidiary business departments, safety management teams, and the Lean Quality Headquarters to promote standardized risk assessment through specialized workshops. Utilizing the LEC operational risk assessment method (quantitative scoring), Job Hazard Analysis (JHA), and Safety Checklist Method (SCL), the Group conducts dynamic risk scanning of key production processes including material cutting,

welding, hoisting, painting, final assembly, and logistics transportation, while developing differentiated control objectives and improvement plans based on assessment results. Additionally, the Group has further standardized the full-cycle management process for safety incidents, covering four major stages: incident reporting, root cause analysis, implementation of corrective actions, and verification of rectifications, systematically reducing the recurrence risk of similar incidents through the development of specialized preventive action plans.

Contractor Safety Management

The Group implements the same work safety accountability standards for contractor management as for its own employees, establishing occupational health and safety management systems that include contractors based on risk characteristics of different work scenarios, and applies systematic risk identification and tiered control across all production and operational processes. In accordance with the *Supplier Safety Management Regulations*, contractors are

mandatorily required to sign the *Safety and Environmental Compliance Commitment*, which explicitly stipulates strict adherence to the work safety regulations, designation of on-site primary safety responsible persons, and immediate reporting of major safety incidents to relevant departments as a core criterion for subsequent supplier qualification evaluations.

Additionally, the Group requires all employees (including contractors) involved in production activities to pass corresponding level safety assessment certifications to establish a closed-loop compliance access mechanism. Meanwhile, each production base develops annual emergency drill plans based on risk databases, routinely conducting multi-scenario practical exercises such as fire evacuation and equipment failure response to continuously optimize emergency plan effectiveness through stress testing, achieving a system upgrade from passive response to proactive prevention. Specifically, Sany Heavy Equipment mandates all construction teams entering the facility to sign safety agreements and complete training and examinations.

During the Reporting Period

a total of

60

safety agreements were signed



612 personnel

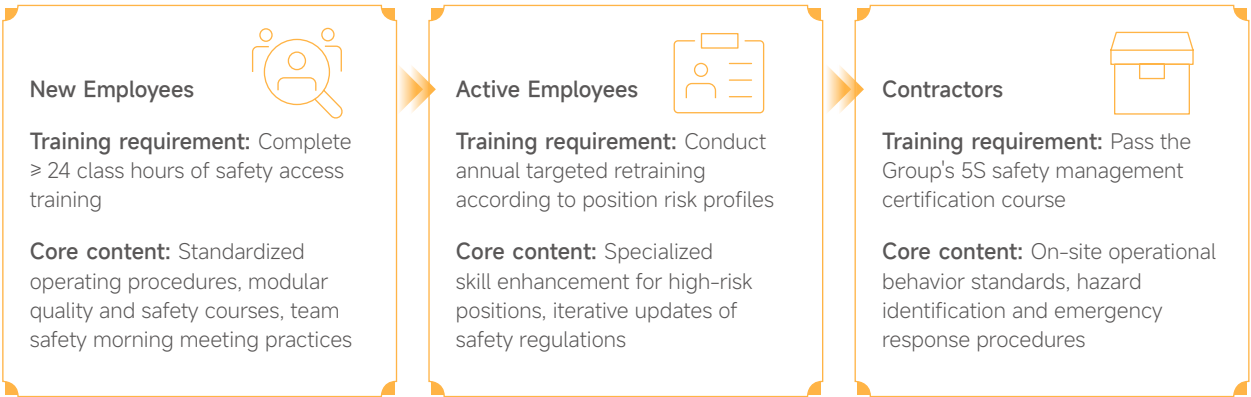
completed training and examinations



Safety Culture Construction

The Group incorporates work safety capability development into its sustainability strategy, continuously advancing safety culture initiatives by regularly conducting targeted work safety training programs for different employee groups to effectively enhance safety awareness and professional competencies.

Safety Culture Development Process



Case

Safety activities - Safety Month, Safety Day



In 2024, the Group conducted 7 Safety Day events throughout the year (including Occupational Disease Prevention Week, Work Safety Month, Fire Safety Month, etc.) while innovatively organizing special activities such as forklift skills competitions, safety knowledge contests, and "Sweeping Path" lectures to strengthen all employees' safety responsibility awareness.



Case

"Safety Learning Corner" safety education and training

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In 2024, the Group continued to carry out the "Safety Learning Corner" program, conducting specialized training on "Anti-Three Violations Safety Examination", "Occupational Health and Safety Examination", "Work Safety Responsibility System Examination", and "Special Equipment Safety Training" to enhance all employees' safety awareness.

During the Reporting Period

a total of over **20,000** participant attendances were recorded for these trainings.

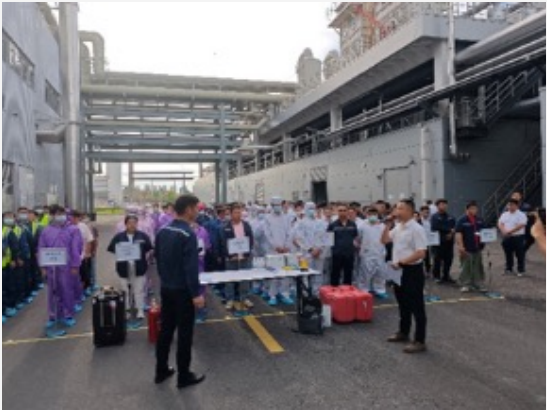


Case

Emergency evacuation and fire emergency drills

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In 2024, Sany Silicon Energy Zhuzhou industrial zone conducted emergency evacuation drills and fire emergency drills for workshop personnel in July and November respectively, while also implementing safety training on mechanical injuries, special equipment safety management, and confined space operations according to the annual training plan, with the completion of emergency plan updates and filings during the Reporting Period and a total of 66 emergency drills conducted throughout the year including 65 department-level drills and 1 company-level emergency plan drill.



Occupational Health Management

The Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and relevant domestic and international regulations by establishing internal specialized systems including the *Occupational Health Management System*, the *Occupational Disease Hazard Prevention Management System* and the *Occupational Health Monitoring and Archives Management System*, providing special position allowances for employees in specific operational roles while maintaining occupational health records and conducting regular health monitoring and examinations, and reducing occupational health risks through measures such as distributing personal protective equipment and adjusting work hours, while implementing comprehensive health surveillance from pre-employment to post-departure in accordance with the *Technical Standards for Occupational Health Surveillance* (GBZ188-2014), and adopting diversified preventive measures including occupational hazard warning signs, safety culture slogan campaigns, and mental health

consultation platforms to continuously reinforce employees' safety awareness.

The Group has developed an annual Occupational Health and Safety (OHS) plan for employees, breaking it down into monthly execution milestones to establish a closed-loop PDCA (Plan-Do-Check-Act) management system. The Group regularly commissions third-party testing agencies to conduct specialized assessments of occupational hazard factors in production areas. It then compiles and publishes the *Detection Report of Occupational Disease Hazard Factors at the Workplace*, detailing the types of hazards encountered at each position, exposure levels, and control effectiveness, ensuring employees fully understand the risk profile of their work environment.

Sany Energy

In 2024, Sany Energy organized occupational health examinations for frontline workers by engaging professional medical institutions to provide on-site physical check-up services, commissioned specialized agencies to conduct on-site testing of occupational hazard areas within the company and publicly disclosed the test results to all employees, formulated, updated, and released the *Labor Protection Equipment Management System* along with labor protection equipment allocation standards to distribute protective gear to employees monthly according to regulations, implemented a one-file-per-worker system for employees exposed to occupational hazards while installing numerous warning signs including occupational hazard notification boards in work areas.

Sany Silicon Energy

In March 2024, Sany Silicon Energy organized the revision of labor protection equipment allocation standards which were reviewed and officially released by respective responsible departments that strictly followed the standards for allocation and distribution of protective gear while inviting third-party agencies to conduct occupational hazard factor testing at work sites, and implemented 100% coverage of occupational health examinations for employees at onboarding, during employment and upon departure to safeguard their physical and mental wellbeing.

05

Environment

The Group consistently regards environmental protection and green operations as the solid foundation for sustainable corporate development. In active response to the national "Carbon Peak and Carbon Neutrality" strategic goals, the Group integrates green and low-carbon principles into all aspects of daily operations. By establishing a comprehensive environmental management system, the Group thoroughly implements climate change strategies while continuously optimizing resource utilization and emissions management. Through these concrete actions, the Group is leading its green transformation.

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Emission Management	78



Environmental Management

The Group strictly complies with relevant laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and the *Cleaner Production Promotion Law of the People's Republic of China*. The Group actively adopts international standards and industry guidelines, and has established internal environmental management systems such as the *Environmental Risk Prevention and Control Regulations*, *Environmental Emergency Response Plan*, and *Pollution Prevention and Penalty Measures* in accordance with ISO 14001 requirements, thereby further improving internal environmental management framework. As of the end of the Reporting Period, 100% of facilities that have passed acceptance inspections and maintained stable operation for over one year have obtained ISO 14001 Environmental

Management System certification. Notably, the Sany Silicon Energy Zhuzhou Module Factory has passed the cleaner production audit acceptance conducted by the Hunan Provincial Department of Industry and Information Technology.

Sany International's subsidiaries have established HSE Management Committees, which report directly to their respective chairpersons. Each production base has set up dedicated Environmental Protection Management Departments and appointed Environmental Specialists to centrally coordinate and manage all environmental-related operations. Additionally, the Group has designated qualified professionals to oversee key environmental aspects, including water resources, waste gas, solid waste, noise and other aspects.

Environmental Audit

Annually, Sany International's subsidiaries conduct regular environmental risk assessments and annual supervisory audits of major workplaces. They also engage qualified third-party agencies to perform external environmental risk audits. These audits analyze and identify environmental risk factors, management processes, and corresponding

responsibilities across all operational areas to promptly and effectively understand potential environmental impacts during operations and implement appropriate measures. During the Reporting Period, the Group did not experience any environmental compliance incidents.



Case

Sany Heavy Equipment - External environmental audit

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In 2024, Sany Heavy Equipment commissioned TÜV Rheinland (Shanghai) Co., Ltd. to conduct an external environmental audit of Sany Heavy Equipment's environmental management system and compliance status. Through a combination of on-site inspections and documentation reviews, the audit comprehensively evaluated all business units, operational facilities, and products. The Company successfully passed the audit and obtained a certification of compliance.

Case

Sany Energy Environmental Protection Management System annual surveillance audit - Internal audit

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In 2024, Sany Energy conducted its annual surveillance audit of the Environmental Protection Management System. Aligned with Sany International's sustainability strategy and current environmental management status, the audit involved a systematic review and examination of environmental management documentation. This ensured that environmental risk factors within operational scope remained under control, while tracking progress toward environmental targets including emission reduction goals, energy consumption objectives, and water resource targets. The final conclusions fully complied with all audit requirements.

Environmental Goals

Based on regular environmental risk assessment results, the Group has established corresponding environmental objectives and implementation pathways, with periodic reviews and progress monitoring of these targets.

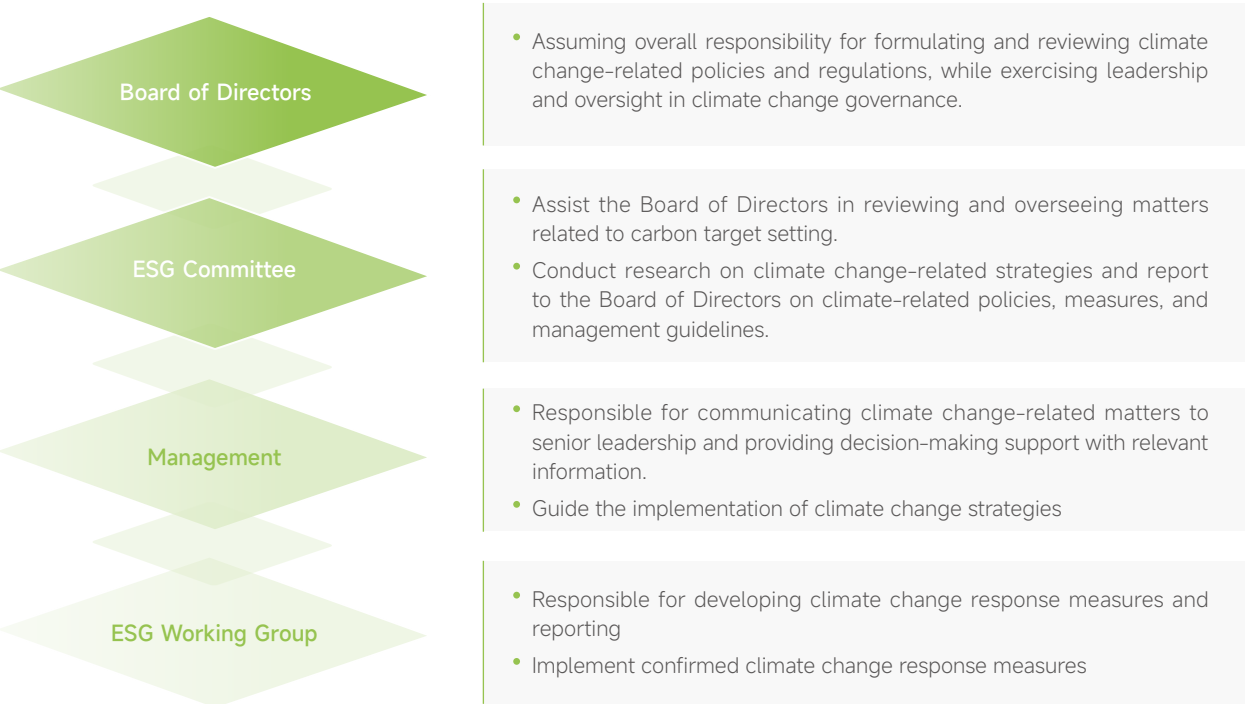
Emission reduction goal (Ton of carbon dioxide/ revenue of RMB ten thousand)	➤	By 2030, the GHG emissions intensity will be reduced by 25% compared with that in 2020
Energy consumption management (MWh/revenue of RMB ten thousand)	➤	Compared with that in 2020, the intensity of energy consumption(natural gas, heat, electricity, gasoline and diesel) will be reduced by 20% by 2030
Water resource management (Ton/revenue of RMB ten thousand)	➤	By 2030, the water consumption per RMB 10,000 of revenue will be reduced by 15% compared with that in 2020.
Waste reduction goal	➤	To achieve a 100% annual disposal rate of exhaust gas, wastewater and waste.

Climate Change

Driven by global climate action, the Group has actively responded to China's Dual Carbon Strategy by enhancing climate change governance and strategic planning. In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Group proactively conducts analysis and identification of climate-related risks and opportunities.

Governance

The Group has established a sound climate change governance system, with the Board of Directors as the highest decision-making body to guide the ESG Committee to systematically identify, assess and manage climate-related risks and opportunities:



Risk Management

The Group has integrated climate change risks into its enterprise-wide risk management framework. Through ongoing monitoring of climate risk developments, policy evolution, and industry trends, the Group has established a robust climate risk management process, with regular updates and refinements to both the climate risk identification matrix and corresponding mitigation measures.



Climate Change Risk Management Mechanism

Metrics and Targets

The Group has systematically established climate change-related carbon emission targets aligned with its operational realities and industry trends. Leveraging a robust environmental management system, the Group continuously enhances carbon emission governance, monitors and regularly discloses greenhouse gas data, while tracking and reviewing progress toward the goal of "achieving a 25% reduction in GHG emission intensity by 2030 compared to 2020 levels."

Index	Units	2024
Scope 1 greenhouse gas emissions	Ton of carbon dioxide equivalent	8,205.10
Scope 2 greenhouse gas emissions ²	Ton of carbon dioxide equivalent	207,667.60
Scope 1 and 2 greenhouse gas emissions	Ton of carbon dioxide equivalent	215,872.70
Greenhouse gas emission intensity	Ton of carbon dioxide equivalent/revenue of RMB ten thousand	0.0985

² The Scope 2 greenhouse gas emissions are calculated based on the market-based approach of the international GHG Protocol, using the 2022 national average grid electricity emission factor of 0.5366 (kgCO₂/kWh).

Resource Management

The Group actively promotes green development in its operations by deepening its energy management system, rigorously implementing water conservation initiatives, and committing to systematic reduction of its environmental footprint across the entire product lifecycle—from raw materials to packaging. This holistic approach fosters an industry-collaborative ecosystem for energy efficiency and emission reduction.

Energy Management

The Group strictly complies with the *Energy Conservation Law of the People's Republic of China* and related regulations, continuously strengthening its energy and environmental management system. Leveraging a digital energy management platform, the Group established an intelligent monitoring system that integrates real-time energy consumption tracking, clean energy substitution, and synchronized equipment retrofits for energy efficiency alongside process optimization. This smart energy governance framework accelerates progress toward China's Dual Carbon goals.

The Group utilizes diverse energy sources—including electricity, heat, oil, and natural gas—across complex multi-process production scenarios. To optimize efficiency, the Group deployed an intelligent energy monitoring system

across all industrial parks, integrating 5G and Industrial Internet technologies to establish a unified digital energy management platform. This system enables real-time data acquisition and monitoring for all facilities. Furthermore, leveraging dynamic energy topology modeling, the Group visualized all energy consumption patterns and conducts monthly in-depth analytics, significantly enhancing operational energy efficiency.

In terms of green energy application, the Group is actively committed to the research and development, production and sales of green energy photovoltaic products, one of the world's clean energy sources. Meanwhile, photovoltaic equipment is laid in a large area to provide daily office, lighting, equipment and other electricity for the plant through photovoltaic power generation, so as to realize the replacement of renewable energy.



In the domain of intelligent dispatching, the Group has established an Energy Management Leadership Team chaired by the General Manager to maximize the safety, stability, efficiency, and cost-effectiveness of corporate energy systems. Through comprehensive monitoring, diagnostics, and analysis of energy consumption and operational parameters across energy-saving equipment, core process machinery, and major energy-intensive devices, the Group implemented an integrated approach combining equipment retrofits, process optimization, and management strategy enhancements, which enabled the Group to deliver tailored system solutions—including energy-efficient products, customized conservation strategies, and intelligent energy service platforms—precisely adapted to the unique process characteristics of customer production lines.

Case

Sany Silicon Energy Consumption Reduction Initiative

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In 2024, Sany Silicon Energy further advanced its energy conservation initiatives in crystal pulling operations. Through process optimization of equipment, the volume of copper electrode columns was reduced, effectively minimizing heat loss and decreasing crystal pulling energy consumption by approximately **2 kWh** per unit.

As of the end of the Reporting Period, the validated Energy Reduction 2.0 solution is projected to achieve an additional reduction of about **7 kWh** while maintaining the original temperature conditions.

In green office initiatives, the Group actively promotes energy conservation awareness among employees and has established the Energy Consumption Management System for Non-production Areas, setting standardized requirements for energy-saving practices in daily operations and office activities.

Lighting system optimization

- Retrofitted factory lighting systems and optimize nighttime lighting protocols (enforcing "lights off when unoccupied," adjusting streetlight schedules, and calibrating workshop lumen levels) to reduce lighting electricity consumption by approximately 30%.

Internal fleet optimization

- The Group has transitioned all internal patrol vehicles and forklifts to electric models, while phasing out legacy shuttle bus services by developing walk-to-work residential zones for employees-significantly reducing carbon emissions.

Electricity efficiency optimization

- Implement staggered work shifts to encourage off-peak electricity usage, while establishing an inspection and evaluation system for energy consumption monitoring.

Energy storage facility deployment

- Promote the deployment of energy storage facilities to enhance photovoltaic power utilization efficiency.

Sany International Green Office Initiatives

Water Resource Management

The Group strictly complies with relevant laws and regulations including the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Regulation on Urban Drainage and Sewage Treatment*. The Group established internal water resource management systems such as the *Water Conservation Management Policy* and the *Energy Conservation Management Policy for Water Pumps*, which standardized corporate water-saving practices and effectively enhance employees' awareness of water conservation.

Currently, the Group primarily sources its water supply from municipal systems and has established a water conservation target to "reduce water consumption per RMB 10,000 revenue by 15% by 2030 compared to 2019 levels." Through proactive water-saving initiatives and awareness training programs, the Group is progressively implementing this goal while regularly tracking and monitoring progress. During the Reporting Period, the Group conducted periodic identification and assessment of potential water-related risks across operations, with no material water scarcity risks identified to date.

Water Conservation Awareness Campaign

- Water conservation posters and notices are displayed across all operational and office areas, with weekly inspections conducted in each zone to identify and address "long-running water" incidents

Digital Applications for Water Resource Management

- Utilize intelligent systems such as energy topology mapping to monitor and manage water consumption across industrial parks.
- Install smart meters with hierarchical monitoring capabilities on water faucets to enable real-time water usage data uploads, allowing immediate detection and response to water waste incidents.

Rainwater Harvesting and Reuse

- Install rainwater collection systems in various factory areas to utilize the collected rainwater for secondary purposes such as cleaning and irrigation.

Raw Material and Packaging Material Management

The Group has established a full-lifecycle raw material control system of "standard setting – process monitoring – anomaly tracing" in accordance with the ISO 14001 Environmental Management System and the *GB/T36132 Green Factory Evaluation Requirements*. By formulating internal management systems such as the *Loading Center Program Design and Remaining Materials Management System* and integrating an industrial internet platform, the Group has achieved digital management of raw material usage, assigning detailed management responsibilities at each stage to relevant personnel.

Furthermore, the Group is committed to the lightweight and reduced application of product packaging materials. Without compromising quality, it has established management systems such as the *General Specifications for Vehicle Accessory Packaging* and the *Packaging Standards for Outsourced Coating Parts*, while optimizing packaging designs that use wooden crates as raw materials. These measures systematically improve timber utilization efficiency.

Wooden sleepers can be reused as filling and cushioning materials for warehouse shipments, and can also be reprocessed into pallets.

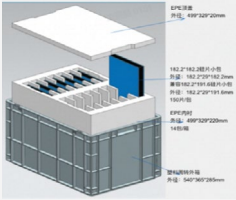

The main equipment and accessory supplies for production lines are recycled through disassembling wooden crates and pallets by the accessory company's warehouse. Some components can be directly reused after logo spraying, while others are disassembled and remanufactured for further utilization.

Case

Sany Silicon Energy - Recyclable packaging materials

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In 2024, Sany Silicon Energy further improved its circular recycling system for battery packaging materials, cumulatively recycling approximately 15,000 sets of EPE (Expanded Polyethylene) liners from packaging. Additionally, the company delivered 4,800 sets of reusable packaging materials to internal customers.



Emission Management

The Group actively implements green operation principles. To substantively reduce the environmental impact caused by its operations, it has established stringent management systems for wastewater, exhaust gases, waste materials, and noise, ensuring that all emissions within the scope of operations are handled in an environmentally friendly and compliant manner. During the Reporting Period, the Group did not incur any environmental violations or administrative penalties related to pollutant emissions.

Wastewater Management

The Group strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Wastewater Discharge Standard (GB 8978-1996)*, and other relevant laws, regulations, and requirements. Both industrial and domestic wastewater undergo standardized treatment before discharge.

Production wastewater

- The production wastewater is treated through dedicated equipment, including waste emulsion and paint spray wastewater treatment units. Only after meeting the Company's internal discharge standards is it transferred to the plant's integrated wastewater treatment station for further purification.
- Once all parameters comply with relevant discharge requirements, the treated wastewater is discharged into the municipal sewage pipe network for final processing at the city's wastewater treatment plant.

Domestic wastewater

- For kitchen cooking areas with oil drips, oil drip trays are installed to collect grease and waste oil from cooking fumes in advance, preventing water pollution from discharges. Canteen wastewater must be treated through grease traps and sedimentation tanks before disposal.
- It is discharged directly into the municipal sewage treatment system via the urban drainage pipeline network.

Wastewater Discharge Treatment Measures

To further enhance wastewater treatment efficiency, the Group continues to implement upgrading and renovation projects for its sewage treatment stations, significantly improving overall treatment capacity and operational efficiency. In daily operations, the Group strictly enforces the periodic replacement system for consumables such as activated carbon, filter cotton, and filter cartridges. Additionally, it annually commissions qualified third-party environmental monitoring agencies to assess the company's water pollution control performance, ensuring the stable and continuous operation of the wastewater treatment system while effectively improving the treatment efficiency of environmental protection facilities.

Waste Gas Management

The Group's waste gas emissions primarily include nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM), and volatile organic compounds (VOCs). In strict compliance with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other relevant regulations, the Group has established internal management systems such as the *Exhaust Gas and Wastewater Management Manual*, and the *Pollution Prevention and Control Punishment*. To continuously improve waste gas management efficiency and effectively mitigate operational risks and economic losses caused by emissions, the Group rigorously adheres to the *Exhaust Gas and Wastewater Management Manual*, implementing monitoring, treatment, and control measures for emissions generated across all production processes. This ensures that all waste gas emission indicators fully comply with national and local environmental regulations.



Waste Gas Emission Control Measures

Waste Management

The Group strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste*, and the *Indicator System for the Standardized Management of Hazardous Wastes*, and has established internal management systems including *Hazardous Waste Management Procedure*, *Hazardous Waste Pollution Prevention Responsibility Information Disclosure System*, *Hazardous Waste Pollution Prevention Responsibility System* and the *Hazardous Waste Responsibility System*. These systems systematically define the Group's waste pollution prevention and control processes as well as specific treatment and disposal pathways, to continuously and efficiently advance the waste reduction objectives.

Non-hazardous Waste

The non-hazardous wastes of the group mainly include industrial solid wastes and domestic solid wastes. The industrial solid wastes come from scrap steel, scrap iron and other materials, while the domestic solid wastes include waste materials such as wastepaper and kitchen wastes.



Non-hazardous Waste Treatment Measures

Hazardous Waste

The Group's hazardous waste primarily includes waste paint buckets, paint sludge, and waste mineral oil. In strict compliance with the *Hazardous Waste Pollution Prevention Responsibility System*, the Group has systematically defined management responsibilities across all levels—from the general manager, HSE manager, and workshop supervisors to HSE specialists, hazardous waste storage administrators, and Frontline Operators—establishing a clear accountability and collaborative oversight mechanism to effectively mitigate environmental pollution risks associated with hazardous waste.

To strengthen compliance in hazardous waste disposal, the Group has enhanced its end-to-end control mechanism, covering waste generation, collection, storage, transportation, utilization, and final treatment, ensuring that 100% of hazardous waste meets regulatory discharge standards.

- It stipulates that waste oil, waste residue and other hazardous wastes must be stored in special storage areas with warning labels, and the declaration and registration system shall be implemented and unified supervision shall be implemented
- Hazardous waste shall be recovered by category and piled up in different areas, unified and centralized treatment shall be carried out, and leakage prevention shall be strictly required in the transfer process
- It shall be handed over to a professionally qualified third-party waste handler for recycling and compliance disposal, and the hazardous waste transfer form shall be recorded in detail

Hazardous Waste Treatment Measures

Noise Management

In terms of noise management, the Group has carried out a multi-measure mode to comprehensively promote the application of technology in noise prevention and noise pollution control by equipping construction personnel with personal protective equipment such as earplugs and setting up noise reduction stations.

Case

Sany Energy fracturing truck debugging station - Noise reduction workstation▼▼▼

In 2024, Sany Energy added noise reduction workstations at its fracturing truck debugging facility and passed the acceptance inspection. Prior to this, the noise level outside the debugging facility (measured at the nearest residential point) was 55 decibels. After implementing the noise reduction workstations, it decreased to 47 decibels, complying with noise emission standards. Meanwhile, the debugging process was shifted from close-range operations to centralized remote debugging, further reducing technicians' exposure to noise hazards.



06

Community

As an integral part of the community, enterprises bear the responsibility of promoting community development, improving people's livelihoods, and driving social progress. The Group has taken proactive steps in community co-construction, giving back to society in various ways and contributing to the sustainability of communities. In 2024, the group invested a total of RMB 0.13 million in community contributions.

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Community Building

The Group actively fulfills its social responsibilities, integrating the concept of public welfare into daily operations, and is committed to creating greater value for communities and society at large.

Case

Sany Heavy Equipment's 2nd All-Staff Health & Charity Run

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In 2024, Sany Heavy Equipment successfully organized the "2nd All-Staff Health & Charity Run" at the West Gorge of Hun River. The event aimed to promote a healthy lifestyle, enhance employees' physical fitness, and convey the corporate commitment to public welfare. The designated course attracted active participation from employees. Beyond enriching staff cultural and sports activities and improving overall wellness, the run also strengthened team cohesion, demonstrating Sany Heavy Equipment's dual dedication to employee well-being and corporate social responsibility.



Case

Visiting veterans and their families

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In 2024, Sany Heavy Equipment conducted visits and delivered condolences to families of martyrs, disabled veterans, impoverished elderly veterans, and outstanding retired military volunteers in Tiexi District.



Social Welfare

Our Group has always upheld the belief that "national responsibility outweighs corporate interests" and actively engages in various social welfare initiatives. Through concrete actions, the Group strives to give back to society and is committed to creating greater value for communities and society as a whole.

In March 2024, the Sany Heavy Equipment volunteer team organized a plogging activity during a marathon event. From 8:00 a.m. to 4:00 p.m., volunteers used their hands to help create a cleaner environment in celebration of the arrival of spring.



Appendices

ESG Key Performance Indicators(KPIs)

Categories and names of KPI indicators	Indicator unit	2024
A: Environment		
A1: Emissions		
A1.1 Types of emissions and related emission data		
Nitrogen oxide emissions	Kg	88,666.14
Emissions of sulfur oxides	Kg	6,092.12
Particulate matter emissions	Kg	5,877.65
Volatile Organic Compounds (VOCs) emissions	Kg	27,388.88
Industrial wastewater	Tons	1,110,113.88
A1.2 Direct and indirect greenhouse gas emissions and intensity		
Direct greenhouse gas emissions (Scope 1)	Tons of carbon dioxide equivalent	8,205.10
Indirect greenhouse gas emissions (Scope 2- market-based)	Tons of carbon dioxide equivalent	207,667.60
Scope 1 and Scope 2 (market-based) total greenhouse gas emissions	Tons of carbon dioxide equivalent	215,872.70
Greenhouse gas emission intensity	Tons of carbon dioxide equivalent/revenue of RMB ten thousand	0.0985
A1.3 Total amount and intensity of hazardous waste generated		
Waste paint bucket	Tons	340.53
Paint residue	Tons	572.62
Used Mineral Oil	Tons	108.19
Total amount of hazardous waste emissions	Tons	1,021.34
Hazardous waste discharge intensity	Revenue per tons/ revenue of RMB ten thousand	0.0005
A1.4 Total amount and intensity of non-hazardous waste generated		
Scrap steel and scrap iron	Tons	37,137.14
Other industrial waste	Tons	2,909.99
Domestic garbage	Tons	1,247.76
Total amount of non-hazardous waste discharge	Tons	41,294.89
Intensity of non-hazardous waste discharge	Tons/ revenue of RMB ten thousand	0.0188
A1.6 Waste Recycling Volume		

Categories and names of KPI indicators	Indicator unit	2024
Waste paper recycling volume	Kg	955,165.43
Waste wood recycling volume	Tons	5,548.42
A2: Use of Resources		
A2.1 Total direct and/or indirect energy consumption and intensity by type		
Natural gas	Cubic meter	2,303,450.69
Gasoline	Liter	26,384.08
Diesel oil	Liter	1,198,533.99
Direct energy consumption	Thousands KWh	32,781.91
Direct energy consumption intensity	Thousands KWh/ revenue of RMB ten thousand	0.0150
Outsourced electricity	KWh	348,874,924.63
Outsourced thermal heating	Giga Joule	30,604.00
Indirect energy consumption	Thousands KWh	357,371.33
Indirect energy consumption intensity	Thousands KWh/ revenue of RMB ten thousand	0.1631
Total energy consumption	Thousands KWh	390,153.24
Total energy consumption	Thousands KWh/ revenue of RMB ten thousand	0.1781
A2.2 Total water consumption and intensity (if calculated per production unit, per facility)		
Administrative office water consumption	Tons	381,239.55
Production and operation water consumption	Tons	2,005,224.88
Water Recycling	Tons	353,701.40
Total water consumption	Tons	2,740,165.83
Total water consumption intensity	Tons/ revenue of RMB ten thousand	1.2507
A2.5 Total amount of packaging materials used in finished products (in tons) and (if applicable) per production unit		
Packaging wood	Tons	1,799.66
Intensity of packaging wood used	Kilogram/ revenue of RMB ten thousand	0.8214
Steel usage	Tons	273,706.65
Steel usage intensity	Kilogram/ revenue of RMB ten thousand	0.1249
Paper consumption	Tons	57.69
Paper usage intensity	Kilogram/ revenue of RMB ten thousand	0.0263

Categories and names of KPI indicators	Indicator unit	2024
B: Social		
B1: Employment		
B1.1 Total number of employees by gender, employment type, age group, and region		
Total number of employees	Person	8,490
Nnumber of employees by full-time or part-time		
Full-time	Person	8,394
Part-time	Person	96
Number of employees by employment category		
Regular employees	Person	7,162
Dispatched workers	Person	961
Probationary employees and interns	Person	367
Number of employees by gender		
Male	Person	7,940
Female	Person	550
Number of employees by employment function		
Marketing Services	Person	1,185
Research and Development Technology	Person	1,499
Operations and management	Person	508
Manufacture	Person	5,204
Other	Person	94
Number of employees by age group		
<30 years old	Person	2,884
31-40 years old	Person	4,143
41-50 years old	Person	1,273
>50 years old	Person	190
Number of employees by region		
China (including Hong Kong, Macau, and Taiwan)	Person	8,429
Overseas Area	Person	61

Categories and names of KPI indicators	Indicator unit	2024
B1.2 Employee turnover rate by gender, employment type, age group, and region		
Total employee turnover rate	%	28.80
Turnover rate by gender		
Male	%	29.07
Female	%	25.18
Turnover rate by age group		
<30 years old	%	30.28
31-40 years old	%	27.30
41-50 years old	%	31.25
>50 years old	%	21.11
Loss rate by region		
Employee turnover rate in Chinese Mainland	%	28.76
Employee turnover rate in overseas regions	%	35.09

Categories and names of KPI indicators	Indicator unit	2024	2023	2022
B2: Health and Safety				
B2.1 Number and rate of work-related deaths in each of the past three years				
Number of deaths due to work-related reasons	Person	0	0	0
Proportion of deaths due to work-related reasons	Percentage	0.00	0.00	0.00

Categories and names of KPI indicators	Indicator unit	2024
B2.2 Lost working days due to work-related reasons		
Total number of days lost due to work-related injuries	days	12,386
B3: Development and Training		
B3.1 Percentage of trained employees by gender and employment category Percentage of trained employees by gender		
Male	%	92.77
Female	%	7.23
Percentage of trained employees by employee function		
Marketing Services	%	15.96
Research and Development Technology	%	21.44

Categories and names of KPI indicators	Indicator unit	2024
Operations and management	%	3.89
Manufacture	%	57.55
Other	%	1.16
B3.2 Average training hours per employee by gender and employment category		
Per capita training hours for employees	Hours	21.26
Per capita training hours for employees by employment gender		
Male	Hours	17.90
Female	Hours	33.30
Per capita training hours of employees by employment function		
Average training duration for marketing services	Hours	53.89
Average training duration for R&D technology	Hours	30.69
Average training duration for business management	Hours	41.07
Average training duration for manufacturing categories	Hours	8.68
Average training duration for other categories	Hours	44.91
B5: Supply Chain Management		
B5.1 Number of suppliers by region		
Total number of suppliers	Family	2,709
Supplier Regional Distribution		
South China	Individuals	238
East China	Individuals	1,212
North China	Individuals	330
Central China	Individuals	571
Northeast China	Individuals	173
Southwest China	Individuals	64
Northwest China	Individuals	85
Hong Kong, Macau, Taiwan, and overseas	Individuals	36

Categories and names of KPI indicators	Indicator unit	2024
B6: Product Responsibility		
B6.1 Percentage of products sold or shipped that need to be recalled for safety and health reasons		
The percentage of products sold or shipped that need to be recalled due to safety and health reasons	%	0
B6.2 Number of complaints received regarding products and services		
Product quality complaints	Order	17
Complaints about marketing services	Order	2
B7: Anti-corruption		
B7.1 Number and outcome of corruption lawsuits filed and concluded against the issuer or its employees during the reporting period		
The number of corruption lawsuits filed and concluded against the issuer or its employees during the reporting period	Number	0
B7.3 Description of anti-corruption training provided to directors and employees		
Percentage of office staff trained in anti-corruption training	%	100
Percentage of directors trained in anti-corruption training	%	100
Community		
B8: Community Investment		
B8.2 Resources used in the focus area		
Public welfare investment	Ten thousand yuan	13

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Subject Areas, Aspects, General Disclosures and KPIs			Index
A. Environmental			
A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO _x , SO _x , and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.		Emissions Management
	KPI A1.1	The types of emissions and respective emissions data.	ESG KPIs
	KPI A1.2	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (in tons) and (if applicable) intensity (in units of production and per facility).	ESG KPIs Climate Change
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Climate Change
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management Emission Management
	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Resource Management
Level A2: Use of Resources	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG KPIs
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management Resource Management
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Management Resource Management
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Resource Management

Subject Areas, Aspects, General Disclosures and KPIs			Index
Level A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Environmental Management
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Resource Management
Level A4: Climate change	General disclosure Identify and respond to significant climate related issues that have already or may have an impact on the issuer through policies.		Climate Change
	KPI A4.1	Describe significant climate related issues that have already and may have an impact on the issuer, as well as corresponding actions to address them.	Climate Change
B. Social			
Employment and Labor Practices			
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) 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.		Employee Employment
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	ESG KPIs
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG KPIs
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Occupational Health and Safety
Aspect B2: Health and Safety	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG KPIs
	KPI B2.2	Lost days due to work injury.	ESG KPIs
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.		Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG KPIs
	KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG KPIs

Subject Areas, Aspects, General Disclosures and KPIs			Index
Level B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Employee Employment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Employment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Employment
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	ESG KPIs
	KPI 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.	Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Responsible Marketing
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Responsible Marketing ESG KPIs
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Service ESG KPIs
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management Customer Service
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection

Subject Areas, Aspects, General Disclosures and KPIs			Index
Aspect B7: Anti- corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Business Ethics
	KPI 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.	Business Ethics ESG KPIs
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics ESG KPIs
Community			
Aspect 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.		Community Development Community Welfare
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Development Community Welfare
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Development Community Welfare ESG KPIs

