Incorporated in the Cayman Islands with limited liability

Stock Code : 631

2025

Environmental, Social and Governance Report

Sany Heavy Equipment International Holdings Company Limited



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About this Report

Overview

This Report is the sixth 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 set out the strategies, policies and notable achievements of Sany Heavy Equipment International Holdings Company Limited in relation to its ESG and sustainable development for the year 2025.

Reporting Period

This Report sets out information and data for the Company for the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as the "Reporting Period"), with certain parts referencing prior years or involving 2026.

Reporting Scope

The scope of this Report is primarily determined by the significance of business revenue to the Group. The disclosed operational scope encompasses business segments that constitute the Group's principal sources of revenue, namely the Mining Equipment segment, the Logistics Equipment segment, the Oil & Gas Equipment segment, and the Emerging Business segment. Unless otherwise specified, the scope of disclosure in this Report is consistent with that of the annual report.

Appellations

For ease of reference, Sany Heavy Equipment International Holdings Company Limited is hereinafter referred to as "Sany International" or "the Company" in this Report. The Company's major subsidiaries are Sany Heavy Equipment Co., Ltd. (hereinafter referred to as "Sany Heavy Equipment"), Sany Marine Heavy Industry Co., Ltd. (hereinafter referred to as "Sany Marine Heavy Industry"), Sany Energy Equipment Co., Ltd. (hereinafter referred to as "Sany Energy"), Sany Silicon Energy (Zhuzhou) Co., Ltd. (hereinafter referred to as "Sany Silicon Energy"), and Sany Lithium Energy Co., Ltd. (hereinafter referred to as "Sany Lithium"). The Company and its subsidiaries are hereinafter referred to as "the Group".



Basis of Establishment

This Report has been prepared primarily in accordance with the *Environmental, Social and Governance Reporting Code*, Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the "HKEx").

Materiality: The Company has determined the content and scope of disclosures in accordance with systematic process for identifying material issues, through stakeholder engagement and management assessment. For a more detailed process of identifying materiality issues, please refer to [ESG Governance - ESG Materiality Issues].

Quantification: The key quantitative performance indicators disclosed in this Report adhere to scientific statistical standards, methodologies, calculation tools, and common conversion factors. Explanations regarding significant sources of reference, calculation methods, and data fluctuations (where applicable) have been provided within the report's glossary, and quantified performance targets have been established where appropriate.

Balance: This Report aims to disclose objectively and fairly the efforts and performance of Sany International across all ESG aspects during the Reporting Period, avoiding disclosure methods that may inappropriately influence the decision-making judgement of stakeholders.

Consistency: The content and data disclosed in this Report, as well as the statistical methods and definitions employed, are consistent with those of previous years. Where changes exist that may affect meaningful comparisons with prior year reports, such changes have been disclosed in the relevant positions.

Report Acquisition

This Report is prepared in both Chinese and English. In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. The electronic version of this report is available for download from the Company's official website at www.sanyhe.com and the website of HKEx news at www.hkexnews.hk.

Information and Feedback

Should you have any queries or suggestions regarding the content of this Report, please do not hesitate to contact us by telephone or letter. The contact details are as follows:

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About Sany International

Sany Heavy Equipment International Holdings Company Limited was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 25 November 2009 and was formally included in the list of stocks eligible for trading through the Stock Connect under the Shenzhen-Hong Kong Stock Connect on 10 September 2018. The Group's products are categorized into four major segments: mining equipment, logistics equipment, oil and gas equipment, and emerging industries (which include solar modules, hydrogen production equipment, power battery modules, and energy storage systems).

While maintaining the robust development of its local operations, the Company has continued to advance three strategic transformations: globalization, digital intelligence, and low-carbon transition. This not only achieved high-quality development for itself but also assisted clients in reducing carbon emissions and operating costs, thereby injecting powerful momentum into the progress of the entire industry. Sany International is committed to promoting the intelligence, low-carbon development and sustainable progress of infrastructure construction through technological innovation and green transformation.

Mining Equipment

The mining equipment business segment encompasses coal machinery, non-coal excavation and mining, mining vehicles, smart mining solutions and accessories, as well as the provision of related services. It is the first company in China capable of offering integrated excavation and mining equipment, transportation equipment, and comprehensive solutions. Coal mechanical products include roadway excavation equipment and coal mining equipment; non-coal excavation and mining products encompass tunnel boring machines for industrial tunnels and mining machines; mine vehicle products comprise mine transport vehicles and wide-body vehicles, among others; smart mine products cover three major categories: unmanned driving, automated integrated mining, and smart mines operation system. The Group has developed a range of intelligent tunnelling machines, intelligent mining machines, intelligent coal shearing machines, pure electric wide-body vehicles, and intelligent unmanned wide-body vehicles. It has also developed an unmanned dispatching system and a mine operation management system, leading the industry towards rapid development in electrification, intelligence, energy conservation, and green mining. The Group is building digital mines to achieve unmanned production.

Logistics Equipment

The logistics equipment business segment comprises container handling equipment (including front loader, stacking machine, and quayside gantry crane), bulk material handling equipment (including gripper and elevated hoisting arm), and general equipment (including heavy-weight forklift and telehandler). As a large-scale logistics equipment manufacturing enterprise engaged in the research, development, manufacture and sale of heavy marine machinery, and as one of the leading domestic suppliers of port machinery complete sets with the largest tonnage capacity, the most comprehensive series and the most advanced technology, the Group is committed to developing electrification, unmanned operations, intelligent ports and accessories, and providing related services, creating intelligent products and leading the industry.

Oil and gas equipment

The oil and gas equipment business segment comprises complete fracturing equipment, automated drilling and workover rig pipe handling systems, and technical services related to oil and gas fields. It is committed to providing clients with safe, efficient, intelligent, and environmentally friendly complete petroleum equipment, comprehensive solutions, and integrated services.

Emerging Industries

The emerging industries equipment segment encompasses areas such as solar modules, hydrogen production equipment, power battery modules, and energy storage systems. The Group's active exploration, layout, and trials in the fields of photovoltaics, hydrogen energy, power battery modules, and energy storage systems will enable the Group to seek more opportunities in the global energy transition and build a robust growth second curve.

Corporate Mission and Culture

Sany Mission
Quality Changes the World

Corporate Culture
Build First-class Enterprises,
Foster First-class Talents,
Make First-class Contributions

Sany Style
Strive for Excellence,
Combat Inefficiencies and
Slow-downs

Operation Principles
All for the Customer,
All from Innovation

Enterprise Ethics
Be Just and Faithful,
Be Thankful

Sany Motto
Dreams Contribute to
Human Advancement

Message from the Chairman

In 2025, the global landscape has undergone profound transformation, with global industrial chains accelerating their restructuring. Sustainable development has thus become the fundamental imperative for enterprises to navigate cyclical fluctuations and secure future success. In the face of a complex external environment and increasingly severe climate challenges, Sany International has always firmly believed that true commercial success can only be rooted in the foundations of environmental friendliness, social harmony, and excellent governance.

Guided by our mission to 'Change the World with Quality', we have deeply integrated ESG principles into our three core strategies: globalization, digital intelligence, and low-carbon development. We not only pursue steady growth in operational performance but also aspire to become a responsible enterprise that shoulders the significant responsibilities of the era, creating long-term and sustainable value for all stakeholders.



Excellence in governance lays a solid foundation for sustainable development.

A sound governance structure serves as the fundamental guarantee for an enterprise to achieve steady and long-term progress. In 2025, we continued to refine the four-tier ESG governance structure comprising the Board, the ESG Committee, management, and the working group, ensuring that the sustainable development strategy was effectively formulated and implemented. The Board has effectively assumed ultimate oversight responsibility for ESG matters, while the ESG Committee has provided in-depth guidance on the identification and management of significant issues. We adhere to business ethics and compliance requirements, embedding risk management throughout the entire operational process. Through regular communication with multiple stakeholders, including investors, customers, and employees, we integrate diverse expectations into corporate decision-making, thereby establishing a transparent, efficient, and accountable governance structure.

Green innovation drives the low-carbon transformation of industries.

In response to the national 'Dual Carbon' strategy, we regard green development as a vibrant foundation for high-quality growth. Over the past year, Sany International has continued to make concerted efforts in clean technology research and development and product innovation. Sales of new energy products have repeatedly achieved outstanding results. A range of products, including SET320S 300-ton hybrid electric mining truck, electric reach stacker, electric forklift, electric container truck, electric heavy-duty forklift, electric grabber are accelerating their global adoption, effectively assisting customers in reducing operating costs and carbon footprints. We recognize that addressing climate change is both a responsibility and an opportunity. Accordingly, we have systematically identified climate-related risks and opportunities and established clear greenhouse gas emission reduction targets, aiming to reduce emission intensity by 25% compared with 2020 levels by 2030. Concurrently, we are actively advancing the construction of a carbon accounting system covering the entire product lifecycle to respond with composure to global green trade regulations and to firmly lead the industry towards a green and energy-efficient direction.

Digital intelligence empowerment builds a resilient operational ecosystem.

Digitalization is the key engine for enhancing ESG management effectiveness. In 2025, we completed the digital and intelligent upgrade of the management system. Through the Internet of Things (IoT) and big data platforms, real-time monitoring and intelligent analysis of energy consumption, material flow, and emission data were achieved. In the supply chain sector, we have promoted traceability of key materials and collaborated with core suppliers to embark on a journey towards low-carbon transformation. Digital intelligence not only enhances operational efficiency but also renders our ESG management more measurable, improvable, and trustworthy.

People-oriented and stimulating the organization's internal drive.

Employees are Sany's most precious asset. We are committed to fostering a safe, healthy, inclusive and diverse working environment for our employees, providing them with highly competitive remuneration and extensive career development opportunities. Through a systematic training framework and a caring culture, we unlock the inherent potential of every employee to achieve mutual growth for both individuals and the Company. We believe that only with happy employees can the Company create exceptional products to serve global customers.

Looking ahead, challenges and opportunities coexist. Sany International will continue to uphold the business philosophy of 'Everything for customers, everything stemming from innovation', and deeply embed ESG into the Company's corporate DNA and strategic decision-making. We shall advance green manufacturing with greater determination, embrace digital transformation at a faster pace, and uphold global responsibilities with a broader vision. We are committed to advancing alongside all stakeholders, forging ahead on the journey of high-quality development. Our ambition extends beyond becoming a global leader in high-end equipment; we strive to establish an exemplary model for sustainable development.

Zhou Fugui

Chairman

01

ESG Governance

Upholding the three strategic transformation and upgrading initiatives of globalization, digital intelligence, and low carbonization, Sany International has meticulously constructed an ESG governance framework. By integrating its inherent strengths, it has formulated a sustainable development strategy, deeply embedding the concept of sustainability into the corporate strategic blueprint. The Company is committed to fostering harmonious coexistence between society and the environment while achieving economic benefits, thereby laying a solid foundation for its long-term development.

ESG Governance

Statement by the Board of Directors

ESG Materiality Issues

Sustainable Development Strategy

Communication with Stakeholders

1 ESG Governance

1.1 ESG Governance

Sany International has fully integrated the principles of Environmental, Social and Governance (ESG) into its development strategy and daily operations, continuously improving sustainable development governance and enhancing its sustainability performance. Sany International formally established the Environmental, Social and Governance Committee (ESG Committee) in February 2023. It has constructed a four-tier governance structure comprising the Board of Directors, the ESG Committee, the Management, and Working Groups. This structure comprehensively advances the planning and layout of all ESG initiatives from top to bottom. Progress reports including climate related issues are submitted to the ESG Committee annually, along with updated ESG related information and skills, which is further empowered to enhance its professional expertise.



Sany International ESG Governance Structure

Level	Organization	Personnel	Responsibility
Leadership	The Board of Directors	Comprising nine directors, it serves as the highest decision-making body for the Group's ESG management.	• Bear ultimate overall responsibility for the Company's identified ESG matters and supervise the Company's ESG governance.
	ESG Committee	Composed of two executive directors and three independent non-executive directors.	• To formulate and review the Group's objectives, strategies, risks, opportunities, measures, policies, management guidelines and practices regarding ESG, as well as corporate-focused policies and practices, and to make recommendations to the Board. • To oversee the Group's achievement of ESG-related objectives and monitor the Group's performance, to make recommendations to the Board regarding actions required to enhance such performance, to be responsible for approving/reviewing or recommending to the Board for approval corporate culture policies of the Group, and to encourage management to establish effective mechanisms to build and maintain a sound corporate culture. • To ensure that the Group maintains appropriate and effective ESG risk management and internal control systems to monitor and review ESG trends and related matters, to make recommendations to the Board of Directors on how to address risks impacting the Group, and to ensure effective and adequate internal controls. • Review the achievement of annual environmental, social and governance, and sustainable development performance targets (such as pollution control, resource management, greenhouse gas emission reduction, etc.) and link them to management's remuneration.
Management layer	Management Personnel	Composed of the Chief Executive Officer and heads of Level 1 departments.	• Responsible for communicating ESG matters with senior management, providing information required for decision-making, and supporting the ESG strategy. • To guide, supervise and monitor the implementation of the ESG strategy within this business module. • Organizing the preparation of the Group's annual ESG report.
Implementation layer	ESG Working Group	Composed of various business departments	• To implement the Company's directives on all ESG matters and to embed ESG principles into specific operations. • In accordance with the functional positioning of this business department, it assumes responsibility for ESG-specific work. • Participating in the preparation of this Group's annual ESG report.

1.2 Sustainable Development Strategy

The Group is committed to balancing environmental and social benefits throughout its development process. It has established the 'Sustainable Development 2025 Strategy', which sets out five strategic pillars: quality first, operation based on responsibility, human orientation, environmental benefits, and social benefits, alongside corresponding sustainable development goals.

Sany International Sustainability Strategy 2025

Dimension	Strategy	Goal and path
Quality First	Quality first is the core principle upon which we base our long-term development.	• Through high-quality production and technological innovation, the Company provides a full range of high-quality products with stable performance and reliable quality that meet the needs of industry development.
Operation Based on Responsibility	Win-win cooperation is our most fundamental business philosophy.	• Upholding lawful, compliant and honest operations, providing first-class services to clients, and forging mutually beneficial partnerships with suppliers, the Company strives to become an outstanding enterprise trusted by employees, satisfied by clients, and achieving win-win outcomes for partners.
Human Orientation	Talent is the driving force behind the Company's development and cultivating first-class talent is one of our important visions.	• To create a working environment that enables employees to work pleasantly and efficiently while fully utilizing their talents, the Company is committed to providing an excellent platform for career development, thereby achieving the shared growth of employees and the enterprise.
Environmental Benefits	Protecting the environment and promoting green development are our consistent policies for sustainable development.	• Accelerate the implementation of green technologies to contribute green, energy-saving, and efficient products to the industry; conserve resource usage and reduce emissions, thereby driving the Company's production and construction in accordance with sustainable development principles.
Social Benefits	As a socially responsible enterprise, the Group is committed to promoting local economic development and contributing to the livelihood and harmony of the local community.	• To establish a first-class enterprise, make first-class contributions, actively promote industry development, and commit to community building and volunteer services, thereby achieving the unity of economic and social benefits.

1.3 Statement by the Board of Directors

Responsibilities of the Board

The Board of Directors serves as the core leadership and highest decision-making body for ESG work, responsible for coordinating the Company's ESG management and information disclosure and supervising the setting of objectives and strategies regarding ESG-related impacts, risks and opportunities, their execution, and progress in achieving those objectives.

Risk Management

The Board of Directors of the Group convenes meetings annually to receive progress reports from the ESG Committee on sustainable development initiatives. Upon clarifying the current management status of the Company, it identifies ESG management risks and supervises and reviews the implementation of the ESG strategy and the achievement of targets, thereby ensuring the steady advancement of ESG objectives. The Group manages ESG risk issues arising during its business operations through multi-level collaborative efforts to ensure that such risks remain within acceptable limits. The Group also reports to Board members on a monthly basis via Board communications regarding changes in regulatory rules and policy updates concerning ESG, key industry news on ESG, and analysis of ESG thematic case studies, with the aim of enhancing the Board's skills and capabilities in relation to ESG.

Materiality Analysis

In 2025, the Group further refined and optimized its materiality analysis of ESG topics. The Board participated in the assessment, prioritization and management of significant ESG issues. Under the guidance of the Board and the ESG Committee, timely, close, and transparent communication with stakeholders is maintained annually through the ESG Working Group to identify and assess stakeholder concerns regarding environmental, social, and governance matters. The assessment results are subsequently discussed and reviewed by the ESG Committee.

Target Tracking

The Group has integrated ESG factors into its daily operations and established the "Sustainability Strategy 2025". Specific development strategies and targets have been set for key sustainability issues. Progress against these targets is regularly monitored and evaluated to ensure that all measures are effectively implemented. Concurrently, the Group conducts assessments of key ESG issues and submits them to the ESG Committee for review and evaluation to guide management in optimizing the ESG objective management system. The ESG Committee regularly reviews the ESG objectives and reports to the Board of Directors. In 2025, the Group disclosed its ESG progress and target performance through the *Environmental, Social and Governance Report*.



1.4 Communication with Stakeholders

The Group is committed to building sound relationships with stakeholders and ensures their deep engagement through regular dialogue and collaboration, thereby safeguarding the effectiveness of ESG management and fostering long-term value creation together. In formulating its ESG strategy and optimizing ESG management, the Group has given due consideration to the expectations and needs of all stakeholders. Through a routine communication mechanism, the Group has effectively incorporated stakeholder demands into its operational and decision-making processes, thereby jointly implementing ESG principles with stakeholders.

To meet the needs of investors of different types, the Group maintains close communication with investors through various channels, including regularly holding investor meetings and conference calls, issuing announcements on its website, and utilizing social media platforms for interaction. This facilitates constructive dialogue with investors and ensures that the Group can respond promptly to their suggestions and feedback. In March 2025, the Group successfully held an "Performance Investor Presentation" combining online and offline channels to provide investors with an in-depth interpretation of Sany International's business philosophy, development strategy, and latest operational achievements, thereby further consolidating the trust and cooperative relationship between the Group and its investors.

Stakeholders	Expectations and Requirements		Communication and Response	
Customers	• Provide cost-effective services and products • Enhance product quality and service standards	• Product after-sales service and guarantee • Low-carbon and environmentally friendly products	• Customer satisfaction survey • Survey Questionnaire	• New Product Launch Event • Regular visits
Government and Regulatory Organizations	• Pay taxes in accordance with the law • Compliant operations • Compliance with laws and regulations	• Support local development • Promote local employment • Protect the local environment	• Routine email and telephone communications • Work meetings and training	• Irregular visits and supervisory inspections
Investment Organizations / Shareholders / Analysts	• Transparency in information disclosure • Corporate operation status	• Strengthen risk management and control • Creation of economic value	• Annual reports and periodic reports • Annual General Meeting • Results Presentation	• Announcement • Investor hotline and mailbox • Investor Relations Roadshow
Suppliers/Partners	• Transparent and honest cooperation • Mutual benefit and mutual gain	• Continuous operation • Fair trade	• Regular communication and exchange • Regular visits	• Supplier training • Supplier Audit
Employees	• Safeguarding employees' rights and interests • A safe and healthy working environment • A robust platform for career development	• Competitive remuneration package • Internal communication channels within the Company	• Direct communication • Employee mailbox • Employee Satisfaction Survey	• Employee training • Annual Meeting / Team Building Activities
Academic/ Research Institutions	• Conduct research collaboration • Provide employment opportunities	• Conduct technical exchanges	• Site visit	• Routine email and telephone communications
Industry Association / Professional Organizations	• Promote industry development • Improve product quality	• Corporate Social Responsibility	• Site visit • Specialized meeting	• Training
Media	• Services and Products • Future development trends	• Corporate Social Responsibility • Financial Performance	• Public reports	• Interview relevant personnel
Non-governmental Agency/ Public Benefit Organizations	• Support social public welfare	• Fulfil social responsibilities	• Organize public welfare activities	• Specialized Meeting
Local Communities	• Promote employment • Enhance community value	• Promote local development	• Organize public welfare activities • Public reports in the media	• Routine email and telephone communications

1.5 ESG Materiality Issues

To adequately address the challenges that may arise from changes in internal and external factors, this Group has incorporated the significance of various issues to Sany International and to stakeholders into its assessment framework, in accordance with the *Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange. A systematic determination of materiality for significant issues is conducted annually. The Group fully recognizes the impact of ESG risks on business development and incorporates ESG risk management into its overall risk management procedures. It continuously enhances its management capabilities to better address and mitigate the potential impacts of ESG risks on the Company's operations and stakeholders.

During the Reporting Period, in order to more accurately analyze and respond to the impacts arising from these changes, the Group collected responses to survey questionnaires from internal stakeholders (management and general employees) as well as external stakeholders (customers, investors, suppliers and partners, academic institutions, non-profit organizations and media). The Group continuously monitored changes in the level of attention paid by key stakeholders to ESG issues, updated the ESG issue bank and the materiality matrix. In 2025, by benchmarking the external attention accorded to various issues and incorporating best practices from leading peers, the Group identified a total of 23 material ESG issues.

Sany International Materiality Issue Analysis Process

Identification Phase

- Interpret macro policies and industry hot spots, and clarify the policy orientation and development opportunities of Sany International; Update and adjust issues related to ESG and social responsibility based on the relevant requirements of the HKEx, company's development strategy and social responsibility practice.

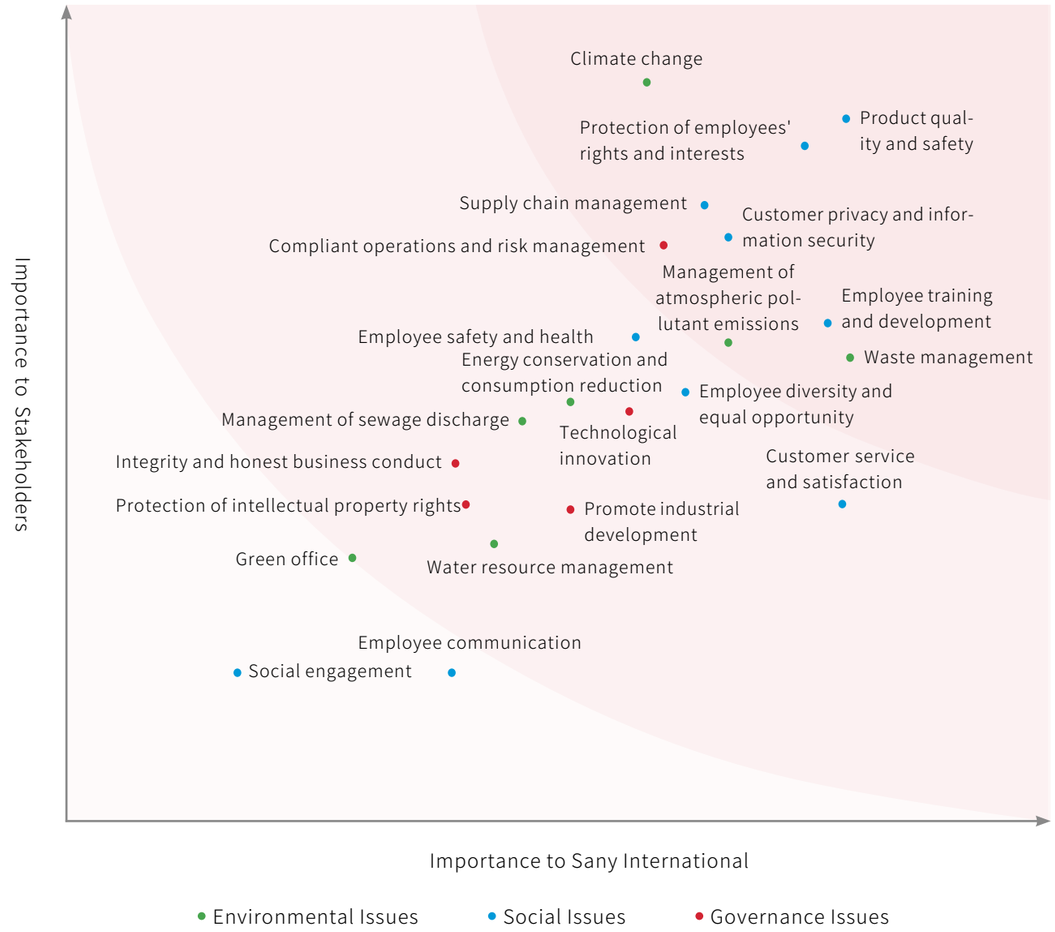
Evaluation Phase

- Based on stakeholder research and focus, interviews with key departments, judgment of external experts, etc., 23 issues were evaluated from two dimensions of importance to stakeholders and importance to Sany International.

Reporting Phase

- Construct a material issue matrix according to the evaluation results of the issues, combine the importance of the issues, obtain the ranking results of the issues, and focus on disclosing the substantive issues of high materiality in the report.

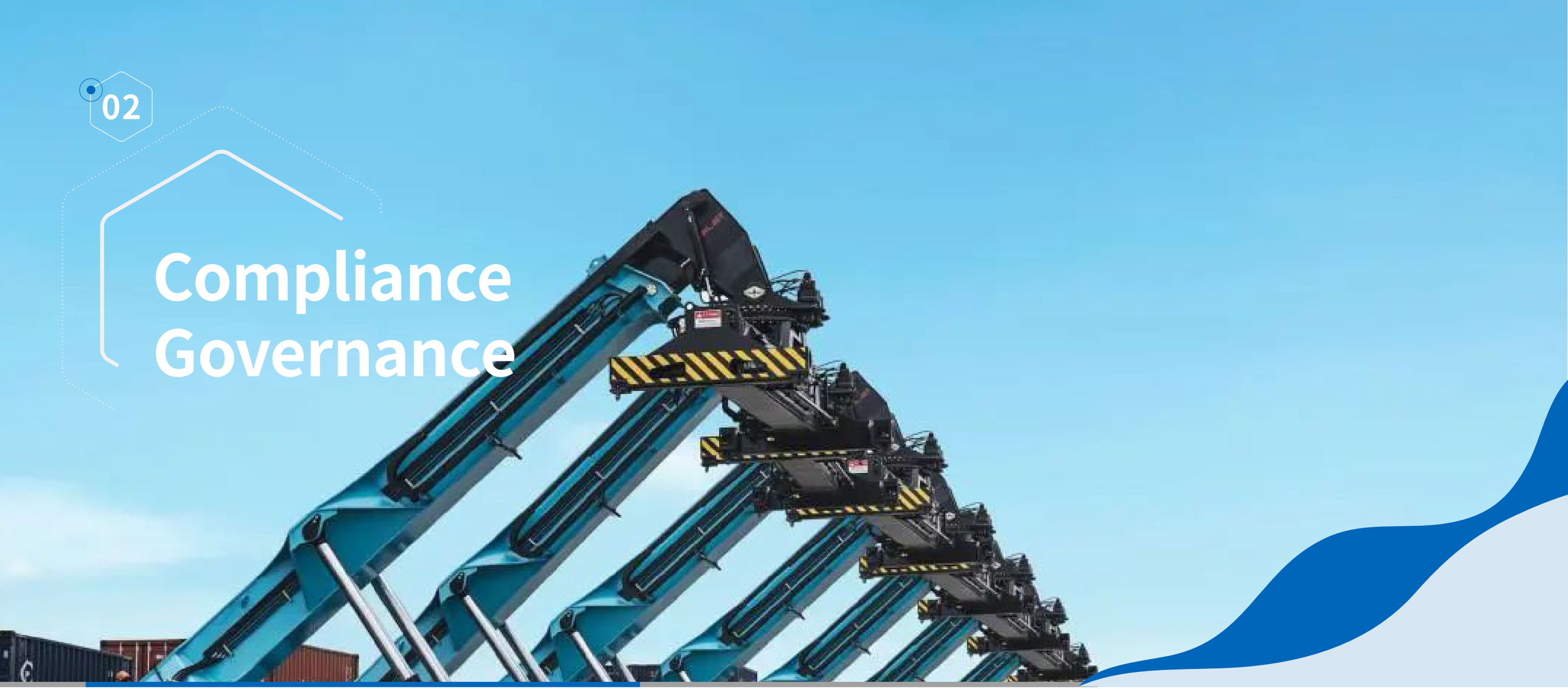
Sany International 2025 Sustainability Materiality Issue Matrix





02

Compliance Governance



Compliance is not only the fundamental prerequisite for the stable operation of an enterprise but also a core pillar for Sany International in fulfilling its social responsibilities and safeguarding its brand reputation. We have always adhered to lawful and regulated operations, embedding a culture of compliance into the very fabric of corporate management. We have established a comprehensive compliance system that integrates policy design, process control, behavioral standards, and risk prevention to safeguard the sustainable development of the Company.

Corporate Governance
Business Ethics
Information Security and Privacy Protection
Risk Management
Intellectual Property Protection

2 Compliance Governance

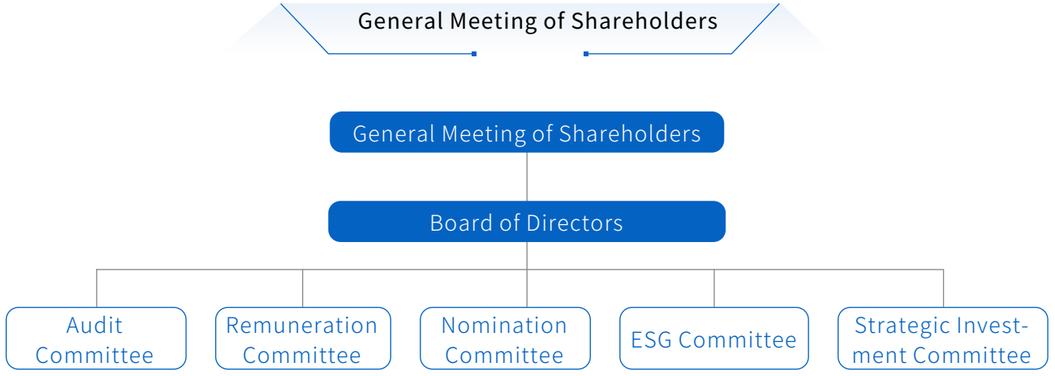
2.1 Corporate Governance

Governance structure

Corporate governance is the soul of the modern enterprise system. Sany International attaches great importance to the standardization and modernization of its corporate governance structure. The Group strictly complies with laws and regulations including 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*, as well as requirements such as the *Corporate Governance Code in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. Consequently, a governance loop characterized by mutual checks and efficient operation has been established.

We remain committed to guiding the Company's overall development through a rule-of-law mindset, continuously strengthening the cornerstone of corporate governance, fostering a clean and upright ecosystem, and contributing to the healthy development of the capital market. By establishing and improving internal policies and processes, refining the *Articles of Association*, strengthening compliance operations, effectively addressing various risks and challenges in the Group's operations and business development, and providing a solid guarantee for the healthy and stable development of the Group.





The Group considers that board members should possess applicable skills, experience and diverse perspectives to meet business needs. When electing board members, the Group fully takes into account their industry experience and technical advantages, while introducing different ways of thinking and viewpoints to facilitate more comprehensive and forward-looking strategic decisions. The Group also attaches importance to the impact of gender diversity on the board.

4
Independent non-executive directors

1
Female director

Responsibilities of the Board of Directors

To effectively implement and allocate the duties of the Board of Directors, Sany International has established an Audit Committee, a Remuneration Committee, a Nomination Committee, a Strategic Investment Committee, and an ESG Committee under its Board. Detailed regulations governing the terms of reference and working procedures for each committee have been formulated at the Group level. Each committee comprises different directors 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 are strictly regulated to ensure the scientific nature and rationality of the Company's decision-making.

In 2025

2
The Group convened two general meetings of shareholders

12
Board meetings

2.2 Risk Management

Effective risk management can guide the Company's values and ensure the enterprise's long-term growth and success. The Group has established and improved a multi-level, three-dimensional risk management system to proactively identify, precisely assess, and dynamically warn of various potential threats, thereby deeply integrating risk management into all aspects of the Company's management. The Group has established a multi-tiered risk management structure led by the Board of Directors and the Audit Committee, with assistance from the Risk Management and Internal Audit Committee. This ensures that risk management activities cover all aspects of the Group's operations, enabling early identification of risks to manage and mitigate them, and to explore and seize opportunities where appropriate.

Sany International Risk Management Structure



Through a systematic mechanism for risk identification, assessment and response, combined with internal monitoring and risk communication, the Group ensures that appropriate internal monitoring and mitigation measures are in place to prevent and respond to any material events.

Sany International Risk Management Mechanism

Risk Identification

Implement risk warning and assessment through various 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, develop 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 and sharing of risk information, quickly take effective measures to solve problems, and minimize the negative impact of risks on enterprise operations.



2.3 Business Ethics

Sany International has always regarded honesty and integrity as the foundation of its existence, advocates a fair and open competitive attitude, and opposes any form of conflict of interest or unfair competition. Through the continuous strengthening of the commercial ethics management system, the Group has continuously improved its management mechanisms and processes, clarified employees' codes of conduct and professional ethical requirements, joined the corporate anti-fraud alliance, and thereby fostered a corporate culture characterized by integrity, fairness, transparency, and harmony.

Commercial Ethics Management System

The Group has established a three-tier commercial ethics management structure comprising the Audit Committee, the Supervisory Boards of subsidiaries, and the Internal Audit Supervisor Groups within functional departments. Guided and supervised by the Audit Committee under the Board of Directors, this structure further enhances the synergy between corporate governance and risk control. The supervisory boards of each subsidiary have established a comprehensive internal control and self-inspection management system. They conduct continuous supervision and audit across business areas annually, regularly issuing special audit and investigation reports on suspicious or illegal activities involving bribery, extortion, fraud, and money laundering to ensure clean and compliant operations. As of the end of the Reporting Period, the ethical audit has covered all subsidiaries of Sany International.

Sany International Business Ethics Management Structure



The Group strictly complies with national laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. During the Reporting Period, the Group strengthened its internal policies by establishing the *Employee Business Ethics and Code of Conduct* and the *Commercial Personnel Behavior Management Regulations*, among other internal policies. It also updated the *Conflict of Interest and Integrity Management System*, which applies to all employees and suppliers engaged in business with the Company, to preclude any employee involvement in activities related to bribery, extortion, fraud, or money laundering. Furthermore, corresponding internal procedures for assessment, consultation, investigation, and disciplinary action were formulated to supervise and regulate employee misconduct. The Group adopts a zero-tolerance and stringent enforcement approach towards individuals who breach the *Employee Business Ethics and Code of Conduct*. Depending on the severity of the specific incident and the individual's role, graduate penalties are imposed, including fines, salary reductions, termination of employment, or referral to relevant judicial authorities for investigation.

Anti-corruption training

The Group actively promotes the development of an integrity culture, strengthens the integrity awareness of all employees and suppliers, and upholds a clean and upright corporate culture. The Group has conducted a range of ethical training and dissemination activities for the Board of Directors, management at all levels, and all employees (including part-time staff and dispatched workers). Through diverse training and dissemination formats, the Group continuously reinforces employees' awareness of integrity and honesty.

In 2025

The Group organized **4** integrity assemblies for all employees and conducted training and dissemination on commercial ethics, achieving a coverage rate of **100%**.

Anti-corruption training

Full staff training on the *Employee Business Ethics and Code of Conduct*

Conduct comprehensive training and complete assessments for the Employee Business Ethics and Code of Conduct to strengthen employees' awareness of ethical standards

1

Board training

All directors have completed 4 special ethical training programs

2

Whistleblowing Management

The Group has always maintained an open attitude, actively listened to the voices of all sectors of society, attached great importance to and supported external supervision, established a standardized supervisory mechanism, and simultaneously joined the China Enterprise Anti-Corruption Alliance to further strengthen anti-corruption and integrity work. To enhance internal governance, the Group has established comprehensive policies titled the *Whistleblowing and Complaint Management System* and the *Whistleblowing Management Process*, which clarify procedures for investigation and feedback, clearly delineate the responsibilities of relevant departments, and effectively address illegal and disciplinary violations through measures such as guiding, protecting, and rewarding whistleblowers.

Regarding whistleblowing channels and the protection of whistleblowers, the Group has established suggestion boxes and a whistleblowing hotline to support both oral and written reporting forms. The Group strictly maintains the confidentiality of whistleblowers' personal information and the content of their reports, and solemnly undertakes that whistleblowers shall not face any form of discrimination, retaliation, or threats to their safety as a result of making a report.

Whistleblowing Channels

Email:jiancha@sany.com.cn

Telephone: +86 024-89318111

WeChat, Feishu: Sany Integrity Public Account

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

QQ: 2592689550

The Company continues to refine the construction of the Sany Smart Supervision and Audit Platform, placing greater emphasis on long-term audit and supervision capability development. By summarizing abnormal behavioral characteristics, organizing common data fields, and integrating multi-dimensional analytical methods, a three-dimensional digital intelligence audit and supervision system comprising "data support + intelligent early warning + AI empowerment" has been established, thereby enhancing the coverage of real-time monitoring for high-risk business activities.

Anti-corruption in the Supply Chain

The Group regards supplier integrity management as a critical component in implementing the Company's business ethics principles. The Group has established the *Statement of Requirements for fairness and Integrity in Business Procurement Activities* and has specifically incorporated integrity clauses into annual supplier access contracts to standardize and clarify the code of conduct and division of responsibilities between both parties, thereby strengthening the management and supervision of suppliers. In the course of collaboration, the Group conducts quarterly integrity meetings covering all suppliers and carries out regular supplier assessments to prevent conflicts of interest, fraud, and other misconduct, thereby safeguarding the Company's interests. For suppliers who contravene legal provisions or integrity clauses, the Group shall impose penalties and blacklist them, prohibiting any future cooperation.

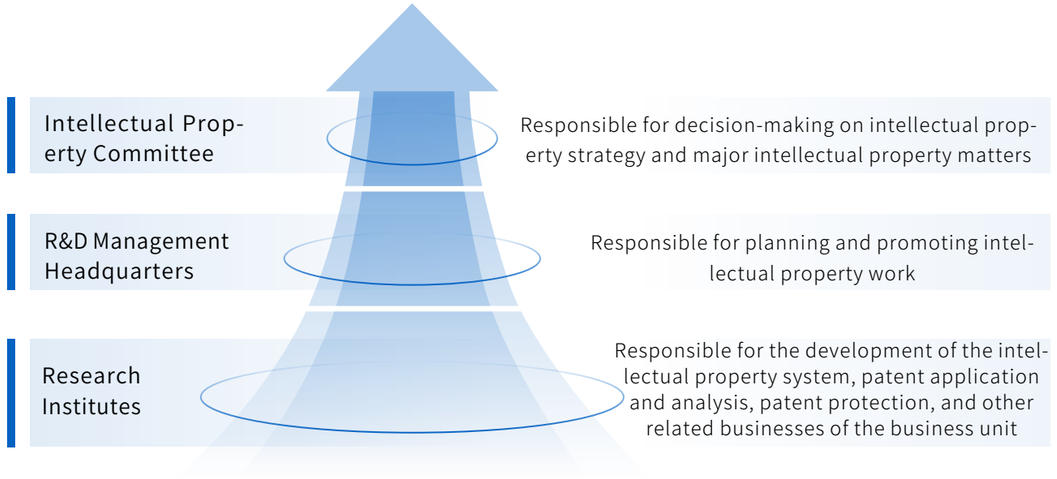
During the Reporting Period

The Group signed integrity agreements with **1,826** suppliers.

2.4 Intellectual Property Protection

Innovation-driven development is the source of corporate vitality, whereas intellectual property serves as the optimal vehicle for technological innovation outcomes. Sany International attaches great importance to the application for patents, registration of trademarks and protection of trade secrets, deploying and investing in them at a strategic level. The Group has established an intellectual property management system comprising three tiers: the Intellectual Property Committee, the R&D Management Headquarters, and the Research Institutes. This system standardizes patent management for products, safeguards the results of inventions and creations, and mitigates the risks of patent infringement.

Intellectual Property Management Structure



The Group strictly complies with relevant laws and regulations, including 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*. The Group has established intellectual property policies and implementation standards, such as the *Research and Development Patent Work and Management Regulations* and the *Foreign Patent Application Operation Guide*, to comprehensively standardize and improve the processes for patent application and maintenance. Clear assessment and reward mechanisms for patent work have been defined, which effectively incentivize technological innovation, facilitate continuous technical upgrades to products, and enhance the core competitiveness of products.

The Group has closely integrated its corporate business strategy, research and development strategy, and intellectual property strategy to establish a tripartite strategic system. This provides robust support for the Company's long-term development and has ultimately resulted in a comprehensive intellectual property management system.

Intellectual Property Development Strategy and Goals

Short term goals (3-5 years)

- 500 applications for inventions and 270 authorized invention patents

Medium term goals

- Establish a sound intellectual property management system and obtain relevant certifications
- Expand the contribution of patents to business operations and product development processes, and enhance brand value

Long term goals

- The operation of intellectual property rights is one of the sources of profits for the Company
- Centralized and unified management of intellectual property rights such as patents, trademarks, and copyrights (including software copyrights)

In terms of management initiatives, the Group has strengthened end-to-end intellectual property management through patent risk analysis, the delivery of patent training courses, and the certification of patent engineers.

Intellectual Property Management System

Undertake patent risk analysis

Before product exhibition and export, research institutes of each business unit should organize patent risk analysis and sign a commitment letter to report to the R&D management department for filing, in order to avoid patent risks

Establish a full time position as patent engineer

The qualification certification standards for patent engineers are issued by the R&D Management Office. Patent engineers need to undergo qualification certification training and exams, and can only work after passing the exams

Conduct patent training

New R&D personnel must pass patent training courses taught by patent engineers

Apply for international patent

By submitting international patent applications through the *Patent Cooperation Treaty* (PCT), the overseas patent layout has covered countries and regions such as Australia and South Africa

To further enhance its technological innovation capabilities, the Group has established an intellectual property strategic platform centered on the Technology Information Port. This platform integrates resources including Chinese and foreign patent databases, the Chinese Academic Journal Master's and Doctoral Thesis Database, and Chinese and foreign standard databases. Furthermore, third-party international platforms have been incorporated, encompassing functionalities such as INPODOC, the DWPI database, and patent analysis systems. These measures mitigate patent risks associated with product exports and enable electronic management of patent operations.

As at the end of the Reporting Period

The Group had not been involved in any intellectual property infringement litigation proceedings. Significant progress has been made in patent applications and protection, with all 2025 patent targets having been exceeded. The specific indicators for the patent are as follows:

2025 Indicators

3,633 Case	**535** Case	**374** Case
Number of patents	Number of new patent applications	Number of newly authorized patents
362 Case	**46** Case	**38** Case
Number of software copyrights	Number of new software copyright applications	Number of newly authorized software copyright



2.5 Information Security and Privacy Protection

With the advent of the digital economy era, data has become a strategic resource for the new era. Sany International has keenly grasped this development trend, elevating network security and personal information protection to the level of national security, and dedicating resources to the construction and reinforcement of information systems.

Information Security Management System

The Group strictly complies with 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 *Law of the People's Republic of China on the Protection of Consumers' Rights and Interest*, as well as the *Personal Data (Privacy) Ordinance and the Consumer Council Ordinance* of the Hong Kong Special Administrative Region. In accordance with these laws and regulations, policies applicable to all employees have been established, including the *Sany International Industrial Control Information Security Management System*, the *Sany International Third-Party Personnel Information Security Management Regulation*, the *Employee Information Security Management System, and the R&D Information Security Management System*, to comprehensively safeguard customer rights and privacy as well as the security of the Company's information assets. The Group collects only the minimum scope of information necessary to conduct its business and provide services. In accordance with the information retention management policy, all customer data is strictly safeguarded and kept confidential; no information may be accessed without authorization.

Data Minimization Principle

- Only collect the minimum scope of information necessary for performing business and providing services, and obtain explicit consent before accessing them.

Information Preservation Management Specification

- Storage period: Comply with the minimum requirements of laws and regulations and the necessary business period, and immediately delete or anonymize after the expiration date;
- Storage security: The data is stored in a domestic compliant data center, using AES-256 storage encryption and TLS transmission encryption, and the keys are managed uniformly by the hardware security module (HSM);
- Permission control: The principle of least privilege is enforced, implement hierarchical authorization, multi factor authentication, leave traces throughout all access operations, and conduct regular audits.

Information extraction and deletion requirements

- Information extraction: Only authorized personnel can extract information through internal approval processes, and must complete data anonymization and anonymization before providing it to the public;
- Deletion and Rights Response: Customers can apply for information access, correction, deletion, data carrying, and other requests through official channels. The Company shall complete the response and processing within 15 working days, except for information required to be retained by laws and regulations;
- Destruction specifications: Expired and discarded information shall be destroyed using non recoverable technology, and the entire process shall be traceable.

The Group continues to strengthen employees' confidentiality awareness. All staff are required to attend information security training and pass the relevant examinations to ensure that responsibilities for protecting commercial secrets are assigned to every relevant individual. In the event of a data breach or an information security incident, the Group shall promptly notify relevant personnel and impose appropriate penalties; where criminal offences are involved, legal liability shall be pursued in accordance with the law. During the Reporting Period, no information security or privacy breach incidents occurred within the Group.

During the Reporting Period

No information security or privacy breach incidents occurred within the Group.

Red Line for Information Security Behaviors

The Group has established ten mandatory prohibitions regarding information security, aimed at effectively addressing and mitigating information security vulnerabilities and risks. Specifically, it is strictly prohibited to transfer confidential information to outside the Group via any means, including USB copying, email, WeChat, etc., without approval; it is strictly prohibited to use internal documents, drawings, processes, marketing data, financial reports, and other confidential information for personal commercial activities; and it is strictly prohibited to lend or share others' domain accounts and various information system accounts. In respect of any conduct in breach of the information security red lines, the Group shall impose severe disciplinary measures and hold relevant parties accountable in accordance with the *Accountability Management Policy*. In the event of an information security anomaly, employees shall immediately report to their line managers and the IT department. The report must include any security weaknesses in systems or services observed or suspected by them, and where necessary, provide a report on the incident analysis process.

Information Security Training

The Group has provided information security training courses for employees covering multiple modules, including password security, email security, endpoint security, data security and smartphone security. In respect of potential information security risks, the course has put forward specific recommendations for safe usage and protection. By enhancing employees' information security awareness from multiple dimensions and standardizing their information security behavior, it ensures that the Company's information assets are effectively protected.

During the Reporting Period

The Group conducted one group-level information security training session.



03

Products and Services



The Group is committed to providing first-class products and services to its clients. The Group upholds the business philosophy of "All for the Customer, All from Innovation", striving to meet customer needs with enthusiastic service, first-class service technology and efficient response speed.

Research and Innovation

Industry Exchange

Quality Management

Supply Chain Management

Customer Service

Responsible Marketing

3 Products and Services

3.1 Research and Innovation

Innovation is the primary driving force propelling enterprises to achieve cross-boundary development. Sany International has consistently placed R&D and innovation at the core of its strategic priorities, continuously deepening its global layout, digital and intelligent transformation, and R&D and innovation efforts, while accelerating both the speed and scope of translating scientific and technological achievements into real productive forces.

3.1.1 Construction of the R&D Team

Focusing on cutting-edge sectors such as intelligent construction, clean energy, artificial intelligence, and new materials, we have established a research team led by PhD holders and supported by master's degree professionals. This team comprises top-tier engineers and scientists from around the globe, forming a high-quality, specialized, and youthful innovation pipeline.

Status of R&D Team Construction

Sany HeavyEquipment has a total of 474 research and development personnel, of which 60% have a master's degree or above.

Sany Heavy Equipment

Sany Energy

The Sany Energy R&D team consists of 178 people, with 98.7% having a bachelor's degree or above, including 52 having a master's degree.

Sany Marine Heavy Industry

The R&D team of Sany Marine Heavy Industry has a total of 375 people, with over 100 in the automation team. The number of people with a master's degree or above accounts for 38%.

Sany Silicon Energy

Sany Silicon Energy Photovoltaic Research Institute has 330 research and development personnel, accounting for 60%, and 45% of them hold master's or above degrees.

Sany Lithium

The research and development team of Sany Lithium consists of 236 people, with 41% of them holding a master's degree or above.

In terms of hardware facilities, the Group has established a national-level engineering technology research center, provincial key laboratories, and multiple academicians' workstations. Equipped with internationally first-class test rigs and simulation platforms, these provide robust support conditions for new product validation. To date, hundreds of core technologies have been mastered, and over one hundred national and industry standards have been led or participated in formulating.

3.1.2 Digital Intelligence and Low Carbonization

Guided by the three strategic transformations of globalization, digital intelligence, and low-carbon development, the Group focuses on digital intelligence and low-carbon research and innovation. It leverages digital intelligence technologies to establish a competitive advantage, achieves comprehensive breakthroughs in intelligent products, and adopts green and low-carbon principles to forge an industrial foundation while developing green and low-carbon products.

Digital Intelligence

Sany Heavy Equipment

Intelligent development of roadheaders

Aligned with the implementation plan for the development of the multi-functional mining roadheader robot, its digital and intelligent construction has achieved key milestones across four dimensions: establishment of the experimental platform, development of core technologies, construction of the prototype intelligent system, and collaborative innovation among industry, academia, and research. This has yielded phased outcomes spanning from hardware foundations to technical frameworks, and from R&D systems to talent cultivation, thereby laying a core foundation for the subsequent intelligent deployment of mining roadheaders and providing critical technical support for minimized or unmanned excavation operations in underground coal mines throughout China.

Intelligent experimental online platform for coal mine tunnels

- Collaborating with Northeast University and Shenyang University of Technology to build an online platform for coal mine tunnel simulation experiments, becoming the core hardware support for the development of mining excavation robots, achieving the integration of complex working condition simulation and actual testing.

Multi level collaborative fault warning platform for excavation system

- Based on the entire process of "perception prediction warning maintenance", the core framework of a multi-level collaborative fault warning platform for excavation systems based on cloud computing has been built, forming the prototype, which is also a key achievement in the intelligent maintenance of equipment.

Start of tackling four core intelligent technologies

- Focusing on the core requirements of intelligent mining excavation robots, we have completed the research and development of four major technologies: Cut-Path knowledge graph, MS-AF positioning algorithm, TIA multi-machine collaborative control, and binocular vision AI perception. This marks the initial breakthrough in these four core technologies, forming a complete technical framework and prototype algorithms, which serve as the core technical achievements of our digital and intelligent construction.

Intelligent mining vehicles

The promotion of the electrification and intelligent development of wide-body mining vehicles constitutes a key strategic initiative for expanding the new energy mining vehicle market. Sany Heavy Equipment employs intelligent electronic horizon technology, enabling the vehicle to complete self-learning across five operating cycles without human intervention. This facilitates rapid adaptation to variations in haulage distance and gradient resulting from changes in mining faces, thereby eliminating reliance on fixed operating conditions inherent in traditional technologies and demonstrating exceptional environmental adaptability. Concurrently, this technology is capable of automatically adjusting the output proportion between the engine and the battery, maintaining the State of Charge (SOC) of the power battery within the expected healthy range of 30%-85%. By engaging in deep synergy with cloud-vehicle intelligent calibration technology and integrating real-time vehicle operation data, it achieves refined and automated whole-vehicle energy control, thereby establishing a closed-loop management system characterized by "cloud empowerment plus vehicle-side adaptability".

The intelligent electronic horizon technology has successfully addressed the core pain points of hybrid wide-body mining vehicles. Significant breakthroughs have been achieved in enhancing operational efficiency, reducing fuel consumption, and ensuring power stability, thereby laying a solid foundation for expanding the market for new energy mining vehicles.

Sany Marine Heavy Industry

Sany Marine Heavy Industry is committed to enhancing the automation level of port equipment. By integrating advanced intelligent systems into the equipment, it has developed remote control and automated operation technologies for quay cranes and other machinery. Through intelligent retrofitting and innovation, it achieves efficient automated operation of the equipment, ensuring more precise and efficient operations while improving safety and reliability. During the Reporting Period, Sany Marine Heavy Industry completed the development of a visual perception integration platform, provided the nation's first smart border port solution, pioneered the fully automated empty container stacking technology for yard cranes, developed the automatic container placement technology for external trucks, and created the world's first remote-controlled stacker.

Remote-controlled stackers

- The remotely controlled stacker is equipped with an advanced autonomous driving system capable of autonomously planning paths and precisely executing instructions, thereby significantly reducing the need for human intervention. The application of 5G technology ensures high-speed and stable data transmission, enabling operators to fully perceive the overall operational environment and make more accurate judgements and actions.

Sany Energy

Sany Energy has undertaken digital and intelligent construction to enhance the quality and efficiency of oilfields, striving to develop a complete set of intelligent oilfield operation solutions and promoting the upgrade of traditional oil and gas extraction towards "intelligent, efficient, and safe".

In the field of intelligent fracturing, Sany Energy has successfully developed four core systems, achieving full-link intelligence from equipment control to data management. The system automation rate and equipment coverage rate have both reached 90%, while on-site personnel have been reduced by over 40%. Cumulative safe operation time exceeds 200 hours, truly realizing "minimal staffing with efficient operations". Through one-click linkage, the nine key pieces of equipment in oilfield operations can automatically coordinate their work. In conjunction with five intelligent auxiliary technologies, including drill pipe state identification and high/low position cruising, drilling efficiency has been enhanced to 30 stands per hour, achieving a top-tier industry standard.

Concurrently, Sany Energy is accelerating the intelligent upgrade of the fixed-connection stage, driving automation process coverage to 100% and reducing manpower dependency by over 40%. In the future, cementing operations will achieve "unmanned supervision and full-process automation", significantly reducing physical exertion while enhancing construction safety and quality.

Sany Silicon Energy

Sany Silicon Energy has deeply implemented its "Digital Intelligence" strategy within the new energy sector. Building upon mechanized production, it has integrated data across the entire value chain, spanning from research and development to product application. Sany Silicon Energy has transferred the concept of "Lighthouse Factories" from construction machinery to photovoltaics, achieving independent research and development across the entire industry chain alongside intelligent manufacturing. The manufacturing facilities within the full industry chain operate with complete automation, featuring seamless integration between robotic arms and AGVs.

At the 5GW battery workshop, Sany Silicon Energy's proprietary manufacturing and operations management system has achieved data monitoring at the hundred-millimeter level across the entire battery production process, enabling precise management of daily battery production, quality, and process data. Concurrently, the intelligent logistics scheduling system is capable of monitoring data from over 100 machines in real time, precisely scheduling AGVs to complete material transportation, and achieving uninterrupted operation on a 7×24-hour basis, thereby ensuring that all machines operate with zero waiting for materials.

Digital technologies are not only employed in manufacturing but have also become the core product—the brain of the Green Mine Microgrid Project Solution. The core of the solution lies in the application of grid-forming technology and a digital zero-carbon control platform integrating "design, monitoring, analysis, and optimization" as a unified framework, thereby transforming the traditional "source-follows-load" mode into a more stable "source-follows-load with source-load interaction" mode. In the Zambia Reda Mine project, a digital intelligence dashboard enables real-time monitoring and management of this largest photovoltaic-storage-diesel microgrid system in Africa, achieving a green electricity proportion exceeding 95%.



Low-carbonization

Sany Heavy Equipment

Sany Heavy Equipment has successfully developed pure electric wide-body trucks, hybrid mining vehicles, and electric wheel products by promoting electrification to create green and low-carbon products, thereby assisting clients in reducing carbon emissions.



Pure electric wide-body vehicle

During the Reporting Period, sales exceeded 350 units. The products feature characteristics such as "rapid charging/swapping" and "ultra-long range", resulting in an annual reduction of carbon emissions of approximately 176,400 tonnes.



Hybrid mining truck

During the Reporting Period, sales exceeded 300 units. The vehicles were equipped with a novel hybrid powertrain system, achieving a comprehensive fuel-saving rate of ⩾ 20% and reducing carbon emissions by approximately 45,000 tonnes annually.



Motorized wheel

During the Reporting Period, sales exceeded 60 units. The vehicle features a pioneering multi-power module combined with intelligent energy management, delivering a 20% increase in power and a fuel-saving rate of greater than 15%, thereby reducing carbon emissions by approximately 18,000 tonnes annually.

Sany Marine Heavy Industry

In 2025, Sany Marine Heavy Industry leveraged "low consumption and high efficiency" as its core competitive advantage to launch products in three modes: all-electric, extended-range, and battery-swapping, thereby meeting the full-scenario requirements of its customers. The proportion of investment in the development of green products reached 5% of annual sales revenue, continuously consolidating the technical barriers to electrification and intelligence. Through technological innovation and scenario adaptation capabilities, the Company has deeply participated in the global green transformation of ports, establishing a significant competitive advantage in the field of port logistics.

Sany Energy

Sany Energy adheres to the philosophy of research and innovation in electrification. Within the petroleum industry sector, it has persisted with a development strategy for electrification transformation. Leveraging the momentum of the new energy sector, it has successfully developed multiple green and low-carbon products. Sany Energy developed China's first Type 2500 extended-range fracturing truck, achieving a 10% reduction in comprehensive fuel consumption; jointly with CNPC Logging, it developed China's first 7,000-metre electric logging truck, attaining a market share of 60%; and for automated equipment on oil rigs, it has deployed a complete set of fully electrified products, becoming the first enterprise in China to achieve full electrification of automated equipment.

Sany Silicon Energy

In terms of environmental protection, the photovoltaic industry has transcended the simple "provision of clean energy" and evolved into a profound green transformation encompassing ecological governance, industrial innovation, and economic impact. Photovoltaic energy is not only a key driver in achieving the "Dual Carbon" goals but also demonstrates multi-dimensional environmental value in ecological restoration and economic support. Sany Silicon Energy will continue to cultivate the photovoltaic industry, making green energy a beacon illuminating the environment.

Sany Silicon Energy focuses on microgrid operations, providing feasible green transformation solutions for energy-intensive industries. Sany Silicon Energy has targeted regions with weak power infrastructure and high dependence on expensive diesel fuel, such as Africa and Southeast Asia, particularly clients from mining industry. It has precisely addressed customers' pain points regarding "difficulty in accessing electricity" and "high electricity costs". The Zambia microgrid project, being the largest single photovoltaic-storage-diesel microgrid in Africa, achieves a green electricity proportion exceeding 95% and reduces electricity costs by two-thirds. This achievement has received high praise from the Minister of Mines of Zambia.

Poly finger technology

- Sany Silicon Energy's 5GW battery cell employs the innovatively developed "poly finger" technology. Through a process of "laser oxidation followed by alkaline etching", polycrystalline silicon material in non-metallic contact areas is removed, enabling the cell to utilize solar radiation more effectively and thereby enhancing the photoelectric conversion efficiency by 0.15%.

Phosphorus-Antimony co-doped silicon wafers

- Sany Silicon Energy has innovatively employed both phosphorus and antimony for doping within silicon wafers simultaneously. By leveraging their respective characteristics to achieve synergistic optimization, the resistivity range of the wafers has been narrowed and their performance stabilized, ultimately driving an increase in photoelectric conversion efficiency by 0.1%.

Development of Perovskite Solar Cells and Their Key Equipment

- Sany Silicon Energy has successfully developed perovskite solar cell technology and the accompanying advanced production equipment, taking a critical step from "technological breakthrough" to "industrial implementation". Among these, the magnetron sputtering coating equipment developed independently has achieved mass production. It can stably deposit various key functional films, including NiO, ITO, and IZO. Widely applied in the electron transport layer and transparent electrodes of perovskite cells, the equipment demonstrates stable performance and has received high recognition from customers.
- Sany Silicon Energy is concurrently developing a revolutionary "N-in-One Perovskite Vacuum Coating Equipment"—integrating evaporation, magnetron sputtering, and Atomic Layer Deposition (ALD) into a single unit to execute multiple processes. This significantly streamlines the production line, enhances yield rates, and reduces energy consumption.
- In terms of technological achievements, Sany Silicon Energy has achieved a breakthrough in perovskite/silicon tandem cell efficiency exceeding 30.52%. Furthermore, the overall design scheme for the N-integrated equipment has been completed, paving the way for future large-scale mass production. This is not merely a technological leap, but a paradigm of collaborative innovation across the entire chain from "materials to devices to equipment".

Sany Silicon Energy is actively developing clean technology products and solutions, with its product range spanning from silicon rods to modules and power stations. It integrates the concepts of intelligent, electrified, and clean products throughout the entire industry chain, providing clients with renewable green photovoltaic energy. To address the market demand for high-efficiency and high-reliability products, Sany Silicon Energy has deeply integrated its new energy business with mining operations to provide an integrated microgrid solution encompassing "solar + storage + diesel + electric construction machinery", thereby meeting customers' urgent requirements for green, low-cost, and stable power supply.

3.2 Industry Exchange

Sany International consciously assumes the role of a leading force in the industry, actively engages in industry-academia cooperation and participates in high-level academic forums, technical summits, and standardization discussions both domestically and internationally. It proactively shares experience, conveys its voice, and consolidates consensus, continuously enhancing its influence and reputation within the engineering equipment sector in China and globally.

During the Reporting Period, the Group co-hosted with the National Frontier Science Centre for Industrial Intelligence and System Optimization at Northeastern University (DAO Laboratory) a special training activity titled "AI Navigation · Industrial Intelligence Empowering the Future" to jointly explore innovative pathways for industrial intelligence driven by artificial intelligence technologies.

Sany Heavy Equipment

Key Technologies for Pure Electric Mining Vehicles

Collaborating with Suzhou Green Control Transmission Technology Co., Ltd. for Xingliao Yingcai Plan Expert Recruitment Project

Research and application of intelligent mining excavation equipment

Cooperation with China Coal Science and Technology Group Shenyang Research Institute Co., Ltd. Liaoning Province Science and Technology Achievement Transformation Special Project

Development of a multifunctional mining excavation robot

Key R&D Plan of Liaoning Province in Cooperation with Northeastern University, Shenyang University of Technology, etc

Sany Marine Heavy Industry



- Collaborating with Wuhan University of Technology on key technologies for automatic container grabbing and releasing by remote-controlled stacking machines.
- Collaborating with Sun Yat-sen University on key technologies for intra-cabin 3D modeling and positioning of hold cleaners.
- Collaborating with Sun Yat-sen University on key technologies for automatic centering perception during railway wagon loading by front loaders.
- Collaborating with Wuhan University of Technology on high-efficiency drive and energy recovery control technologies and devices for port equipment clusters.

Sany Energy

In 2025, Sany Energy collaborated with universities and partners to undertake multiple technical projects aimed at reducing the dependence on key core technologies from developed nations, pioneering industry-leading innovations, enhancing technological barriers, and meeting customer requirements.

Carried out R&D cooperation with China University of Petroleum.

Development project of all electric drive rotary lifting grab

- Develop a "rotary makeup" gripper based on all-electric drive technology suitable for small spaces, which achieves precise force control through structural surface optimization, improves work safety, and achieves non-destructive string operation

Research on thermal management and heat dissipation efficiency optimization of fracturing truck unit

- By optimizing the heat dissipation capacity of mechanical fracturing vehicles through simulation, the industry's persistent problem of engine water temperature over temperature alarm for multiple units of fracturing vehicles in summer is solved

Dynamic Intelligent Monitoring Technology for Continuous Tubing Defects

- Develop a real-time defect detection system for continuous tubing, which can detect cracks, corrosion, wall thickness reduction, ellipticity and other defects in the tubing body in real time and online. The core parameters are ellipticity resolution, pipe wall thickness detection accuracy, and defect detection accuracy

Engaged in R&D collaboration with Zhejiang University



Development project of cementing automatic mixing technology

Addresses the gap in intelligent technology in the cementing industry, and achieved automatic control of cement slurry density through a new control algorithm

Engaging in R&D collaboration with partners

Sany Energy, in collaboration with its partners, conducted research on 'High-Load Electric Linear Drive Technology'. A split servo-hydraulic system was applied to meet the requirement for electrification of the iron roughneck.

Sany Silicon Energy

Sany Silicon Energy has collaborated with Central South University and Hunan University on the project titled 'Perovskite Cells and Key Equipment with Efficiency ⩾35%', aiming to elevate perovskite tandem cells to a new level and develop advanced integrated vacuum deposition equipment combining perovskite N-in-one capabilities for evaporation, magnetron sputtering, and ALD functions.

3.3 Quality Management

Against the backdrop of an era where high-quality development and the "Dual Carbon" strategy proceed in parallel, quality management serves not only as a guarantee of product reliability but also as a core pillar of sustainable corporate competitiveness. Sany International determinates in the construction of a systematic, standardized, and intelligent quality management system covering the entire lifecycle and spanning the full value chain. This initiative drives the transition of quality management from "passive control" to "proactive prevention", thereby supporting the achievement of high-quality development objectives.

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 continuously optimizes and improves its internal Product Quality Safety Management Policy. A quality management system covering all employees, all processes, and the entire industry chain has been established, ensuring full implementation of the ISO 9001:2015 quality management system certification standards. Through the PDCA cycle management model, process flows are continuously improved, and source control is strengthened to ensure that product quality remains stable and under control.

During the Reporting Period

Sany Energy, Sany Heavy Equipment, Sany Marine Heavy Industry, Sany Silicon Energy, and Sany Lithium were all certified under the ISO 9001 quality management system standard.



Quality Management Process

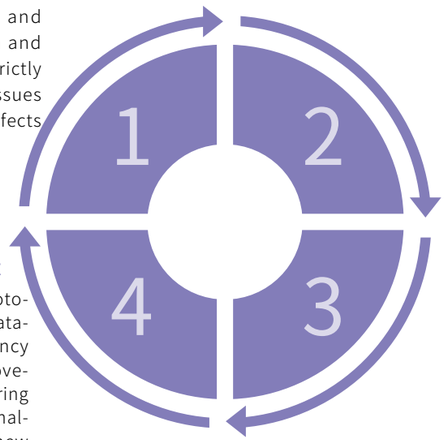
The Group is oriented towards continuous improvement. Through digital and intelligent management, it continuously monitors quality performance throughout the entire product manufacturing process, establishes quality management objectives, and implements a series of precise and effective quality enhancement measures to drive product quality to higher levels.

The Group exercises control over manufacturing quality across multiple dimensions by managing the product lifecycle and its stages through process control, process monitoring, quality inspection, and continuous improvement. A comprehensive mechanism for end-to-end quality traceability from raw materials to finished goods, coupled with a tiered control system, has been established to precisely identify and mitigate significant quality risks.

Full Lifecycle Quality Management Process

R&D Quality Management

Focus on product quality and safety during the research and development process, and strictly control quality and safety issues caused by product design defects



After-sales Management

Leverages rapid response protocols and a centralized fault database to convert high-frequency after-sales issues into improvements in R&D and manufacturing processes, thereby institutionalizing "lessons learned" into new "standards".

Supplier Management

- Implement comprehensive supply chain management across three dimensions: supplier sourcing, development and support, and performance management, to control product safety and quality at the source.
- On-site audits of key suppliers to ensure that their quality management system meets requirements

Production Management

- Ensure the stability of the manufacturing process through standardized operations, digital monitoring of critical process lines, and 8D problem solving mechanisms
- Strictly follow the standards during on-site and factory inspections through a digital system

The Group has continuously refined the policy on the Non-Conforming product Management System and strictly standardized the disposal process. A closed-loop procedure for defect identification, risk assessment, emergency response, product isolation, and traceability rectification has been established to ensure rapid response and the efficiency and accuracy of on-site information transmission, thereby reducing equipment downtime and effectively preventing the recurrence of similar quality issues.

The Group provides specialized training to manufacturing and inspection personnel to ensure strict adherence to procedures for the disposal of non-conforming products, thereby significantly enhancing the efficiency of handling both internal and incoming non-conforming products.

During the Reporting Period

The Group did not experience any product recalls arising from product quality issues. The percentage of sold or delivered products requiring recall on grounds of product safety or quality was zero.

Quality Management Objectives

The Group has formulated and published quality improvement objectives and plans for products, in light of market demand and the Company's strategy. Quality objectives include enhancing customer satisfaction, reducing failure rates, and improving product reliability, while quality costs are also incorporated as economic indicators for measuring improvement effectiveness. To ensure the effective implementation of the quality improvement plan, Sany International has established a three-tier quality target management mechanism spanning from the Company to departments and individuals. This is achieved through systematic investment and the integration of necessary resources, encompassing the allocation of professional personnel, dedicated funding assurance, and corresponding technical support.

Intelligent Quality Management

Sany International has leveraged a digital management platform to achieve the interconnection and interoperability of quality information, thereby advancing quality management and manufacturing production comprehensively towards digitization and automation, and realizing an evolution from "tools" to "intelligent terminals".

Sany Marine Heavy Industry

Sany Marine Heavy Industry deeply integrated digital and automation technologies in 2025, achieving a transition in quality management from end-of-line inspection to source prevention, and driving the leap in manufacturing production from point-specific automation to full-process intelligence.

Digitalization of Quality Prevention

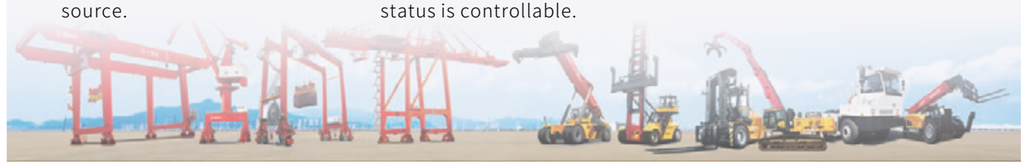
Establishing a preventive quality ecosystem, with core measures including the deployment of inspectors at manufacturing sites for supervision and the advancement of inspection checkpoints. By implementing real-time monitoring and guidance at suppliers' production sites, quality control points were embedded throughout their entire manufacturing process, thereby preventing non-conforming materials from entering the supply chain at the source.

Digitalization of Quality Verification

A full-process traceability system has been established, spanning from raw materials to the finished vehicle. This system binds production parameters, inspection records, and data for critical components, thereby achieving transparency in quality status and facilitating traceability. Concurrently, the electronic record prior to dispatch is being promoted to ensure that every piece of equipment is traceable at source and its status is controllable.

Digital Quality Traceability

Leveraging digital and intelligent means to achieve transparency in the disposal process of non-conforming products, traceability at each node, and efficient closed-loop management, thereby significantly reducing the risk of rework exceeding deadlines. A quality issue feedback platform has been launched concurrently to establish an end-to-end supply chain feedback channel, thereby enabling real-time information synchronization.



Sany Energy

Sany Energy has established a digital management platform and constructed an intelligent commissioning system based on automatic data acquisition, with traceable processes as the core and intelligent result determination as the guarantee. This initiative fully achieves automation, unattended operation, and digitization of the commissioning process, significantly enhancing the quality and efficiency of fracturing equipment commissioning.

Sany Silicon Energy

During the Reporting Period, Sany Silicon Energy continued to deepen and advance its digitalization and automation initiatives, establishing an efficient automated production line. At the digital level, system data interoperability is optimized to enhance information management, thereby enabling real-time monitoring and precise control of quality data. At the automation level, an internal automated control system was established to strengthen intelligent equipment scheduling and introduce a new automated transfer system, thereby optimizing production logistics.

Cultivation of Quality Management Culture

The Group places paramount importance on cultivating employees' quality awareness. Regular training sessions and awareness enhancement activities are organized to elevate staff understanding of the significance of quality, thereby strengthening their sense of responsibility and mission regarding quality matters. This ensures that employees voluntarily adhere to quality standards in their daily operations and actively participate in quality improvement initiatives, fostering a corporate culture where "quality is valued by all".

Talent Development Program for Quality

- Sany Energy adopts "system construction and tool empowerment" as its core strategy to conduct training on quality systems and quality tools. This covers key areas including quality culture, quality control maps, and supplier management, ensuring that all employees master core quality capabilities.
- Sany Marine Heavy Industry disseminated the importance of quality culture through various forms, including the display of thematic posters, distribution of promotional materials, seminars on quality knowledge, and skills competition. The content of the quality knowledge seminar encompasses core modules such as the quality management system and operational standards. The skills competition covers key trades including welding, painting, and forklift operation, fostering learning and practice through competition to fully stimulate employees' intrinsic motivation to enhance their skills and pursue excellence.

Quality Recognition

Sany Heavy Equipment conducts an annual evaluation to select outstanding teams and individuals for quality excellence and awards them with items and certificates.



3.4 Supply Chain Management

Sany International regards the supply chain as a vital partner in sustainable development and is committed to constructing a transparent, responsible, and collaboratively developing supply chain system. Responsible supply chain management not only assists in mitigating operational risks but also creates long-term value for all stakeholders.

Supplier Management

The supply chain constitutes the most critical link within the enterprise value creation chain. Sany International adheres to the philosophy of "strengthening and consolidating supply chains while fostering collaborative co-creation", striving to construct a modern supply chain ecosystem that is secure, efficient, green, and resilient. It promotes the integration of upstream resource elements and the linkage with downstream customer demands, thereby achieving quality improvement and efficiency enhancement across the entire value chain. The Group continuously refines its supplier management system and standardizes supplier management practices to promote sustainable development among value chain partners.

Identification and Assessment of Supply Chain Risks

The Group places emphasis on the identification and assessment of supply chain risks. Through rigorous scrutiny of suppliers' qualifications, including environmental and quality certificates, during the admission process, and through on-site assessments of suppliers regarding labor rights, corporate culture, and overall employee satisfaction, potential supply chain risks are identified and addressed. Timely warnings are issued for impending risks, and upon the occurrence of a risk, a systematic response mechanism and traceability process are promptly activated to ensure the stability and sustainable development of the supply chain.

During the Reporting Period

The Group conducted an internal control assessment of its commercial system, covering all aspects of supplier management. A new trade compliance risk analysis was introduced, requiring suppliers to submit risk reports. Furthermore, by integrating agency purchasing and optimizing the supplier structure, enhanced risk control measures for suppliers were implemented.

Risk Identification and Mitigation in Sany Marine Heavy Industry Supply Chain

Sany Marine Heavy Industry identifies and addresses environmental, social, and governance (ESG) risks within its supply chain. Through measures such as strengthening supplier management, promoting green transformation, safeguarding labor rights, and enhancing governance standards, the Company conducts regular ESG assessments and audits of suppliers to ensure the sustainability and compliance of the supply chain.

Identification and Response to ESG Risks in Sany Marine Heavy Industry Supply Chain

Environmental risk

Risk description

- Carbon emission
- Resource consumption
- Pollutant emissions
- ...

Response measures

- Encourage and support suppliers to adopt environmentally friendly materials and technologies
- Reduce carbon emissions and resource consumption
- Promoting green transformation of the supply chain

Social risk

Risk description

- Labor rights
- Community relations
- ...

Response measures

- Ensure that labor rights in the supply chain are fully protected
- Require suppliers to comply with relevant laws, regulations, and international labor standards
- Improve job satisfaction and loyalty of supplier employees

Governance risk

Risk description

- Corruption and opacity in the supply chain
- Violation of laws and regulations

Response measures

- Strengthen the transparency and compliance management of the supply chain
- Establish a sound anti-corruption mechanism and internal control system
- Require suppliers to upload risk query results

Supplier Access and Graded Management

At the supplier onboarding stage, the Group comprehensively considers the supplier's years of establishment, compliance with admission assessment criteria, validity of quality certificates, environmental qualifications, tax records, and integrity in business operations, thereby progressively achieving scenario-based access control.

The Group classifies and manages suppliers in tires based on their qualifications and delivery capabilities, alongside the Group's own business planning, strategic objectives, and historical cooperation with suppliers. Key performance indicators (KPIs) regarding supplier quality, delivery, and cost reduction are systematically collected monthly via the system to facilitate performance evaluation. The evaluation results are strictly categorized into four grades: A, B, C, and D. In respect of suppliers assessed at Grade D with serious breaches of contract, the Company shall firmly enforce the management measure of listing them on the supplier blacklist. Suppliers failing to meet the standards shall be either eliminated or subject to re-audit and assistance.

Supplier Assessment and Performance Evaluation

The Group regularly assesses and evaluates suppliers to ensure that they continue to meet the Group's requirements regarding quality, environmental protection, and social responsibility. The Group primarily evaluates and assesses suppliers based on four dimensions: Quality, Cost, Delivery, and Service (QCDS). It regularly reviews the disposition of non-compliant suppliers and requires them to submit rectification documentation within the stipulated timeframe, thereby facilitating continuous improvement in their performance.

Supplier ESG Management

The Group has established green supplier entry criteria, designating ESG performance as a key indicator for supplier selection. The assessment encompasses issues such as supplier business ethics, energy conservation and carbon reduction measures, carbon emission reduction targets, talent development plans, employee satisfaction surveys, employee safety and health, and employee rights. Existing suppliers are subject to green rating, with the aim of driving high-emission and high-energy-consumption suppliers to undertake technical upgrades or energy transition. The Group strictly selects suppliers of environmentally friendly materials. All materials entering the premises must pass environmental testing and certification. Materials failing to meet low-carbon environmental standards are prohibited from being stored in the warehouse, and the utilization of environmentally friendly materials is incorporated into a closed-loop production quality control system.

Supplier ESG Evaluation System

Green and environmentally friendly

- The review form includes consideration of measures related to carbon emissions, energy conservation and emission reduction

Business ethics

- Assess the integrity of suppliers, verify taxpayer qualifications, authenticity of certificates, and collusion in bidding and tendering

Human rights

- Check whether the supplier has developed and implemented a talent development plan in the review form, conducted employee satisfaction surveys and continuously improved labor relations, and considered employee safety and health



To enhance environmental resilience within the supply chain, the Group has established a low-carbon material procurement strategy. This strategy prioritizes the acquisition of low-carbon or renewable materials, such as recycled steel and eco-friendly coatings. Furthermore, the Group collaborates with suppliers to develop novel environmentally friendly materials and recyclable packaging solutions, utilizing circular materials to reduce the carbon footprint across the entire product lifecycle. Given the strong correlation between transportation distance and carbon emissions, the Group encourages the adoption of local suppliers to reduce transport distances, utilizes new energy vehicles for logistics, and promotes the installation of photovoltaic systems by suppliers to utilize green energy in manufacturing processes, thereby reducing carbon emissions.

Supplier Engagement

The Group places high importance on communication and collaborative cooperation with suppliers. By convening regular supplier conferences, a platform has been established for face-to-face dialogue between senior management of the Group and suppliers to jointly discuss industry development trends, clarify directions and requirements for cooperation, and promote strategic alignment between both parties. Concurrently, the Group actively implements supplier support initiatives. By organizing internal expert teams to provide professional guidance and training in areas where suppliers exhibit weaknesses, such as production technology, quality management, and cost control, the Group assists suppliers in enhancing their comprehensive capabilities. This fosters mutual growth and subsequently strengthens the overall competitiveness of the supply chain.

Sany Marine Heavy Industry Supplier Conference

On 12 December 2025, Sany Marine Heavy Industry held its 11th Supplier Conference under the theme "Ten Years of Shared Journey, Building a New Future of Win-Win Cooperation". Over 200 outstanding supplier representatives from both domestic and international markets attended to jointly witness Sany Marine Heavy Industry's decade-long development and achievements worth billions of yuan, while also planning the new landscape for the future.

Global Supplier Ecosystem Conference

Sany Lithium's satellite session of the "3rd Global Supplier Ecosystem Conference" held in April 2025 attracted 120 energy storage suppliers. By uniting upstream and downstream enterprises to jointly build an energy storage industry ecosystem, the session released the Battery Performance Standards for High-Cold Regions. Through technology sharing and capacity collaboration, it facilitated the transition of small and medium-sized suppliers towards green manufacturing and laid a solid foundation for enhancing supplier quality.



Supplier Support

To assist suppliers in enhancing their capabilities and achieving mutual development, the Group actively carries out supplier support initiatives. The Group has tailored specific training programs for its suppliers based on their status and needs to enhance their operational capabilities and management standards.

During the on-site supplier assessment phase, the Group provided measures for subsequent rectification and improved management via its digital system in relation to the issues identified. Upon rectification of the issues by the supplier and subsequent review and approval by the assessment experts, the issue closure is completed. This effectively prevents suppliers from neglecting issue rectification and further assists suppliers in enhancing their management capabilities.

Sany Energy

- Implemented supplier support initiatives to enhance suppliers' management systems.
- Conducted meetings with 20 suppliers experiencing recurrent quality issues and provided on-site quality management support.

1

Sany Lithium

- Provide on-site assistance to structural component suppliers
- Promote the use of digital systems and provided regular updates and training

2

Sany Marine Heavy Industry

- Conducted multiple rounds of quality and management system support

3

3.5 Customer Service

The Group has consistently adhered to a customer-centric service philosophy, dedicated to constructing a comprehensive and multi-tiered customer service system. This system aims to deliver efficient, convenient, and intelligent service experiences to customers, thereby meeting their increasingly growing needs, enhancing customer satisfaction and loyalty, and facilitating the enterprise's long-term development.

Customer Service System

The Group has established a comprehensive and advanced customer service system, encompassing various service channels and methods. By leveraging digital intelligence system tools such as the Sany Customer Cloud Platform, the Group achieves rapid response to customer needs, continuously optimizes service quality, and fully safeguards customer rights.

Comprehensive customer service system

Customer operator training

Build an online communication platform for learning and training, which can achieve online learning, live instruction, online testing, and interactive forums.

Cloud services

Realize remote service visualization, allowing backend experts and frontline services to instantly share a view of the fault site, thereby supporting service engineers in need to efficiently and quickly resolve complex faults.

Smart call center

Through tools such as customer cloud or virtual phone, remote online guidance is provided to customers to handle faults, achieving intelligent voice browsing, visual IVR, and real-time online tripartite calls or videos for customers, customer service, and engineers

Accessories Mall

Relying on the Sany customer cloud platform, establishing an online accessory mall where customers can place orders and purchase accessories through online self-service

Logistics visualization

Realize online query of the entire process of parts shipment and visually display the logistics status

Sany Marine Heavy Industry has established a green channel for the handling of shutdown failures, with daily special scheduling for such incidents. For domestic shutdowns, repairs are completed within one day if parts are available and within two days if parts are unavailable; for international shutdowns, repairs are completed within two days if parts are available and within three days if parts are unavailable. Missing components were expedited to the site via air freight through direct shipment from suppliers and parts disassembly to ensure supply, thereby resolving customer equipment downtime issues immediately.

During the Reporting Period

The Group continued to carry out the Service Journey initiative. Proactive comprehensive health checks were conducted on customers' equipment, with a focus on identifying and preventing issues and monitoring the usage of new products. Customer feedback was actively sought to enhance customer satisfaction and create value for customers.

Sany Heavy Equipment Service Journey

In the 2025 Global Tour Plan, 1,936 units of equipment were inspected, and 37 outstanding issues were collected and resolved. Concurrently, to enhance service capabilities, Golden Seed training was conducted for the national region, resulting in the cultivation of 50 proficient local engineers.





Sany Lithium Service Journey

Through conducting dedicated customer visits, inspecting customer equipment and resolving outstanding issues, customer loyalty and service experience have been enhanced. During the Reporting Period, as part of the Sany Lithium Service Journey initiative, a total of 233 customers were visited, 1,702 equipment inspections were conducted, 31 training sessions for customers were delivered, 569 customer suggestions were collected, and 20 banners (letters) of appreciation were received from customers.

Channels and procedures for handling customer complaints

The Group has established comprehensive channels and procedures for handling customer complaints to ensure that customer issues are resolved in a timely and effective manner. Customers may submit complaints via various channels, including the dedicated hotline, online customer service, and email. Complaint records shall be synchronized within the digital system for tracking purposes. The professional team is required to respond to and handle complaints promptly and to provide timely feedback on the outcomes to customers, ensuring customer satisfaction.

As of the end of the Reporting Period

There were 16 cases of customer complaints within the Group, and the complaint resolution rate reached 100%.

Customer Complaint Handling Process

Rapid response

- After receiving the customer complaint hotline, enter it into the CRM system and follow up on the handling of complaints through the system workflow. Customer complaints should be analyzed and analyzed within 1 hour, a handling plan should be determined within 4 hours, and reported to the CEO of each business unit for morning meeting scheduling the next day.

Order-by-order closure

- The business unit implements countermeasures and supervises the resolution.

Customer reversal

- After the problem is resolved, invite the customer to give feedback again. If the customer gives a negative feedback again, the head of the department in charge of the business unit should proactively contact the customer for understanding. If unsuccessful, escalate to the CEO or senior management of the business unit for follow-up.

Customer Satisfaction Survey and Results

The Group places significant emphasis on customer satisfaction surveys. Feedback from customers is regularly collected through various channels, including online questionnaires, manual follow-ups, mystery shopper programs, and a dedicated customer satisfaction survey system. These initiatives assess customer evaluations regarding equipment quality, spare parts, and service provision, thereby facilitating a comprehensive understanding of customer satisfaction with products and services as well as gathering recommendations for improvement. Through an in-depth analysis of customer satisfaction survey results, issues and deficiencies within the service were promptly identified. Targeted improvement measures were formulated to continuously enhance service quality, thereby increasing customer satisfaction and loyalty.

In 2025, each business unit collected customer ratings and scores across multiple dimensions, including product quality, delivery lead time, service, packaging, and price, and produced an analysis report based on customer improvement suggestions and requirements.

Sany International Customer Satisfaction

Sany Heavy Equipment

Customer satisfaction score of **76.4** in 2025.

Sany Marine Heavy Industry

Service satisfaction score of **79.8** in 2025.

Sany Energy

Service satisfaction score of **75.3** in 2025.

Sany Silicon Energy

A customer satisfaction survey was conducted for major customers in 2025, with a score of **95.2**.

Sany Lithium

Service satisfaction score of **75.4** in 2025.

3.6 Responsible Marketing

The Group strictly complies with relevant laws and regulations, including the *Advertising Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. The Group has established comprehensive compliance publicity policies and approval procedures to ensure that brand and advertising content is truthful, accurate, and lawful. The Group undertakes to strictly prohibit misconduct such as false advertising and exaggeration in marketing activities, adhering to the principle of honest operation by conveying the value of products and services to consumers through authentic and objective information.

Sany Heavy Equipment, combining its own corporate characteristics with industry standards, has established marketing conduct guidelines centered on the "four no's". These guidelines provide clear regulations and direction for marketing activities, ensuring that all promotional actions comply with legal requirements and social moral standards.

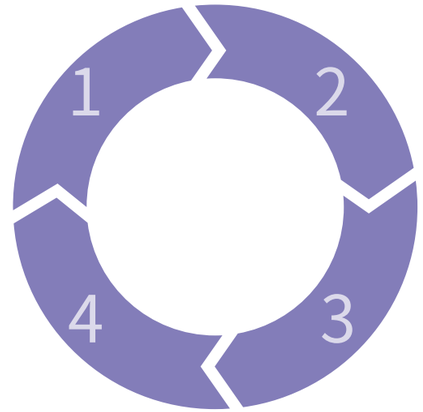
Sany Heavy Equipment Marketing Code of Conduct

No exaggeration and smear

Do not blindly boast or exaggerate the Company's products, services, and policies, seek truth from facts, and keep promises; Do not fabricate or disseminate false information, do not defame the reputation of friends, do not belittle their products and services, and actively expose and crack down on illegal activities in the industry.

No transfer of benefits

Do not sell company secrets to competitors, do not rely on company platforms or resources, engage in second professions in violation of regulations, and seek personal gain.



No private quotes

It is not allowed to unilaterally quote customers for the purpose of winning the bid at a low price without consulting the Company, which may harm the Company's interests.

Not to engage in a second career

It is prohibited to engage in any illegal and unfair competitive behavior involving the transfer of benefits in order to achieve transactions, including but not limited to bribery to customers and suppliers, accepting benefits from customers and suppliers, etc.

To enhance the marketing practices of Sany International's key personnel, the Group organized over 30 marketing training sessions during the Reporting Period. The content covered multiple areas, including marketing techniques and risk control. The Group has established a stringent disciplinary mechanism. Wherever conduct contravening the principles of responsible marketing is confirmed, administrative sanctions shall be imposed on the relevant persons concerned, including financial penalties, demotion, suspension from duty, or even dismissal.

04

Employees



Employees are the most valuable asset of Sany International and the source of vitality for the enterprise's vigorous development. We firmly believe that only by respecting the unique value of every individual and providing them with opportunities to showcase their talents and grow can infinite creativity be unleashed, thereby forging a great enterprise built for enduring success.

Employee Engagement

Training and Development

Health and Safety

Remuneration and Benefits

Employee Care

4 Employees

4.1 Employee Engagement

Compliant Employment

Attracting and nurturing talent begins with sincerity and is achieved through respect. Sany International warmly welcomes talent from all regions and industries across the nation to join this striving team. The Group upholds international consensus and principles such as the Ten Principles of the United Nations Global Compact, complies with national labor protection laws including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and systematically standardizes talent selection processes and recruitment criteria by formulating specific policies such as the internal *Recruitment Management System*, thereby ensuring the professionalism of talent acquisition at the source. Furthermore, the Group provides fair and reasonable employment opportunities and humane treatment to ensure that employees are not subjected to differential treatment or discrimination on grounds of gender, age, race, region, religion, marital status or other factors.

The Group is committed to prohibiting all instances of human trafficking, child labor and forced labor. It strictly complies with the legal provisions set out in the *Provisions on the Prohibition of Using Child Labor* and adheres to the requirements of the *Law of the People's Republic of China on the Protection of Minors*. During the recruitment process, rigorous qualification screening and identification are conducted to explicitly prohibit the employment of children under the age of 16, thereby ensuring that all employees provide their voluntary consent to work.

During the Reporting Period

No incidents of child labor or forced labor occurred within the Group.

Talent Acquisition

The Group adheres to the principles of openness, fairness, and impartiality by attracting top talent through various channels, including campus recruitment, social recruitment, headhunter referrals, and internal transfers and promotions.

Sany Marine Heavy Industry Campus Recruitment Activity

Between March and May 2025, Sany Marine Heavy Industry conducted campus recruitment activities at eight universities, including Chongqing University, Guangxi University, Wuhan University of Technology, and South China University of Technology. The Company delivered presentations and held offline job fairs at these institutions. Owing to its outstanding performance in campus recruitment, the Company received written commendations from Nanchang University and Changsha University of Science and Technology.







During the Reporting Period

The Group's total number of employees was 10,924, with an overall employee turnover rate of 31.71%.

Protection of Human Rights

The Group attaches great importance to the development of diversity and equality. It actively safeguards the labor rights and interests of female employees, employees with disabilities, ethnic minorities, and staff from different countries, strictly preventing malicious incidents such as discrimination, harassment, and bullying. The Group ensures that no employee shall be treated unfairly on account of age, gender, physical condition, race, nationality, religion, or any other factor.

Diversity, Equity, and Inclusion (DEI) measures in Sany International

Eliminate discrimination in the recruitment process	• In the entire process of formulating recruitment plans, publicizing job information, and conducting personnel recruitment work, Sany International always adheres to the principle of gender equality, does not restrict women's job search and employment on the grounds of gender, refuses to set any gender entry thresholds or gender bias policies, and prohibits using gender factors as a basis for restricting women's career development.
Promoting equality in work processes	• Sany International improves and implements the maternity insurance system, implements special labor protection for female employees during pregnancy, childbirth, and lactation, helps female employees who return to work after childbirth to adapt to work needs, and sets up "Mom Stations"(nursing rooms) to provide convenience for working mothers.
Promotion of Diversity and Gender Equality	• Sany International firmly implements the policy of gender equality and guides all employees to strengthen their awareness of gender equality.

The Group has consistently placed the protection of employees' rights and humanistic care at the core of its corporate development. A system for democratic employee participation has been established to respect employees' rights to freedom of association and collective bargaining, thereby promoting harmonious and stable development of the Company. To achieve this management objective, the Company has established a trade union policy as a two-way communication link. The trade union not only bears the responsibility of representing employees in corporate decision-making and safeguarding their legitimate rights and interests, but also regularly plans various thematic activities to enhance team cohesion and members' sense of belonging. Through this democratic channel, employees are able to fully exercise their right to offer suggestions and participate in corporate governance, ensuring that grassroots voices are incorporated into decision-making considerations. Concurrently, the trade union mechanism has established a demand sensing system for management. By collecting and analyzing employee representations, it continuously optimizes management models, improves welfare systems and workplace environments, thereby effectively enhancing employee engagement and organizational identification. For all decisions affecting the personal interests of employees, the Group organizes employee representatives to participate in voting.



4.2 Remuneration and Benefits

Remuneration and Benefits

Remuneration is not merely a return for effort but also an acknowledgement of value. Sany International adheres to the allocation principles of "determining remuneration by post, calculating pay by performance, benchmarking against the market, and implementing long-term incentives", thereby establishing a compensation and benefits system that is competitive, flexible, and attractive. Through the formulation of internal remuneration and benefits policies, including the *Management Measures for Staff Incentive Scheme*, the *Employee Welfare Management Regulations*, and the *Reward and Punishment Management Process*, the Company upholds the remuneration philosophy of equal pay for equal work and gender-neutral pay to fully meet employee needs. For female employees, the Group prepares cash red envelopes and activities annually on International Women's Day, 8 March.

Basic Benefits

- Statutory holidays shall be granted in accordance with national regulations, such as marriage leave, bereavement leave, maternity leave, paternity leave, breastfeeding leave, and work-related injury leave;
- All employees in mainland China: Statutory contributions shall be made for pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund.
- Employees in the Hong Kong region: provision of medical insurance and year-end bonuses;
- Special Talent (Foreign Experts and Personnel on Official Business Trips Abroad): Arrange the corresponding insurance business.

Employee Benefits

• Birthday gifts shall be distributed to all employees at a standard rate of RMB 100 per person on their birthdays;	• Cash rewards are granted to all employees of the Company according to their job grades;
• Distribution of holiday supplies during public holidays and festivals;	• Clothing benefits;
• Housing benefits, including the provision of staff accommodation;	• Transportation benefits;
• Summer heatstroke prevention and cooling benefits;	• Employee event benefits;
• Meal allowance;	• Benefits for employees' children's education.

Concurrently, the Group provides non-salary benefits to all employees, including pensions and retirement allowances, through a comprehensive long-term security mechanism that enables staff to experience the humanistic care derived from the enterprise's sustainable development.

Other Non-Remuneration Benefits

- Commercial Insurance: The Company provides overseas accident and medical insurance coverage to employees travelling abroad on business.
- Occupational Disease Physical Examination: The Company provides free general health examinations for management staff annually and arranges free occupational health examinations for frontline production employees.
- Occupational Health Examination: The Group conducts regular occupational health examinations annually for positions involving occupational health hazards.

Equity Incentive Scheme

Concurrently, the Group has established a diversified employee performance framework. By incorporating mechanisms such as equity incentives to enhance employee remuneration levels and share the outcomes of corporate development with employees, this initiative aims to stimulate work enthusiasm and professional fulfilment while continuously strengthening employees' confidence in the Company's future development.

Equity incentives

Adopting employee stock ownership plans to grant equity incentives to mid to senior management and R&D positions, covering approximately 30% of employees

Performance Bonus

The Group has established a diversified performance system for all employees, including year-end performance bonuses, profit-sharing schemes, and exceptional target awards. Reasonable performance components have been allocated to R&D sales personnel, senior management, and frontline staff, with performance rewards distributed in accordance with employee contributions. In 2025, more than 230 individuals within the Group participated in the profit-sharing scheme.

4.3 Training and Development

Sany International regards talent development as its most critical strategic investment. It is dedicated to creating a comfortable working environment in which every employee may refine their skills, broaden their horizons, and elevate their professional standing.

4.3.1 Employee Training

The Group has established internal policies, including the *Training Management Policy*, and, through scientific planning and clearly defined training objectives and themes, has created an online learning platform named "Sany Online College" open to all employees. Classified and graded training is implemented for personnel at different levels, such as senior executives and general staff, to ensure that training coverage extends to all employees of the Company. Furthermore, the Group has established annual training objectives for employees and provides induction training for new recruits.

Employee Training Program

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

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

Quality
- Quality management tools
- Quality management System and research
- Skills training
- Operation safety training

Business Development
- Human resources management
- Leadership training
- Promotion training

Internal Training

The Group has coordinated the deployment of special initiatives based on the strategy of "business orientation, thematic training, layered empowerment, and business feedback". Leadership training is implemented to enhance management capabilities, while a succession plan is established to cultivate future talent. Qualification training has been developed around five key systems: research and development, quality, process, manufacturing, and commercial operations. Furthermore, point-based training for critical positions has been announced to foster an atmosphere of continuous learning. Concurrently, the eligibility criteria for the five major systems are also employed as one of the evaluation standards for employee promotion, thereby providing employees with a clear career development pathway.

External Professional Qualification Training

In 2025, the Group conducted external professional qualification training covering ten job families, including research and development, commercial operations, quality, and process engineering. The training encompassed key positions, core positions, frontline production roles, and support roles, with examination fees reimbursed to participants. During the Reporting Period, a total of 46 personnel successfully obtained authoritative professional qualification certificates, including PMP (Project Management Professional), NPDP (New Product Development Professional), and Procurement Manager, through external certification assessments, thereby further empowering the enhancement of post-specific professional capabilities.

During the Reporting Period, the Group selected certain core talents to undertake further studies at the China Europe International Business School. Through systematic learning, management horizons and strategic thinking were enhanced, thereby cultivating a reserve of high-level management personnel. Furthermore, the Group encourages employees to self-declare external training courses that can enhance performance and reimburses them for the associated training costs.

During the Reporting Period

The total duration of employee training and development at Sany International amounted to **211,257** hours.

4.3.2 Employee Promotion

To ensure the fairness and impartiality of the promotion mechanism and to establish a scientific talent development system, the Group has established a Talent Transformation Project Committee. This Committee is responsible for formulating a systematic promotion management policy. Through three key mechanisms—talent inventory, talent identification, and performance management—the initiative aims to advance employee career development and enhance organizational effectiveness.



Employee Promotion Mechanism

Talent inventory mechanism

- On a semi annual basis, by comprehensively ranking employees through 360 degree evaluation, professional certification, and annual performance in the past three years, talents are ranked in the 6th grid, with the top 20% of employees being selected as the target for promotion and training in various lines.

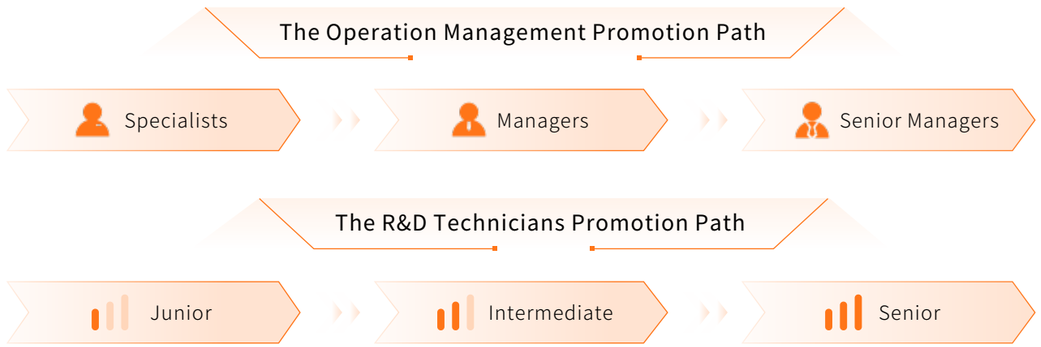
Talent identification mechanism

- Combining business department recommendations with human resources evaluation (referring to talent inventory results, age, potential, etc.), select outstanding talents to enter the talent pool, and recommend attending the general manager's meeting; Excellent performers can participate in specialized training and be included in the succession pool for key positions as priority candidates for promotion.

Performance management

- The Group has established a promotion performance evaluation system that covers all employees and is conducted on a semi annual basis. Through a hierarchical implementation of job evaluation and performance evaluation mechanism, objectively record and scientifically evaluate employees' work achievements, ensuring that the work value of employees at all levels is fairly recognized. In addition, the Group will formulate performance bonuses based on the results of employee performance evaluations.

Employees are required to follow a series of established procedures to seek promotion opportunities. The Group shall identify high-potential talent and nominate them based on its promotion-focused talent inventory, talent identification, and performance management mechanisms. Following an assessment of the business capabilities and professional competence of these high-potential employees by a professional review team, they shall be incorporated into the future talent reserve and promoted at an appropriate time. Concurrently, in light of the distinct characteristics inherent to operational management and professional technical research and development roles, the Group has established clear career progression pathways. Following an employee's promotion, we provide them with promotional training to facilitate their better adaptation to the new role.
Should employees have objections to performance appraisal or promotion outcomes, they may lodge appeals through various channels, including the Chairman's mailbox, the Chairman's email address, the Feishu platform, the rationalization suggestions platform, and employee symposiums. Upon receipt of an employee's appeal, the Group shall conduct an interview with the employee within two days to thoroughly understand the issues faced by the employee and resolve the matter within three days.



4.4 Employee Care

Sany International has always maintained a compassionate heart, focusing on the physical health, mental well-being and quality of life of every employee, striving to create a harmonious and friendly working culture.

4.4.1 Employee Communication

The Group is committed to establishing an equitable, accessible, and transparent communication environment, listening to the voice of every employee, and jointly promoting the sustainable growth of the Company.

Employee Communication Channels

The Group has established round-the-clock employee communication channels, including via email, the Chairman's mailbox, internal systems, face-to-face meetings in person, regular meetings, and special issue discussion sessions, to promptly understand and respond to employees' opinions and suggestions. The Group commits to initiating the handling process and informing the complainant of the progress within seven working days of receipt of an employee grievance. A special investigation team shall be established to conduct the inquiry upon receipt of an appeal. During the investigation process, the appellant's information shall be kept strictly confidential. Upon approval by senior management, the investigation results shall be documented in a written report and communicated to the appellant.

To encourage employees to submit reasonable optimization suggestions, the Group recognizes and provides material rewards to complainants with practical value suggestions. Furthermore, the efficiency of handling claims and the completion rate of rectification measures are incorporated into the performance appraisal of the responsible departments and their heads.

Employee Satisfaction Survey

During the Reporting Period, the Group continuously optimized employee experience through a systematic mechanism. Online satisfaction surveys covering all employees were conducted on a monthly, quarterly and annual basis across dimensions including office facilities, accommodation, security, catering and property management.



Measures for Improving Employee Opinions

During the Reporting Period, the Group enhanced employee satisfaction through measures such as improving the dining environment, refining meal offerings, and upgrading office living conditions. To enhance the variety of dining options for employees, the Catering Project Team has introduced a range of specialty snacks, including braised pork rice, mutton soup pancakes, cold noodles, liangpi (cold skin noodles), grilled rice dishes, and homemade cooked meats. These offerings have received widespread acclaim from employees.

4.4.2 Employee Care

The Group places great emphasis on humanistic care and continues to pay close attention to employee concerns. It encourages employees to join trade unions and enriches their leisure cultural life by organizing various activities, lectures, and symposiums, thereby enhancing employees' sense of gain, belonging, and well-being.

"Cooling into the Workshop" Campaign Amidst the Scorching Summer

Amidst the scorching summer heat and rising temperatures, to effectively safeguard the physical health and occupational safety of frontline employees, the Group implemented summer heatstroke prevention and cooling measures. These included daily distribution of ice cream and salted soda water, provision of watermelon, traditional Chinese medicine cooling tea, cooling oil, Ren Dan, and various other heat-relief supplies. The initiative has received widespread acclaim from employees.



"Cooling into the Workshop" Campaign Amidst the Scorching Summer

Hardship Employee Assistance Activity

To genuinely care for employees in difficulty and convey the warmth of the organization, administration has led the initiation of a subsidy scheme for such employees. The activity covered 68 employees in financial hardship and was conducted at both the Company's premises and their residences. Comfort funds and relief supplies were distributed according to the established schedule, and visits were paid to the families of three employees in financial hardship. Targeted assistance has been precisely implemented, effectively enhancing employees' sense of belonging and team cohesion.



Hardship Employee Assistance Activity

Lychee Picking Activity

During the Reporting Period, Sany Marine Heavy Industry organized an activity for employees to pick lychees, enabling them to leave the office environment and relax their minds and bodies in a natural rural setting while connecting with nature. Through picking and collaboration, stress was alleviated and spirits were lifted.

The activity not only enriched the employees' leisure and cultural life but also enhanced communication and interaction among colleagues, thereby strengthening team cohesion and unity. Amidst laughter and joy, participants experienced the satisfaction of a bountiful harvest and the warmth of collective activities, thereby further enhancing their sense of belonging to and happiness within the Company.



Staff Fun Sports Day

During the Reporting Period, the Group organized a series of sporting activities, including basketball, running, and badminton, to foster employee relations and enhance physical fitness.



"Benxi Bay Summer Carnival: Sharing Warm Moments" Migrant Bird Parent-child Activity

The Group organized the 12th Migratory Birds themed parent-child event, which included activities such as a whole roasted sheep banquet, collaborative parent-child tasks, a grassland concert, and family portrait sessions. The event covered a total of 100 employees and their family members. This initiative has strengthened employees' sense of belonging. In the future, we will continue to optimize the "Migratory Birds" program and cultivate a warmer culture of parental care.



Migrant Birds Themed Activity

Migrant Birds' Room

Sany Energy has established 'Migrant Birds' rooms within the park to provide supervision for employees' children during school holidays, thereby resolving the issue of employees being unable to care for their children while at work. Furthermore, "Migrant Birds"activities have been organized, wherein employees' children were guided to tour their parents' work areas and participated in educational excursions around Zhuzhou. These initiatives aim to improve parent-child relationships and enhance a sense of belonging.

4.5 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. In strict accordance with relevant laws and regulations, including the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, the Group has revised multiple safety policies, namely the *Hidden Hazard Investigation and Management System* , the *Emergency Response Plan for Sudden Safety Accidents* , the *Work Safety Responsibility System*, the *HSE Reward and Punishment System*, and the *Occupational Disease Prevention* and *Control Policy*. Concurrently, a health and safety management structure was established to ensure the routine and standardized supervision of matters relating to safety production.

The Group requires contractors to sign the *Safety and Environmental Protection Agreement*, in which contractors are required to comply with the Company's specified safety production policies and designate a person responsible for safety production at the work site. In the event of a serious incident involving a supplier, immediate reporting is required to facilitate further assessment of its supply eligibility.

Health and Safety Management System

The Group has established a two-tier safety management structure comprising the Safety and Occupational Health Management Committee and the dedicated department for Occupational Health, Safety and Environment (HSE). The Safety and Occupational Health Management Committee is chaired by the General Manager of the subsidiary, responsible for coordinating the implementation of safety production and occupational health principles throughout the entire production and operation process. It regularly submits special reports to the Board of Directors to strengthen the protection of employees' occupational health rights and interests and collaboratively build a safe, healthy, and orderly workplace environment. The dedicated health, safety and environment management department is responsible for conducting systematic identification and assessment of operational risks across all positions, thereby mitigating health and safety risks in the workplace through preventive measures. To ensure that management personnel possess adequate safety management skills, the Group has organized key persons in charge and safety management personnel to obtain qualifications such as Safety Qualification Certificates and Occupational Health Management Qualification Certificates.

To deepen the safety production responsibility mechanism, the Group has incorporated safety production management objectives into the performance appraisal system for managers at all levels. Accidents are categorized into four tiers: minor, general, major, and particularly major. Depending on the accident tier, corresponding direct responsible persons, indirect responsible persons, and management responsible persons shall be subject to assessments involving penalties, salary reductions, demotions, removal from office, dismissal, or downgrading of year-end performance ratings. The performance evaluation of certain directors is linked to safety production performance.

As at the end of the Reporting Period

All sites within the Group that have been accepted, commenced operations and have operated continuously and stably for a full year have completed the ISO 45001 Occupational Health and Safety Management System certification.

Target Management

The Group strictly adheres to national laws and regulations on work safety as well as industry standards. It has established a mechanism for the control of production operations and occupational health objectives, precisely embedding safety management responsibilities into each production stage. To ensure the achievement of safety production objectives, each subsidiary formulates annual HSE special plans and implementation schemes. Functional departments collaborate with the subsidiaries' HSE teams to establish a coordinated supervision mechanism, conducting systematic inspections of weak links in health, safety and environment management and implementing closed-loop rectification on a regular basis.

In respect of supply chain collaborative management, the Group adopts a vision of "zero casualties", focusing on core areas including employee safety protection, fire safety standardization, provision of personal protective equipment, permits for special operations, and maintenance of special equipment. Implementation and control are affected through the formulation of a series of safety management objectives covering contractors.

Sany International Health and Safety Management Objectives (Part)

Key Performance Indicators		Fatalities and serious injuries	Injury rate per thousand persons	Lost Time Injury Frequency Rate per Million Man-Hours
Sany Energy	Target Value	0	⩽2‰	560
	Completed value	0	0	86.83
Sany Heavy Equipment	Target value	0	⩽3‰	/
	Completed value	0	0	/
Sany Silicon Energy	Target value	/	⩽2‰	560
	Completed value	/	0	0

During the Reporting Period

Sany International recorded 65 work-related injury cases, resulting in a total of 5,013 lost days.

Production Safety Management

Safety Risk Management

At the level of safety risk management, the Group strictly adheres to the *Hazardous Sources Identification and Risks Assessment Control Procedure*, regularly coordinating with subsidiary business departments, safety management teams, and the Lean Quality Headquarters through special seminar meetings to advance the standardization of risk assessment. Dynamic risk scanning was conducted on key production stages, including cutting, welding, lifting, coating, final assembly, and logistics transportation, by employing the LEC operational risk assessment method (quantitative scoring), Job Hazard Analysis (JHA), and Safety Checklist (SCL). Differentiated control objectives and improvement plans were formulated based on the assessment outcomes.

Sany International has established safety operating procedures for different processes, created registers for the management of relevant parties, and conducted comprehensive safety inspections. By implementing measures such as standardized operations, record tracking, and monitoring of special operation certificates, it has strengthened the approval process for hazardous work and on-site construction control, completed on-site supervision and guardianship, eliminated employee violations of regulations, and prevented the occurrence of safety incidents. Concurrently, the Group has further standardized the full lifecycle management process for safety incidents, encompassing four key stages: incident reporting, root cause analysis, remedial execution, and rectification verification. A dedicated preventive action plan has been formulated to systematically mitigate the risk of recurrence of similar incidents.

Traffic Safety Management

During the Reporting Period, Sany Silicon Energy collaborated with traffic management authorities to establish a co-governance mechanism. Focusing on key areas such as roads surrounding the production park, entrances and exits, and fire lanes, joint patrols were conducted and guidance on illegal parking were carried out. This initiative alleviated road congestion, optimized parking layouts, enhanced traffic efficiency and safety assurance, and created an orderly, smooth, and regulated traffic environment around the perimeter of the park.

Contractor Safety Management

The Group implements a safety production responsibility mechanism for contractors that aligns with the standards applied to own employees. Based on the risk characteristics of different operational scenarios, it has established occupational health and safety policies encompassing contractors, thereby implementing systematic risk identification and graded control across the entire production and operation process. In accordance with the *Supplier Safety Management Regulations*, contractors are mandated to sign the *Safety and Environmental Compliance Commitment*. This document stipulates that they must strictly adhere to the Company's safety production regulations, designate a primary person responsible for site safety, and immediately report any major safety incidents to the relevant departments. These requirements serve as the core basis for subsequent supplier access assessments.

Safety Culture Construction

The Group has incorporated the cultivation of safety production capabilities into one of its corporate sustainable development strategies. It continues to carry out safety culture construction work and regularly organizes targeted special training on safety production for different groups of people, thereby effectively enhancing employees' safety awareness and professional competence. Through safety culture building activities such as occupational health and safety training, emergency drills, and Safety Activity Month, the Group continuously enhances the safety awareness of employees and contractors while mitigating safety risks.

Process for the Construction of Safety Culture

New employees	Active Employees	Contractor
• Training requirements: Complete ⩾ 24 class hours of safety access training • Core content:Standardized operating procedures, modular quality and safety courses, team safety morning meeting practices	• Training requirement: Conduct annual targeted retraining according to position risk profiles • Core content:Specialized skill enhancement for high-risk positions, iterative updates of safety regulations	• Training requirement: Pass the Group's 5S safety management certification course • Core content:On-site operational behavior standards, hazard identification and emergency response procedures

Furthermore, the Group requires all employees involved in production activities (including contractors) to obtain safety assessment certification corresponding to their respective levels, thereby establishing a closed-loop compliance access mechanism. Contractors entering the Group's premises shall complete three-level safety education and a safety briefing, sign a safety agreement, and successfully finish all training and examinations before commencing work. Concurrently, each production base formulates an annual emergency drill plan based on the risk database. Routine practical drills covering multi-scenario fire evacuation and equipment failure response are conducted. Through stress testing, the response efficacy of emergency plans is continuously optimized, achieving a systemic upgrade from passive response to proactive prevention and control.

First Aid Knowledge Training

During the Reporting Period, Sany Marine Heavy Industry organized training on first aid knowledge, covering heatstroke management, cardiopulmonary resuscitation (CPR), and the Heimlich Maneuver required for emergency handling in the factory. Combined with theoretical explanations and practical CPR drills, this ensured that employees were fully familiar with the objectives of emergency response measures.

Emergency Evacuation and Fire Drill

During the Reporting Period, Sany Marine Heavy Industry and Sany Silicon Energy organized comprehensive fire evacuation drills. On-site explanations were provided regarding positive pressure breathing apparatus, filtering respirators, fire extinguishers, and hydrants, followed by practical fire-fighting exercises.

Occupational Health Management

The Group strictly adheres to the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and domestic and international regulatory requirements. In accordance with these regulations, the Group has established internal special policies, including the *Occupational Health Management System, the Occupational Disease Hazard Prevention Management System*, and the *Occupational Health Monitoring and Archives Management System*.

The Group has established annual rules for occupational safety and health for its employees, with execution milestones broken down on a monthly basis to achieve closed-loop management through the Plan-Do-Check-Act (PDCA) cycle. The Group regularly commissions third-party testing agencies to conduct specialized inspections for occupational hazard factors at production sites. A *Detection Report of Occupational Disease Hazard Factors at the Workplace* is compiled and published, detailing the types of hazards encountered by each position, exposure intensities, and the effectiveness of control measures. This ensures that employees fully comprehend the risk landscape of their working environment. Furthermore, based on inspection results, positions are categorized and managed according to their levels of occupational hazard exposure. For employees in special operation posts, the Group has established occupational health records, conducted regular occupational health monitoring and medical examinations, and tracks the distribution and usage of personal protective equipment through a digital system.

On the other hand, in accordance with the *Technical Standard for Occupational Health Surveillance* (GBZ188-2014), the Group has implemented a comprehensive health surveillance process covering the entire period from pre-employment to post-exit. Furthermore, diversified preventive measures have been adopted, including the installation of warning signs for occupational disease hazards, dissemination of safety culture slogans, and establishment of mental health consultation platforms, thereby continuously reinforcing employees' awareness of safety prevention.

Sany Energy

During the Reporting Period, Sany Energy conducted inspections of occupational hazard factors in its workplaces. Based on the inspection results, it organized employees to undergo occupational health examinations and publicly announced the results to all staff. To mitigate occupational health hazards, Sany Energy has installed numerous warning signs and hazard notification boards at its work premises.

Sany Marine Heavy Industry

To ensure precise monitoring of occupational health, Sany Marine Heavy Industry has conducted a survey of posts involving occupational hazards and implemented classified management based on the level of risk exposure. For high-risk posts, specific occupational hazard inspection items and standards for the issuance of personal protective equipment have been customized. In 2025, the pass rate for occupational hazard testing at Sany Marine Heavy Industry reached 100%.

Sany Marine Heavy Industry actively implements a three-stage closed-loop occupational health examination covering pre-employment, on-the-job, and post-employment periods, and collaborates with occupational health examination institutions to customize online query services for examination reports and expert interpretation.

Regarding personal protective equipment, Sany Marine Heavy Industry has issued dedicated equipment, including noise-reducing ear defenders, dust masks, and impact-resistant protective gear, to employees according to occupational hazard types. On-site one-to-one guidance on correct wearing procedures and practical competency assessments have been provided. Personnel failing the assessment are prohibited from commencing work. The usage of all personal protective equipment is automatically tracked via a digital system; an automatic alert is triggered upon expiry to prompt employees to replace them promptly.

Regarding noise hazards, Sany Marine Heavy Industry controls its risks through four aspects:

Test report

- Invite a third party to provide a factory boundary noise inspection report, and the workplace noise inspection report

Daily control

- Equipment pre shift inspection record
- On site safety inspection records
- Daily noise sampling
- EHS platform noise monitoring data
- Hidden danger rectification ledger and closed-loop verification record

Personnel management

- Noise prevention and control training and assessment
- Hearing Test Archives
- Distribution and requisition records of protective equipment

Compliance improvement

- Compliance evaluation records of regulations and standards
- Rectification Report for Non conformities in System Audit
- Continuous improvement project implementation record



05

Environment

Sany International fully recognizes that industrialization must not come at the expense of depleting natural resources, nor should it trade the green mountains and clear waters for temporary prosperity. The Group has integrated the concept of green and low-carbon development into every aspect of its daily operations, with a commitment to forging a path of civilization that both creates economic value and gives back to nature.

Environmental Management

Resource Management

Climate Change

Emissions Management



5 Environment

5.1 Environmental Management

The Group strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, and the *Cleaner Production Promotion Law of the People's Republic of China*. It actively adopts rules and guidelines issued by international and industry organizations. Based on the requirements of the ISO 14001 environmental management system standard, the Company has established internal environmental management policies, namely the *Environmental Risk Prevention and Control Regulations*, the *Environmental Emergency Response Plan*, and the *Pollution Prevention and Penalty Measures*, thereby further improving its internal environmental management system.

As of the end of the Reporting Period, all facilities that have been accepted for production and operated stably for more than one year have obtained ISO 14001 environmental management system certification. Among these, Sany Heavy Equipment has obtained the National Green Factory certification, while Sany Energy has been awarded multiple honors including the National Green Factory certification, Green Supply Chain Enterprise certification, and Green Product Management System certification.

Health, Safety and Environment Management Committee has been established by each subsidiary of Sany International to report directly to its chairman. Furthermore, dedicated environmental protection management bodies and environmental officers have been established at each production base to coordinate and handle all environmental management matters in a unified manner. Furthermore, policies have been established for the management of water resources, waste gas, solid waste, and noise, with designated professionals responsible for each area.

During the Reporting Period

No environmental violations occurred within the Group.

Environmental Risk Assessment

Sany International revised the Regulations on the *Identification and Management of Environmental Factors* in 2025. Each subsidiary conducts regular annual environmental risk assessments and supervisory audits at major workplaces. Furthermore, professional third-party institutions with appropriate qualifications are engaged to perform external environmental risk audits. These audits analyze and identify all environmental risk factors, management processes, and corresponding responsibilities within the operational scope, thereby enabling timely and effective understanding of potential environmental impacts arising during operations and facilitating the implementation of appropriate mitigation measures.

Identification and Management of Environmental Risk Factors in Sany Marine Heavy Industry

In 2025, Sany Marine Heavy Industry identified environmental risk factors and established control indicators for such factors to undertake specialized work aimed at mitigating environmental risks.

Environmental risk factors	Control indicators	Special Project
Volatile Organic Compounds (VOCs) from coating	VOCs emission concentration	Operation of environmental protection equipment
Ecological impact of the port	Energy and water consumption per unit of output value	Environmental protection measures for port construction
Domestic sewage	Rate of compliant discharge of wastewater	Operation of environmental protection equipment
Hazardous waste	Compliance rate of hazardous waste disposal	Resource utilization rate of solid waste
…	…	…

Environmental Objectives

Based on the results of periodic environmental risk assessments, the Group has established corresponding environmental objectives and implementation pathways, and conducts regular reviews and monitoring of progress against these objectives.

Environmental Objectives	
Emission reduction goal (Ton of carbon dioxide/ revenue of RMB ten thousand)	By 2030, the gross GHG emissions[1] intensity will be reduced by 25% compared with 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.

1_Refers to Scope 1 and Scope 2 greenhouse gas emissions, and the target is set according to the Group's historical emission data and future business development plan.

5.2 Climate Change

Driven by global efforts to address climate change, the Group has actively responded to the national dual-carbon strategy by enhancing climate change governance and strategic planning. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Group proactively conducted an analysis and identification of climate-related risks and opportunities.

Governance

The Group has established a comprehensive climate change governance system. The Board serves as the highest decision-making body, providing overall direction and guidance to the ESG Committee for the systematic identification, assessment, and management of climate-related risks and opportunities.



Board of Directors

- Assuming overall responsibility for formulating and reviewing climate change-related policies and regulations, while exercising leadership and oversight in climate change governance.



ESG Committee

- Assist the Board of Directors in reviewing and overseeing matters related to carbon target setting.
- Conduct research on climate change-related strategies and report to the Board of Directors on climate-related policies, measures, and management guidelines.



Management

- Responsible for communicating climate change-related matters to senior leadership and providing decision-making support with relevant information.
- Guide the implementation of climate change strategies.



ESG Working Group

- Responsible for developing climate change response measures and reporting
- Implement confirmed climate change response measures

Strategy[2]

Risk Category	Risk Name	Risk Description	Financial Impact	Impact Time[3]	Response Measures
Physical risks	Acute physical risk	The severity of extreme weather events such as storms and floods has increased.	An increase in the frequency and severity of various natural disasters (floods, storms, heatwaves, etc.) may result in damage to the Company's assets, thereby posing risks to the Company's operations and management.	• Reduction in production capacity • Impairment of Assets	• Shortterm • Medium-term • Long-term	• An emergency plan for severe weather shall be established; daily maintenance and management of facilities and equipment shall be strengthened; and relevant risks shall be taken into account when selecting new operational sites in the future. • Preparation and deployment of emergency, flood control, and typhoon prevention supplies in advance; • The daily safety production report issued each day includes weather forecast warnings and requires personnel responsible in respective areas to strengthen on-site inspections.
	Chronic physical risk	Changes in temperature and rainfall, among other factors	Gradual changes in temperature and rainfall may impact offline transportation and travel in operational locations and regions supplying raw materials.	• Increase in costs	• Long-term	• A scheduled meteorological forecasting monitoring system has been established. Based on weather fluctuations, the deployment of offline operational staff, employee commuting policies, and logistics emergency measures is dynamically adjusted to ensure the flexibility and safety of business operations.

2_The climate change risks and opportunity analysis includes all operation of the Group.

3_Short-term: 1–3 years; Medium-term: 3–5 years; Long-term: over 5 years.

Risk Category	Risk Name	Risk Description	Financial Impact	Impact Time	Response Measures
Transition risk	Market	Uncertainty in downstream markets and customer demand	Differing levels of acceptance by customers regarding low-carbon solutions, alongside changes in policies related to climate change, pose risks to the Company's supply chain and production operations.	· Rising costs	· Medium-term · Long-term	· While consolidating its industry standing, the Company actively leverages its diversified business advantages to position itself within the development of smart mines, smart ports, and intelligent factories, thereby unlocking significant market potential and growth opportunities. · By deploying emerging industries such as photovoltaics, lithium-ion batteries, and hydrogen energy to align with the global energy transition; · Continue to explore emerging markets, such as new energy drilling rig operations and oil and gas gathering and transportation operations (LNG), to further enhance the core competitiveness of the Company's oil and gas sector.
	Technology	The electrification transformation of products, or technological innovation towards low-carbon energy sources such as hydrogen fuel.	The demand for low carbon and technological innovation will compel the Company to seek new or alternative technical solutions and processes. This will result in corresponding research and development costs and related expenses, as well as the risk of failing to meet technological changes.	· Rising costs	· Medium-term · Long-term	· The Company maintains its market competitiveness through continuous transformation towards electrification, low carbonization, and intelligence. · Deepen supply chain construction and consolidate the supply chain for electrified products; · Increase the proportion of R&D personnel dedicated to electrification and establish an outstanding electrification R&D team.

Opportunity Category	Opportunity Name	Description of Opportunities	Financial Impact	Impact Time	Response Measures
Energy	Increase the proportion of clean energy used in production and operations.	The development and application of clean energy solutions may confer a competitive advantage on the Company.	· Increase in revenue	· Short-term · Medium-term	· To integrate the photovoltaic industry chain and provide robust support for rapid future deployment and an increased proportion of renewable energy; · By increasing the recruitment of professionals in electrification, low-carbonization, and intelligence, further breakthroughs will be achieved in technical bottlenecks of products, an excellent research and development team will be established, and market competitiveness will be continuously maintained.
Product Service	To provide products and solutions to the market that contribute to energy conservation and emission reduction.	As market demand for sustainable products continues to grow, providing low-emission products and services will assist the Company in creating new business opportunities.	· Increase in revenue	· Short-term · Medium-term · Long-term	· To launch electric and hybrid products with international competitiveness, effectively assisting customers in reducing fossil fuel consumption; · A series of intelligent services have been independently developed and launched to provide comprehensive solutions for enhancing efficiency and quality in clients' production and operations; · To develop emerging markets and achieve a diversified business layout, such as in new energy drilling rigs and oil and gas gathering and transportation (LNG), while continuously enhancing the core competitiveness of the oil and gas sector.

Risk Management

The Group has integrated climate change risk management into the Company's overall risk management framework. By regularly monitoring changes in climate risks, policy developments, and industry trends, a comprehensive climate risk management process has been established. Furthermore, the climate risk identification list and corresponding mitigation measures are regularly reviewed and updated.

Climate Change Risk Management Mechanism

Climate risk identification

- Determine the degree of impact on business based on identifying facilities and business activities that may be affected by climate risks.
- Analyze potential property damage or environmental pollution impacts.

Climate risk assessment

- Regularly evaluate and rank the probability and impact degree of various climate risks through qualitative or quantitative analysis methods to determine the risk level.
- Scenario analysis using high physical risk and low transition risk scenarios without policy intervention, as well as high transition risk and low physical risk scenarios consistent with the *Paris Agreement*.

Climate risk management and mitigation

- Implement targeted and corresponding control measures for risks at all levels, and timely monitor and report to the Board of Directors.

Metrics and Targets

The Group has systematically established carbon emission targets related to climate change, taking into account its operational status and industry development trends. Based on a robust environmental management system, the Group continues to strengthen carbon emission management, monitor greenhouse gas emissions, and disclose data on a regular basis, while conducting retrospective reviews against the target of reducing greenhouse gas emission intensity by 25% in 2030 compared with 2020. The Group's greenhouse gas emissions primarily originate from purchased electricity. To mitigate such emissions, the Group utilizes renewable energy equipment, such as electric forklifts, optimizes and controls energy consumption in production, enhances energy utilization efficiency, reduces unnecessary energy losses, and decreases reliance on purchased electricity through the implementation of renewable energy projects, including solar power initiatives.

Certain subsidiaries within the Group have conducted an inventory of greenhouse gas emissions across the value chain to prepare for the Company's carbon emissions and environmental market carbon trading. Based on the inventory results, improvement measures have been implemented to reduce greenhouse gas emissions.

Indicators	Unit	2025	2024
Scope 1 greenhouse gas emissions	Tons of carbon dioxide equivalent	6,148.51	8,205.10
Scope 2 greenhouse gas emissions[4]	Tons of carbon dioxide equivalent	158,594.47	207,667.60
Total Scope 1 and Scope 2 greenhouse gas emissions	Tons of carbon dioxide equivalent	164,742.98	215,872.70
Greenhouse gas emission intensity	Ton of carbon dioxide equivalent / revenue of RMB ten thousand	0.07	0.10

5.3 Resource Management

The Group actively advocates a green development philosophy for operations. By deepening its energy management system and striving to implement water-saving measures, it is committed to systematically reducing the operational environmental footprint throughout the product lifecycle—from raw materials to packaging materials—and building an ecosystem of energy conservation and consumption reduction through industrial synergy.

Energy Management

The Group strictly complies with the *Energy Conservation Law of the People's Republic of China* and other relevant laws and regulations. It continues to strengthen its energy and environmental management system by leveraging a digital energy management platform to establish an intelligent supervision framework. Through measures such as real-time energy consumption monitoring and the substitution of clean energy, the Group simultaneously advances equipment energy-saving technical retrofits and process optimization, thereby supporting the achievement of dual carbon goals through intelligent energy efficiency management.

To implement energy-saving targets, the Group has established an energy management mechanism and an Energy Management Centre team. Through comprehensive monitoring, diagnosis, and analysis of the energy consumption and operating conditions of energy-saving equipment, key process equipment, and major energy-consuming units within entities, the Group employs a combination of measures including equipment-based energy saving, process optimization for energy saving, and management strategy optimization for energy saving. This approach enables the provision of systematic energy-saving products, energy-saving strategy proposals, and energy-saving management and service platforms to enterprises.

4_ Scope 2 greenhouse gas emissions were calculated in accordance with the location-based approach of the International Greenhouse Gas Protocol, utilizing a national average carbon dioxide emission factor for electricity in 2023 of 0.5306 ($kgCO_2/kWh$).

The principal energy sources utilized by the Group in its manufacturing processes include electricity, heat, oil, and natural gas. In response to complex production scenarios characterized by diverse product categories and varied processes, an intelligent energy-saving monitoring system for industrial parks has been established. Through the integrated application of 5G and the Industrial Internet, a digital energy efficiency management platform covering all factories has been constructed to enable real-time data acquisition and monitoring. Concurrently, the Group has further visualized energy consumption patterns across all categories based on a dynamic energy topology model, generating monthly energy data for analysis, thereby significantly enhancing energy efficiency throughout the production and operational processes.

In the application of green energy, the Group is actively committed to the research, development, manufacture and sale of green energy photovoltaic products, which are one of the global clean energy sources. Simultaneously, extensive installation of photovoltaic equipment has been carried out to supply daily office operations, lighting and equipment power requirements for the factory premises through photovoltaic power generation, thereby achieving the substitution of renewable energy.

In terms of intelligent scheduling, in order to implement energy-saving objectives, the Group has established an Energy Management Leadership Group, chaired by the General Manager, to provide maximum support for the safe, stable, efficient and economic operation of the Company's energy system. By conducting comprehensive monitoring, diagnosis and analysis of the energy consumption and operating conditions of energy-saving equipment, key process equipment and major energy-consuming equipment, and adopting a combination of measures including equipment energy saving, process optimization energy saving and management strategy optimization energy saving, the Group provides the Company with system energy-saving products, energy-saving strategy proposals, and energy-saving management and service platforms that are adapted to the differentiated characteristics of user production line processes and operating conditions.

Regarding energy-saving equipment, the Group has continued to undertake energy-saving retrofitting and replacement of high-energy-consuming equipment, completed the project for migrating the power supply voltage level in the industrial park, and reduced main line losses.

In respect of green office practices, the Group actively promotes the concept of energy conservation and consumption reduction among employees. A policy titled the *Energy Consumption Management System for Non-Production Areas* has been established to set standardized requirements for employees' energy-saving practices in daily operations and office work.

Sany International's Green Office Initiatives

Optimization of electricity management control

- Establish a normalized monitoring and management mechanism for electricity consumption, collect and analyze energy consumption data in real time, investigate the reasons for high electricity consumption through inspections and other methods, and regularly review the electricity consumption situation

Internal vehicle optimization

- All internal patrol trucks and forklifts use electric series, and the original shuttle bus system is gradually abolished by providing convenient accommodation areas for employees to walk to work, in order to reduce carbon emissions

Clean energy substitution

- Laying photovoltaic power generation devices and promoting the use of clean energy

Energy saving training

- Carry out energy-saving training, optimize employees' electricity consumption behavior, and enhance their energy-saving awareness

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 *Regulations on Urban Drainage and Sewage Treatment*. Internal water resource management policies, such as the *Water Conservation Management Policy* and the *Energy Conservation Management Policy for Water Pumps*, have been formulated to further standardize the Company's water conservation practice requirements and effectively enhance employees' awareness of water saving.

Currently, the Group's water abstraction is primarily sourced from municipal supplies. A water conservation target has been established to reduce water consumption per 10,000 RMB of revenue by 15% by 2030 compared with 2020 levels. The implementation of this target is being progressively advanced through the active promotion of various water-saving measures and awareness-raising training activities, with regular tracking and monitoring of progress. During the Reporting Period, the Group regularly identified and assessed potential water resource risks arising from its business operations. Currently, there are no significant water scarcity risks.

Sany International Water Conservation Initiatives

Water conservation awareness promotion

Post water-saving promotional slogans and notices in operational and office areas, and conduct weekly "long flow" inspections in various areas

Digital application of water resource management

Utilize intelligent systems such as energy topology maps to monitor and manage water consumption in the park
Install a hierarchical table on the faucet to achieve real-time upload of water use data, and capture and respond to water resource waste phenomena in the first place

Rainwater harvesting and reuse

Install rainwater collection systems in each factory area, and use the collected rainwater for secondary purposes such as cleaning and irrigation
Carry out full process water-saving control to achieve efficient recycling and reuse of water resources

Management of Raw Materials and Packaging Materials

The Group has established a full-lifecycle raw material control system comprising 'standard formulation-process monitoring-abnormality tracing' in accordance with the ISO 14001 environmental management system and the *GB/T36132 Green Factory Evaluation Requirements* . By formulating internal policies such as the Loading Center Program Design and Remaining Materials Management System and leveraging an industrial internet platform, digital management of raw material usage has been achieved, ensuring that detailed management responsibilities at each stage are assigned to relevant personnel.

The Group's raw materials primarily comprise steel, copper, and copper wire. Waste steel, steel shavings, scrap offcuts that cannot be further utilized, and obsolete products generated during the production process are classified, collected, and recycled to increase the proportion of recycled materials within raw materials. Specifically, the recycling rate for solid waste steel at Sany Energy reached 98%.

Furthermore, the Group is committed to achieving lightweight and reduction in product packaging. Subject to ensuring quality, policies such as the *General Specification for Vehicle Accessory Packaging* and the *Packaging Standards for Outsourced Coating Parts* have been formulated. Measures including the optimization of packaging designs utilizing wooden crates as raw materials have been implemented to systematically enhance wood utilization efficiency. For materials used at exhibitions, the Group actively adopts biodegradable plastics to mitigate environmental impact.

Sany Marine Heavy Industry - Green Upgrade of Packaging Materials

In 2025, Sany Marine Heavy Industry will comprehensively phase out non-degradable plastic foam and single-use wooden packaging for product factory dispatch and component transportation. These will be replaced with reusable metal pallets, environmentally friendly paper honeycomb packaging, and degradable bio-based cushioning materials, achieving 100% recyclability and degradability of all packaging materials.

5.4 Emissions Management

The Group actively implements green operational principles. To effectively mitigate the environmental impact arising from its own operations, it has established stringent policies governing wastewater, waste gas, solid waste, and noise. Through a digital system, emissions are tracked, treated, and controlled to ensure that all discharges within the scope of operations are managed in an environmentally sustainable and compliant manner. Through the upgrade of green production and clean processes, Sany International has significantly reduced the impact of emissions on the environment.

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 relevant laws and regulations and requirements, including the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Integrated Wastewater Discharge Standard* (GB 8978-1996), and implements standardized treatment for both production wastewater and domestic wastewater. Among these, production wastewater comprises various categories, including coating wastewater, vehicle cleaning wastewater from the coating workshop, finished vehicle cleaning wastewater upon warehousing, and emulsion-containing wastewater. Domestic wastewater primarily originates from administrative offices, employee domestic activities, and canteen operations.

Measures for wastewater discharge treatment

Production wastewater

- Special equipment equipped with waste emulsion and spray paint wastewater treatment devices can be used for treatment. After meeting the internal control discharge standards of the enterprise, it can be transported to the comprehensive wastewater treatment station in the factory area for further treatment
- After the treated indicators meet the relevant discharge requirements, they will be transferred to the municipal sewage treatment plant through the urban sewage pipe network system

Domestic wastewater

- For the dripping of oil in the kitchen cooking area, collect the oil fumes and waste oil in advance by making an oil collection tray to prevent discharge and pollution of the water body; Canteen wastewater needs to be treated through an oil separation and sedimentation tank
- Directly discharged into the municipal sewage treatment system through the municipal drainage network

To further enhance wastewater treatment efficiency, the Group continues to carry out upgrading and renovation projects for its sewage treatment stations, significantly strengthening overall treatment capacity and operational efficiency. In daily operations, the policy for the regular replacement of consumables such as activated carbon, filter cotton, and filter cartridges is strictly enforced. Furthermore, an accredited third-party environmental monitoring agency is commissioned annually to monitor the Company's wastewater treatment status, ensuring the continuous and stable operation of the wastewater treatment system and effectively enhancing the treatment efficiency of environmental protection facilities.

Waste Gas Management

The Group's waste gas emissions primarily comprise nitrogen oxides, sulphur oxides, particulate matter, and volatile organic compounds (VOCs). The Group strictly complies with laws and regulations, including the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, and has established internal policies such as the *Exhaust Gas and Wastewater Management Manual* and the *Pollution Prevention and Control Punishment*. To continuously enhance waste gas management efficiency and effectively mitigate operational risks and economic losses arising from waste gas emissions, the Group strictly adheres to the provisions of the *Waste Gas and Wastewater Management Manual*. It implements monitoring, treatment, and control measures for waste gases generated across various production processes, ensuring that all waste gas emission indicators fully comply with national and local environmental protection regulations. To further mitigate the environmental impact of waste gas, the Group has actively adopted water-based paints. The utilization rate of water-based paints by Sany Heavy Equipment reached 49% in 2025.

Measures for the Treatment of Waste Gas Emissions

Utilize digital systems to intelligently monitor key parameters such as exhaust gas composition, total emissions, exhaust temperature, and emission points. Based on data recognition, select targeted combination treatment processes such as physical adsorption, chemical reaction, and biodegradation

Promote the upgrading of production process technology, focus on optimizing the control system of waste gas emission nodes, and achieve efficient conversion or removal of pollutants

Regular maintenance and upkeep of environmental protection equipment to ensure effective treatment of waste gas in the production process. At the same time, qualified environmental monitoring units are entrusted annually to conduct waste gas pollution emission testing

Optimization of waste gas treatment processes

Sany Energy optimized its waste gas treatment process through the quality improvement project for exhaust gases from the whole-machine painting booth. It adopted a more efficient RTO process to convert or remove harmful substances within the exhaust gases, thereby effectively reducing their emissions.

Waste Management

The Group strictly adheres to the requirements of laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and the *Indicator System for the Standardized Management of Hazardous Wastes* . In accordance with these standards, the Group has established internal policies including the *Hazardous Waste Management Procedure*, the *Hazardous Waste Pollution Prevention Responsibility Information Disclosure System*, the *Hazardous Waste Pollution Prevention Responsibility System*, and the *Hazardous Waste Responsibility System*. These measures systematically define the Group's waste pollution prevention and control processes and specific discharge treatment pathways, thereby continuously and efficiently advancing the Group's objectives for waste reduction.

Non-Hazardous waste

The Group's non-hazardous waste comprises two main categories: industrial solid waste and domestic solid waste. Industrial solid waste originates from materials such as scrap steel and scrap iron, whereas domestic solid waste includes discarded items such as used paper and food waste.

Measures for the disposal of non-hazardous waste

Industrial solid waste

By setting up dedicated personnel for classification and recycling, and transferring them to third-party companies for recycling

Domestic solid waste

Unified collection and centralized processing by relevant departments

Hazardous waste

The Group's hazardous waste primarily comprises empty paint drums, paint sludge, waste mineral oil, etc. The Group has established the *Hazardous Waste Pollution Prevention Responsibility System*, which systematically defines the hazardous waste management responsibilities of personnel at all levels. A responsibility constraint mechanism with clearly defined powers and duties and coordinated linkage has been constructed to control and reduce the use of harmful chemicals and effectively prevent environmental pollution risks arising from hazardous waste. The Group has continuously strengthened its efforts to ensure the compliant disposal of hazardous waste and perfected the full-process control mechanism covering the generation, collection, storage, transportation, utilisation, and disposal of such waste, ensuring that all hazardous waste achieves compliance with emission standards at a rate of 100%.

Measures for the Disposal of Hazardous Waste

It is stipulated that hazardous waste such as waste oil and waste residue must be stored in a dedicated storage area with warning signs, and a declaration and registration system must be implemented and unified supervision implemented

Implement recycling and zoning of hazardous waste by category, centralized treatment, and strict requirements for leakage prevention during transportation

Submit to a third-party waste disposal provider with professional qualifications for recycling and compliant disposal, and record the hazardous waste transfer receipt in detail

For hazardous chemicals, the Group has established stringent classification and storage regulations to prevent seepage and leakage of hazardous substances. Fire extinguishers and fire sand have been provided, while employees have undergone training on chemical usage and leak response procedures as well as emergency drills, thereby minimizing the impact of hazardous chemicals on the environment.

06

Community

As a vital component of the community, the Company bears the responsibility to promote community development, improve people's livelihoods, and advance social progress. The Group has taken proactive action in community co-construction by employing various methods to give back to society and support the sustainable development of communities.

Community Impact



6 Community

6.1 Community Impact

The Group actively fulfils its social responsibilities by integrating philanthropic principles into its daily operations, with a commitment to creating greater value for the community and society. In the course of business operations, the Group has prioritized collaboration with local communities and assessed the impact on the surrounding environment and personnel. The Group respects local cultural customs to minimize communication misunderstandings and jointly advance community development.

Revitalization of rural industries

Sany Marine Heavy Industry assisted the revitalization of industries in rural areas by procuring local specialty products to support rural industrial development and stimulate local employment.



Rural industry products procured by Sany Marine Heavy Industry

Condolences to veterans and their families

In 2025, Sany Heavy Equipment organized a visit to the families of merit-class heroes to pay tribute to their military dedication and convey organizational care. To uphold the noble tradition of honoring military service and supporting families of servicemen, to enhance the sense of honor and belonging among family members, to consolidate morale and cohesion within the armed forces, and to establish a clear direction that champions excellence and cares for heroes.





Donation of integrated solar and energy storage units

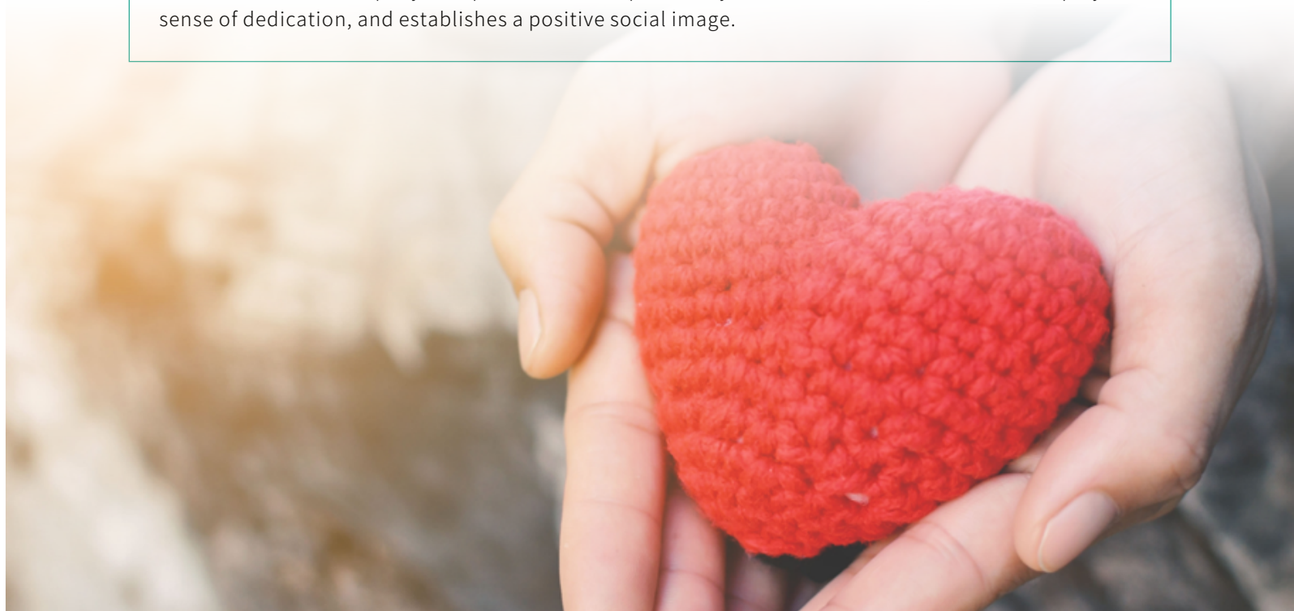
Sany Silicon Energy donated 500 integrated photovoltaic and energy storage units to Malawi, aiming to improve the situation of electricity difficulties faced by local residents. This initiative, particularly addressing power interruptions in critical sectors such as healthcare and education, has received high praise from all sectors of society.

Book donation activity for children in disaster-stricken areas

Sany Heavy Equipment initiated a book donation campaign for children in disaster-stricken areas. All staff members actively participated, resulting in the collection of over 1,500 books. Conveying love through the power of books and delivering knowledge and hope to children in disaster-stricken areas, this initiative demonstrates the Company's corporate social responsibility, unites employees' goodwill, and fosters a warm and compassionate corporate culture.

Visit to the nursing home

Sany Heavy Equipment organized 30 employees to visit a nursing home for a comfort activity, offering care and companionship to the elderly. Through heartwarming interactions, the elderly were made to feel particularly warm. The activity promotes the traditional virtue of respecting and caring for the elderly, demonstrates the Company's corporate social responsibility and humanistic care, enhances employees' sense of dedication, and establishes a positive social image.



07

Appendix



ESG Key Performance Indicators Table

Index of the Environmental, Social and Governance Reporting Guidelines of the Hong Kong Stock Exchange

7 Appendix

ESG Key Performance Indicators Table

Categories and names of KPI indicators	Indicator unit	2025
Nitrogen oxide emissions	Kg	50,154.92
Emissions of sulfur oxides	Kg	2,967.10
Particulate matter emissions	Kg	7,647.87
Volatile Organic Compounds (VOCs) emissions	Kg	15,141.32
Industrial wastewater	Tons	372,414.68
Direct greenhouse gas emissions (Scope 1)	Tons of carbon dioxide equivalent	6,148.51
Indirect greenhouse gas emissions (Scope 2-location-based)	Tons of carbon dioxide equivalent	158,594.47
Scope 1 and Scope 2 (location-based) total green-house gas emissions	Tons of carbon dioxide equivalent	164,742.98
Greenhouse gas emission intensity	Tons of carbon dioxide equivalent/ revenue of RMB ten thousand	0.07
Waste paint bucket	Tons	468.82
Paint sludge	Tons	598.26
Used Mineral Oil	Tons	129.68

Categories and names of KPI indicators	Indicator unit	2025
Total amount of hazardous waste emissions	Tons	1,196.76
Hazardous waste discharge intensity	Revenue per tons/ revenue of RMB ten thousand	0.0005
Scrap steel and scrap iron	Tons	23,808.29
Other industrial waste	Tons	4,332.05
Domestic garbage	Tons	1,507.93
Total amount of non-hazardous waste discharge	Tons	29,648.26
Intensity of non-hazardous waste discharge	Tons/ revenue of RMB ten thousand	0.0122
Waste paper recycling volume	Kg	903,675.00
Waste wood recycling volume	Tons	4,397.99
Natural gas	Cubic meter	2,027,727.46
Gasoline	Liter	18,378.34
Diesel oil	Liter	652,425.00

Categories and names of KPI indicators	Indicator unit	2025
Direct energy consumption	Thousands KWh	24,805.90
Direct energy consumption intensity	Thousands KWh/ revenue of RMB ten thousand	0.01
Outsourced electricity	KWh	343,936,839.40
Outsourced thermal heating	GJ	95,672.81
Indirect energy consumption	Thousands KWh	370,497.92
Indirect energy consumption intensity	Thousands KWh/ revenue of RMB ten thousand	0.15
Total energy consumption	Thousands KWh	395,303.81
Total energy consumption intensity	Thousands KWh/ revenue of RMB ten thousand	0.16
Administrative office water consumption	Tons	367,413.83
Production and operation water consumption	Tons	1,054,574.18
Water Recycling	Tons	557,227.43
Total water consumption	Tons	1,979,215.44
Total water consumption intensity	Tons/ revenue of RMB ten thousand	0.81
Packaging wood	Tons	2,696.64
Intensity of packaging wood used	Kilogram/ revenue of RMB ten thousand	1.11
Total number of employees	Person	10,924

Categories and names of KPI indicators	Indicator unit	2025
Number of employees by full-time or part-time		
Full-time	Person	10,676
Part-time	Person	248
Number of employees by employment category		
Regular employees	Person	7,841
Dispatched workers	Person	2,377
Probationary employees and interns	Person	706
Number of employees by gender		
Male	Person	9,951
Female	Person	973
Number of employees by employment function		
Marketing Services	Person	1,558
Research and Development Technology	Person	1,708
Operations and management	Person	505
Manufacture	Person	4,111
Other	Person	3,042

Categories and names of KPI indicators	Indicator unit	2025
Number of employees by age group		
<30 years old	Person	4,107
31-40 years old	Person	4,893
41-50 years old	Person	1,699
>50 years of age	Person	225
Number of employees by region		
China (including Hong Kong, Macau and Taiwan)	Person	10,817
Overseas	Person	107
Total employee turnover rate	%	31.71
Turnover rate by gender		
Male	%	32.72
Female	%	19.83
Turnover rate by age group		
<30 years old	%	33.27
31-40 years old	%	31.19
41-50 years old	%	31.16
>50 years of age	%	20.72
Loss rate by region		
China (including Hong Kong, Macau and Taiwan)	%	31.68
Overseas	%	28.57
Total number of days lost due to work-related injuries	days	5,013
Percentage of trained employees by gender and employment category		
Male	%	85.87
Female	%	14.13
Percentage of trained employees by employee function		
Marketing Services	%	23.63
Research and Development Technology	%	21.46
Operations and management	%	2.96
Manufacture	%	46.68
Other	%	5.28
Per capita training hours for employees	Hours	19.34

Categories and names of KPI indicators	Indicator unit	2025
Per capita training hours for employees by employment gender		
Male	Hours	18.26
Female	Hours	30.38
Per capita training hours of employees by employment function		
Marketing services	Hours	24.84
R&D technology	Hours	26.87
Business management	Hours	13.42
Manufacturing categories	Hours	26.91
Other categories	Hours	3.04
Total number of suppliers	Family	4,153
Supplier Regional Distribution		
South China	Individuals	372
East China	Individuals	1,545
North China	Individuals	541
Central China	Individuals	833
Northeast China	Individuals	529
Southwest China	Individuals	83

Categories and names of KPI indicators	Indicator unit	2025
Northwest China	Individuals	198
Hong Kong, Macau, Taiwan and overseas	Individuals	52
The percentage of products sold or shipped that need to be recalled due to safety and health reasons	%	0
Product quality complaints	Order	16
Complaints about marketing services	Order	10
The number of corruption lawsuits filed and concluded against the issuer or its employees during the Reporting Period	Number	1
Percentage of office staff trained in anti-corruption training	%	100
Percentage of directors trained in anti-corruption training	%	100
Public welfare Investment	Ten thousand yuan	1,117.85
Volunteer Activities	Person-time	1,356

Categories and names of KPI indicators	Indicator unit	2025	2024	2023
Number of deaths due to work-related reasons	Person	0	0	0
Proportion of deaths due to work-related reasons	%	0.00	0.00	0.00

Index of the Environmental, Social and Governance Reporting Code of the Hong Kong Stock Exchange

Subject Areas, Aspects, General Disclosures and KPIs			Index
A. Environmental			
Aspect 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 NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.		5.4 Emissions Management
	KPI A1.1	The types of emissions and respective emissions data.	5.4 Emissions Management
	KPI A1.2	[Repealed 1 January 2025]	Not applicable
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Emissions Management ESG Key Performance Indicators Table
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Emissions Management ESG Key Performance Indicators Table
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	5.1 Environmental Management 5.2 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.	5.4 Emissions Management

Subject Areas, Aspects, General Disclosures and KPIs			Index
Aspect A2: Use of Resources	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.		5.3 Resource Management
	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).	5.3 Resource Management ESG Key Performance Indicators Table
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.3 Resource Management ESG Key Performance Indicators Table
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.1 Environmental Management 5.3 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.	5.1 Environmental Management 5.3 Resource Management
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	ESG Key Performance Indicators Table
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		5.1 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.	5.1 Environmental Management
Aspect A4: Climate Change	[Repealed 1 January 2025]		Not applicable
	KPI A4.1	[Repealed 1 January 2025]	Not applicable

Subject Areas, Aspects, General Disclosures and KPIs			Index
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure Information on: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer		4.1 Employee Engagement
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Key Performance Indicators Table
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Indicators Table
Aspect B2: Health and Safety	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.		4.5 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 Key Performance Indicators Table
	KPI B2.2	Lost days due to work injury.	ESG Key Performance Indicators Table
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.5 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.		4.3 Training and Development

Subject Areas, Aspects, General Disclosures and KPIs			Index
Aspect B3: Development and Training	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Key Performance Indicators Table
	KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Indicators Table
Aspect B4: Labour 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.		4.1 Employee Engagement
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Employee Engagement
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Employee Engagement
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		3.4 Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	ESG Key Performance Indicators Table
	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.	3.4 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.	3.4 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.	3.4 Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs			Index
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.		3.3 Quality Management 3.6 Responsible Marketing
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	ESG Key Performance Indicators Table
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	ESG Key Performance Indicators Table 3.5 Customer Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.4 Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	3.3 Quality Management
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.5 Information Security and Privacy Protection
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.		2.3 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.	2.3 Business Ethics
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.3 Business Ethics
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3 Business Ethics

Subject Areas, Aspects, General Disclosures and KPIs			Index
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.		6.1 Community Impact
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.1 Community Impact
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	ESG Key Performance Indicators Table

Climate-related Disclosures		
Governance	19. An issuer shall disclose information about: (a)the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of *climate-related risks and opportunities*. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to *climate-related risks and opportunities*;	ESG Governance
	(ii) how and how often the body(s) or individual(s) is informed about *climate-related risks and opportunities*;	ESG Governance
	(iii) how the body(s) or individual(s) takes into account *climate-related risks and opportunities* when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	5.2 Climate Change
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to *climate-related risks and opportunities* (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	ESG Governance

Climate-related Disclosures			
Governance	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee *climate-related risks and opportunities*, including information about:		
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	5.2 Climate Change	
	(ii) whether management uses controls and procedures to support the oversight of *climate-related risks and opportunities* and, if so, how these controls and procedures are integrated with other internal functions.	5.2 Climate Change	
Strategy	**Climate-related risks and opportunities** 20. An issuer shall disclose information to enable an understanding of *climate-related risks and opportunities* that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:		
	(a) describe *climate-related risks and opportunities* that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	5.2 Climate Change	
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a *climate-related physical risk* or *climate-related transition risk*;	5.2 Climate Change	
	(c) specify, for each *climate-related risk and opportunity* the issuer has identified, over which time horizons – short, medium or long term – the effects of each *climate-related risk and opportunity* could reasonably be expected to occur; and	5.2 Climate Change	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	5.2 Climate Change	
	Business model and value chain 21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of *climate-related risks and opportunities* on the issuer's *business model* and *value chain*. Specifically, the issuer shall disclose:		
	(a) a description of the current and anticipated effects of *climate-related risks and opportunities* on the issuer's *business model* and *value chain*; and	5.2 Climate Change	
	(b) a description of where in the issuer's *business model* and *value chain climate-related risks and opportunities* are concentrated (for example, geographical areas, facilities and types of assets).	5.2 Climate Change	
	Strategy and decision-making 22. An issuer shall disclose information that enables an understanding of the effects of *climate-related risks and opportunities* on its strategy and decision-making. Specifically, the issuer shall disclose:		

Climate-related Disclosures			
Strategy	(a) information about how the issuer has responded to, and plans to respond to, *climate-related risks and opportunities* in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:		
	(i) current and anticipated changes to the issuer's *business model*, including its resource allocation, to address *climate-related risks and opportunities*;	5.2 Climate Change	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	5.2 Climate Change	
	(iii) any *climate-related transition plan* the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a *climate-related transition plan*; and	5.2 Climate Change	
	(iv) how the issuer plans to achieve any climate-related targets (including any *greenhouse gas* emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	5.1 Environmental Management	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	5.2 Climate Change	
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	5.2 Climate Change	
	Financial position, financial performance and cash flows Current financial effect 24. An issuer shall disclose qualitative and quantitative information about:		
	(a) how *climate-related risks and opportunities* have affected its financial position, financial performance and cash flows for the Reporting Period; and	5.2 Climate Change	
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	5.2 Climate Change	
	Financial position, financial performance and cash flows Anticipated financial effect 25. The issuer shall provide qualitative and quantitative disclosures about:		

Climate-related Disclosures			
Strategy	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage *climate-related risks and opportunities*, taking into consideration:		Following a prudent assessment, the expected financial impacts of climate-related risks and opportunities are currently not reliably quantifiable. The Company plans to progressively refine the relevant assessment work in the future and make disclosures at appropriate times.
	(i) its investment and disposal plans; and		
	(ii) its planned sources of funding to implement its strategy; and		
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage *climate-related risks and opportunities*.		
	Climate resilience 26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and *business model* to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified *climate-related risks and opportunities*. An issuer shall use climate-related scenario analysis to assess its *climate resilience* using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		
	(a) The issuer's assessment of its climate resilience as at the reporting date shall enable an understanding of:		
	(i) the implications, if any, of the issuer's assessment for its strategy and *business model*, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	5.2 Climate Change	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its *climate resilience*; and	5.2 Climate Change	
	(iii) the issuer's capacity to adjust, or adapt its strategy and *business model* to climate change over the short, medium or long term;	5.2 Climate Change	
	(b) how and when the climate-related scenario analysis was carried out, including:		
	(i) information about the inputs used, including:		
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	5.2 Climate Change	
	(2) whether the analysis included a diverse range of climate-related scenarios;	5.2 Climate Change	
	(3) whether the climate-related scenarios used for the analysis are associated with *climate-related transition risks* or *climate-related physical risks*;	5.2 Climate Change	
	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the *latest international agreement on climate change*;	5.2 Climate Change	

Climate-related Disclosures			
Strategy	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	5.2 Climate Change	
	(6) time horizons the issuer used in the analysis; and	5.2 Climate Change	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	5.2 Climate Change	
	(ii) the key assumptions the issuer made in the analysis; and	5.2 Climate Change	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	5.2 Climate Change	
Risk Management	27. An issuer shall disclose information about:		
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	5.2 Climate Change	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	5.2 Climate Change	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	5.2 Climate Change	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	5.2 Climate Change	
	(v) how the issuer monitors climate-related risks; and	5.2 Climate Change	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	5.2 Climate Change	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	5.2 Climate Change	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring *climate-related risks and opportunities* are integrated into and inform the issuer's overall risk management process.	5.2 Climate Change	
Metrics and Targets	**Greenhouse gas emissions** 28. An issuer shall disclose its absolute gross *greenhouse gas* emissions generated during the Reporting Period, expressed as metric tons of CO_2 *equivalent*, classified as:		
	(a) *Scope 1 greenhouse gas emissions*;	ESG Key Performance Indicators (KPIs)	

Climate-related Disclosures			
	(b) *Scope 2 greenhouse gas emissions*; and	ESG Key Performance Indicators (KPIs)	
	(c) *Scope 3 greenhouse gas emissions*.	Following a prudent assessment, it has been determined that Scope 3 greenhouse gas emission data cannot be obtained in full. The Group plans to progressively enhance the relevant assessment work in the future and make disclosures at appropriate times.	
	29. An issuer shall:		
	(a) measure its *greenhouse gas* emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring *greenhouse gas* emissions;	5.2 Climate Change	
Metrics and Targets	(b) disclose the approach it uses to measure its *greenhouse gas* emissions including:		
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	5.2 Climate Change	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its *greenhouse gas* emissions; and	5.2 Climate Change	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes;	5.2 Climate Change	
	(c) for *Scope 2 greenhouse gas emissions* disclosed in accordance with paragraph 28(b), disclose its location-based *Scope 2 greenhouse gas emissions*, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's *Scope 2 greenhouse gas emissions*; and	5.2 Climate Change	
	(d) for *Scope 3 greenhouse gas emissions* disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of *Scope 3 greenhouse gas emissions*, in accordance with the *Scope 3 categories* described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Following a prudent assessment, it has been determined that Scope 3 greenhouse gas emission data cannot be obtained in their entirety. The Group plans to progressively enhance the relevant assessment work in the future and make disclosures at appropriate times.	

Climate-related Disclosures			
	Climate-related transition risks 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to *climate-related transition risks*.	Following a prudent assessment, the expected financial impacts of climate-related risks and opportunities are currently not reliably quantifiable. The Group plans to progressively enhance the relevant assessment work in the future and make disclosures at appropriate times.	
	Climate-related physical risks 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to *climate-related physical risks*.		
	Climate-related opportunities 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.		
	Capital deployment 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards *climate-related risks and opportunities*.		
Metrics and Targets	Internal carbon prices 34. An issuer shall disclose:		
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	The internal carbon pricing mechanism has not yet been adopted and will be assessed and disclosed as appropriate.	
	(b) the price of each metric tonne of *greenhouse gas* emissions the issuer uses to assess the costs of its *greenhouse gas* emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		
	Remuneration 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate-related factors have been incorporated into the general management remuneration considerations. The Group plans to progressively refine the remuneration mechanisms for the Board and senior management with regard to climate-related factors in the future and make appropriate disclosures.	

Climate-related Disclosures		
Metrics and Targets	**Industry-based metrics** 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular ***business models***, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with ***disclosure topics*** described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	No industry benchmarks were referenced; this matter is not applicable.
	Climate-related targets 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any ***greenhouse gas*** emissions targets. For each target, the issuer shall disclose:	
	(a) the metric used to set the target;	5.1 Environmental Management
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Not applicable
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	5.1 Environmental Management
	(d) the period over which the target applies;	5.1 Environmental Management
	(e) the base period from which progress is measured;	5.1 Environmental Management
	(f) milestones or interim targets (if any);	Not applicable
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	5.1 Environmental Management
	(h) how the ***latest international agreement on climate change***, including jurisdictional commitments that arise from that agreement, has informed the target.	Not applicable
	38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	Not applicable
	(b) the issuer's processes for reviewing the target;	5.1 Environmental Management

Climate-related Disclosures		
Metrics and Targets	(c) the metrics used to monitor progress towards reaching the target; and	5.1 Environmental Management
	(d) any revisions to the target and an explanation for those revisions.	Not applicable
	39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	5.1 Environmental Management
	40. For each ***greenhouse gas*** emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which ***greenhouse gases*** are covered by the target;	5.1 Environmental Management
	(b) whether ***Scope 1***, ***Scope 2*** or ***Scope 3 greenhouse gas emissions*** are covered by the target;	5.1 Environmental Management
	(c) whether the target is a gross ***greenhouse gas*** emissions target or a net ***greenhouse gas*** emissions target. If the issuer discloses a net ***greenhouse gas*** emissions target, the issuer is also required to separately disclose its associated gross ***greenhouse gas*** emissions target;	5.1 Environmental Management
	(d) whether the target was derived using a sectoral decarbonisation approach; and	5.1 Environmental Management
	(e) the issuer's planned use of ***carbon credits*** to offset ***greenhouse gas*** emissions to achieve any net ***greenhouse gas*** emissions target. In explaining its planned use of ***carbon credits***, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net ***greenhouse gas*** emissions target relies on the use of ***carbon credits***;	Not applicable
	(ii) which third-party scheme(s) will verify or certify the ***carbon credits***;	Not applicable
	(iii) the type of ***carbon credit***, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Not applicable
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the ***carbon credits*** the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Not applicable
	Applicability of cross-industry metrics and industry-based metrics 41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Not applicable


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