

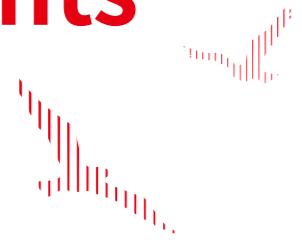
**2025**

**Sustainability  
Report**

SANY Heavy Industry Co., Ltd.

# CONTENTS

## Contents



About This Report	02
Board Statement	04
Message from the Chairman	06
About SANY Heavy Industry	08
Double Materiality Assessment	14
Sustainability Management	18
Feature	24

Upholding the Leadership of Globalization, Digitalization, and Decarbonization to Explore New Pathways for the Development of the Engineering Machinery Equipment Manufacturing Industry

### Building on Compliance for First-Class Governance **01**

Corporate Governance	32
Risk Control	33
Business Ethics	35

### Driving Technological Innovation to Deliver First-Class Products **02**

Innovation-Driven Development	44
Superior Quality	47
Sustainable Supply Chain	50

### Exploring Low-Carbon Pathways for First-Class Practice **03**

Climate Change Response	56
Environmental Management	66
Ecological Protection	68
Green Development	71

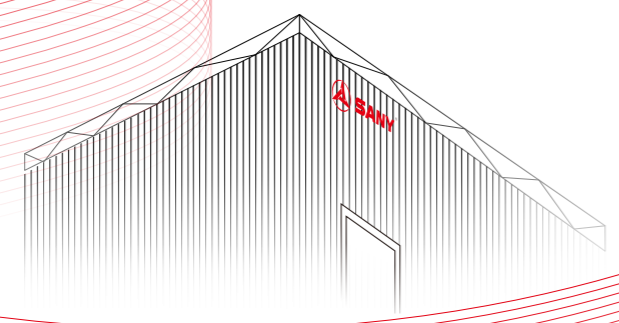
### Developing a People-Centered Culture to Foster First-Class Talent **04**

Compliant Employment	80
Talent Development	83
Employee Benefits	87
Health and Safety	90

### Giving Back to Society to Make First-Class Contributions **05**

Philanthropy	98
Rural Revitalization	100
Social Rescue	102

Quantitative Performance Table	106
SSE Guidelines Index	111
HKEX Guidelines Index	112
GRI Index	115



# About This Report

This report is the 2025 Sustainable Development Report released by SANY Heavy Industry Co., Ltd. (hereinafter referred to as "this Report"). This report is a true reflection of SANY Heavy Industry actively fulfilling the economic, social, and environmental responsibilities and achieving sustainable development, as well as a response to the key issues of concern to stakeholders. This report has been reviewed by the Board of the Company, which is responsible for the authenticity and effectiveness of the information contained herein. In the event of any data inconsistency, the annual report shall prevail.



## Reporting Period

The reporting period covered by this report is from January 1, 2025 to December 31, 2025. To maintain the continuity of information, certain content has been retrospectively reviewed and extended.



## Reporting Scope

This report covers SANY Heavy Industry Co., Ltd. and its subsidiaries.



## Data Sources

All information and data in this report are derived from the Company's official documents, statistical reports, and financial reports, as well as information and data compiled, aggregated, and reviewed by the Company. This report is published in Chinese and English versions. In the event of any discrepancy, the Chinese version shall prevail. Unless otherwise specified, the monetary unit used is RMB.



## Basis of Preparation

This Report is prepared in accordance with the *Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, the *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports* issued by the Shanghai Stock Exchange, Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited, the *Environmental, Social and Governance Reporting Guide* (hereinafter referred to as the *ESG Reporting Guide*), and *IFRS Sustainability Disclosure Standard 2—Climate-Related Disclosures*. It also references the "GRI Standards" of the Global Reporting Initiative (GRI), the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-ESG 6.0)* of the Chinese Academy of Social Sciences, and other authoritative standards domestically and internationally.



## Terminology

For the sake of expression and readability, SANY Heavy Industry Co., Ltd. is referred to in this report as "SANY Heavy Industry," "the Company," and "we."



## Access to This Report

This report is available for download and review on the official websites of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the official website of the Hong Kong Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.sany.com.cn/en/>).

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## Board Statement

The Board assumes overall responsibility for environmental, social and governance (ESG)-related matters of SANY Heavy Industry Co., Ltd. (hereinafter referred to as "the Company"), and is responsible for overseeing the establishment and effective operation of the Company's ESG strategy, management policies, and related risk management system. The Board of the Company has consistently regarded sustainable development as an important foundation for the long-term and steady development of the enterprise, and continues promoting the integration of ESG principles into the Company's strategic planning, business decisions, and daily operations, so as to advance the coordinated enhancement of enterprise value and social value.

## ESG Governance Structure

The Company has established an ESG governance structure led by the Board. The Board is responsible for examining the Company's ESG development strategy, major ESG risks, and important matters, and regularly hears reports from management employees on ESG work. The management is responsible for promoting the implementation of the ESG strategy across business units and coordinating related work such as environmental management, employee development, supply chain management, product responsibility, and compliance governance. Through a cross-departmental collaboration mechanism, the Company continues to promote the building of the ESG management system to ensure the effective execution and continuous improvement of ESG-related work.

## ESG Risk Management and Material Topics

The Board continues to pay close attention to the environmental and social risks and opportunities faced by the Company in the course of business management and incorporates them into the overall risk management system. Taking into account industry characteristics, regulatory requirements, and the key concerns of stakeholders, the Company identifies and evaluates ESG material topics through stakeholder communication, industry benchmarking, and internal assessment, among other approaches, and develops the Company's annual materiality matrix. The Board reviews the identification and assessment process for material topics and ensures that the relevant topics are fully considered and effectively managed in the Company's strategy and operations and governance.

## ESG Target and Performance Oversight

Focusing on key areas such as green, low-carbon development, technological innovation, employee development, and supply chain responsibility, the Company has formulated relevant ESG targets and action plans and continuously monitors progress toward these targets through regular assessment and performance tracking mechanisms. The Board regularly reviews the Company's ESG achievements and the performances of related indicators and, based on changes in external policies and industry development trends, makes necessary optimizations and adjustments to the Company's ESG strategy and management measures.

In the future, the Board of the Company will continue to strengthen ESG governance capacity building, promote the coordinated development of environmental protection, social responsibility, and corporate governance, continuously enhance our sustainable development, and create long-term value for customers, employees, shareholders, and society.



## Message from the Chairman



In 2025, the global industrial landscape is undergoing profound changes unseen in a century, and the whirlwind of technological revolution is sweeping through manufacturing at an unprecedented pace. Facing the "super technology window" brought about by the convergence of the Fourth Industrial Revolution and the Third Energy Revolution, SANY Heavy Industry has always upheld its original aspiration of "Quality Changes the World," taking the three core strategies—globalization, digitalization, and decarbonization—as its core engines, deeply integrating into the new stage marked by the conclusion of the nation's 14th Five-Year Plan and the planning of the 15th Five-Year Plan, and making solid strides on the path of high-quality development.

SANY Heavy Industry Co., Ltd.

Chairman Xiang Wenbo

**We adhere to globalization development and chart a new course through coordinated domestic and international advancement.** With the resolve that "if we do not go global, we will be left behind," we are making every effort to advance our globalization development strategy. From the completion and commissioning of the overseas lighthouse factory in Indonesia to our products reaching more than 150 countries and regions globally, we have exported not only high-quality manufacturing from China, but also leading standards and management experience in intelligent manufacturing. In 2025, the localization rate of our overseas workforce approached 70%, and we successfully launched high-end products such as the 400-tonne-class mining excavator. On international stages such as Bauma 2025 and the China-Africa Economic and Trade Expo (CAETE), SANY products won recognition from customers globally. Through global resource allocation, we are accelerating the enhancement of the Company's global capabilities and fostering the development of new quality productive forces.

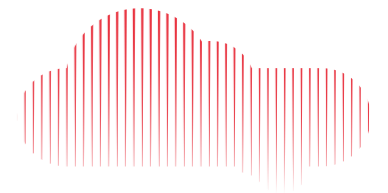
**We remain committed to digitalization-driven development and to winning this decisive turnaround battle in transformation.** We are promoting the entire value chain of R&D, manufacturing, and operations from "partial intelligence" to "holistic intelligence." In 2025, leveraging our self-developed AI agent platform, we used AI to empower more business scenarios. At the Kunshan factories, integrated intelligent innovation reduced production data latency to 20 milliseconds, compressed products changeover time from 4 hours to 15 minutes, and raised the accuracy rate of visual quality inspection to as high as 99.5%. Practice has shown that digital and intelligent technologies not only reshape production methods, but also unlock new growth momentum for the traditional manufacturing industry.

**We remain committed to decarbonization-driven development and to contributing the "green strength" of the equipment manufacturing industry.** While promoting industrial upgrading, we have consistently regarded green development as an important component of our long-term corporate strategy. The Company continues promoting a development model of "product electrification upgrades + green industrial chain coordination," with sales of major products such as electric excavators and mixers continuing to lead the market. To address global climate change, we systematically carry out climate risk and opportunity assessment, enhance climate resilience, and contribute SANY's strength toward global dual carbon goals and climate change response.

**Adhering to a people-centered approach, we stimulate organizational vitality.** In 2025, through a comprehensive talent development and incentive system, we enabled more than 5,300 employees to share in the achievements of enterprise development. We are committed to nurturing an open, inclusive, and vibrant organizational environment, so that every employee can achieve personal growth through innovative practice.

**We shoulder responsibility and move forward together with society.** As an important force in the equipment manufacturing industry, we have always closely integrated enterprise development with social responsibility. In the face of disasters domestically and internationally, including floods in East China and North China, the typhoon in Zhanjiang, and the earthquake in Myanmar, the Company's equipment and employees have consistently rushed to the front line, putting into action the simple belief that "national responsibility takes precedence over corporate profits."

Looking ahead, we will continue to uphold long-termism, steer by the strategy of globalization, digitalization, and decarbonization, and driven by technological innovation, continuously promoting China's engineering machinery industry to a higher level and contributing to the building of a greener, smarter, and more sustainable world.



# About SANY Heavy Industry

## Company Profile

Listed on July 3, 2003, Sany Heavy Industry (600031.SH) holds the distinction of being the first enterprise in China to successfully achieve full circulation through the reform of the equity division. In July 2011, Sany Heavy Industry accomplished another major feat by securing its place in the FT Global 500 list. Notably, it is the only Chinese construction machinery company on the list. The year 2012 witnessed a pivotal moment in Sany Heavy Industry's journey, as it completed the cross-border acquisition of Germany's Putzmeister, a globally renowned leader in concrete machinery, and acquired a stake in Austria's Palfinger, a recognized global leader in truck-mounted crane machinery. Fast-forward to May 13, 2021, when Sany Heavy Industry secured a spot in the Forbes Global 2000 list, ranking 468th. This marked its debut in the Global 500 for the first time, positioning it as the top-ranked Chinese company and the second-ranked global leader in engineering machinery on the list.

SANY Heavy Industry's leading products include full series of products such as concrete machinery, earthmoving machinery, cranes, road construction machinery, and piling machinery. The Company's concrete machinery has maintained its position as the world's No. 1 brand. In 2020, our excavator sales topped the global rankings for the first time.

SANY Heavy Industry has established a global presence, with industrial parks in Beijing, Changsha, Shanghai, Kunshan, Chongqing, and other locations in China, as well as overseas R&D and manufacturing bases in India, the United States, Germany, Brazil, and Indonesia.

Upholding the mission of "Quality Changes the World," SANY Heavy Industry invests more than 5% of its annual sales revenue in R&D and is committed to delivering world-class products. Leveraging its strengths in technological innovation, SANY Heavy Industry has won the "State Scientific and Technological Progress Award" four times and the "State Technological Invention Award" twice, making it the recipient of the highest honors ever granted in the construction machinery sector since the founding of the People's Republic of China.

Supported by first-class product quality, SANY equipment has participated extensively in landmark projects globally, including the Burj Khalifa, Beijing Olympic venues, London Olympic venues, Brazil World Cup Stadium, Shanghai Tower, Hong Kong International Finance Center, the Hong Kong-Zhuhai-Macao Bridge, Beijing Daxing International Airport, and Xiong'an New Area.

### Concrete Machinery

- The main products include truck-mounted concrete pumps, trailer pumps, truck mixers, and concrete batching plants.
- Mainly used in railway, highway, metro, hydropower station, metallurgical engineering and other infrastructure construction as well as the real estate industry.

### Earthmoving Machinery

- Mainly includes crawler excavators, wheeled excavators, loaders, etc.
- Mainly used in agriculture, water conservancy, railways, highways, construction, real estate, and mining industries.

### Cranes

- Mainly includes truck cranes and crawler cranes.
- Cranes are widely used in industries such as power, steel, bridges, shipbuilding, and petrochemicals. Among them, small truck cranes are mostly used in municipal projects and other general cargo operations, while large truck cranes and crawler cranes are used in industries such as power, steel, shipbuilding, and petrochemicals.

### Piling Machinery

- The main product is rotary drilling rig, mainly used in municipal engineering, highway and bridge construction, industrial and civil buildings, underground diaphragm walls, water conservancy, anti-seepage slope protection, and other foundation engineering applications.

### Road Construction Machinery

- Includes rollers, pavers, graders, and asphalt batching plants, mainly used in the construction of pavement works on highways, urban roads, and airport runways.



## Honors in 2025

*Forbes* Global 2000  
(maintaining the top position in China's  
construction machinery industry)

*Forbes*

Hurun China 500  
(maintaining the top position in China's  
construction machinery industry)

Hurun Research Institute

Guinness World Records™ "Highest water jet from a fire  
truck (prototype)" (JP100 aerial water tower fire truck,  
jet height of 159.66 meters)

Guinness World Records™

Excellence-level smart factory  
(3)

The Ministry of Industry and Information  
Technology in China

China 500 List

*Fortune*



## ESG Performance Highlights in 2025

### Three Core Strategy of "Globalization, Digitalization, and Decarbonization"

The international main business revenue reached RMB **55.9 billion**, increasing by **15.14%** year-on-year; the proportion of international main business revenue was **64%**.

The coverage rate of intelligent overseas factories increased to **60%**, and the localization rate of overseas personnel approached **70%**.

The Company's products have covered more than **150** countries and regions globally; it promoted **60** products to the global market, developed **20** new products, and successfully launched the **400-tonne-class** mining excavator.

The Company has advanced the implementation of a total of **29** innovation projects, with annual service calls of the agent platform exceeding **4.5 million**.

The Industrial Internet of Things (IoT) platform has covered **46** factories across **23** industrial parks, connected **18,000** devices and **33,000** energy meters, and developed more than 30 integrated applications based on Internet of Things data.

### Building on Compliance for First-Class Governance

Convened **1** Annual General Meeting and **5** Extraordinary General Meetings; held **10** Board meetings, with a **100%** director attendance rate.

Conducted **33** risk control training sessions throughout the year, covering **2,046** participants.

Achieved a **100%** signing rate of integrity and anti-corruption commitment letters among directors, employees in key positions, business personnel, and mid-level managers in the manufacturing division, totaling **3,446** signatories.

Handled **95** integrity-related complaints and reports, with a **100%** resolution rate.

Achieved full coverage (**100%**) of anti-corruption audits across core business processes.

Achieved a **100%** signing rate of integrity cooperation agreements and commitment letters with suppliers.

### Driving Technological Innovation to Deliver First-Class Products

R&D investment reached RMB **5.169 billion**, accounting for **5.79%** of main business revenue; the Company had a total of **5,720** R&D personnel, representing approximately **20.09%** of total employees.

The Company filed **596** domestic patent applications and obtained **820** authorizations; it filed **23** international patent applications and obtained **47** authorizations overseas; it also obtained **68** computer software copyrights.

**22** subsidiaries had obtained ISO 9001 quality management system certification, with a coverage rate of **100%**.

The customer satisfaction survey score was **93.0 points**, and the customer satisfaction rate for complaint handling was **84.1%**.

The supplier satisfaction survey score was **4.351 points**, which was an increase compared to previous years.; targeted support and capability enhancement were provided for **190 suppliers**.

### Exploring Low-Carbon Pathways for First-Class Practice

Annual environmental protection investment reached RMB **280 million**, with energy-saving and consumption-reduction initiatives delivering cumulative savings of RMB **72 million** during the year.

Of the **22** subsidiaries engaged in complete vehicle and component manufacturing, **12** have obtained ISO 14001 Environmental Management System certification, representing a certification coverage rate of **54.5%**.

**100%** of subsidiaries have secured pollutant discharge permits, with wastewater, exhaust gas, and boundary noise emissions fully compliant with applicable standards. Hazardous waste is handled in **100%** compliance, with no cases of excessive discharge recorded.

Photovoltaic power generation systems have been deployed across all **22** subsidiaries. Total clean energy consumption reached **77.3656 million kWh**, accounting for **14.7%** of overall energy use.

### Developing a People-Centered Culture to Foster First-Class Talent

The labor contract signing rate was **100%**, and no major labor disputes, strikes, or major layoffs occurred in the past three years.

Employees came from more than **40** ethnic groups, with **3,804** female employees, and women accounted for **14.3%** of the senior management team.

The Company launched an employee stock ownership plan valued at approximately RMB **523 million**, covering **5,382 employees**, and also fulfilled medium and long term incentives of RMB **332 million** granted in previous years.

During the year, **1,451 employees** newly obtained professional certifications, including **715** external certifications; the Company supported outstanding employees in pursuing further studies at universities, with **20** new participants added during the year, bringing the cumulative total to **289**.

A total of **4,841** training sessions were conducted, with **31,717** cumulative participants in training. The percentage of employees trained reached **94.6%**, and the average training duration per person was **140.56 hours**. **407** employees in need received support, with RMB **550,000** in relief funds granted.

An annual employee service satisfaction survey was conducted, covering more than **60,000** person-times, with an overall satisfaction score of **95.75**.

Among the **22** main machine and parts manufacturing subsidiaries, a total of **10** subsidiaries passed external reviews and obtained the ISO 45001 occupational health and safety management system certification.

The occupational health and safety targets for the year were achieved, with the thousand-person injury rate at **1.33%**, the completion rate of three-level safety education training at **100%**, the number of occupational disease cases at **0**, and occupational health examination compliance at **100%**.

A total of **202,837** cumulative participants attended health and safety-related training, with cumulative training hours reaching **365,478 hours**. Work safety responsibility exams were conducted, with **25,000** cumulative participants, and a passing rate of **100%**.

### Giving Back to Society to Make First-Class Contributions

Total donations to various public welfare funds amounted to approximately RMB **22.36 million**, with cumulative donations exceeding RMB **360 million**.

A total of **129** public welfare activities were carried out during the year, contributing **5,964** volunteer service hours.

The "SANY Public Welfare" platform registered **28,658** volunteers, established **62** volunteer teams, and conducted activities across **23 cities** nationwide, with cumulative volunteer service hours reaching **11,205.7 hours**.

During the reporting period, volunteer services engaged **1,860** participant instances, benefiting **2,926 individuals**.

Total disaster response duration reached **51 days** during the year, with **32 units** of construction machinery deployed and **72 personnel** mobilized.

# Double Materiality Assessment

In accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, SANY Heavy Industry identifies sustainable development-related material topics by following the principle of "double materiality." This principle requires consideration of both the impact of topics on the Company's finance value (financial materiality) and the impacts of the Company's business activities on the economy, the environment, and society (impact materiality). Through a comprehensive assessment of these two dimensions, we identify topics that are critical to the Company's long-term value creation and have substantial impacts on internal and external stakeholders, so as to ensure that sustainability management is closely aligned with the Company's core strategy and social responsibility.

## Material Topic Identification

The Company identifies material sustainable development topics through a systematic process, with extensive reference to mainstream standards and industry practices domestically and internationally, while taking into account its own business characteristics and strategic direction to develop a preliminary list of topics. At the same time, we supplement and refine this list of topics through communication with management employees, analysis of industry trends, and research on policies and regulations, so as to ensure that the topics cover the core areas of Environmental, Social and Governance (ESG) and are aligned with the actual circumstances of the Company's operations.

## Impact Materiality Assessment

The impact materiality assessment systematically identifies and measures the key environmental and social impacts arising from the Company's business activities. By establishing three core assessment frameworks covering the core requirements of stock exchanges, the level of attention from industry peers, and the requirements of international institutions such as MSCI, the Company comprehensively analyzes the severity, breadth, and reversibility of the potential impacts of its ESG topics. At the same time, we fully incorporate feedback from internal and external stakeholders in the assessment process and ultimately derive the conclusions of the materiality assessment, providing a clear basis for decision-making for the Company's strategic resource allocation, risk control priorities, and sustainable value creation.

## Stakeholder Communication

To understand stakeholders' views on the Company's decisions regarding the impact materiality of ESG topics and to meet their expectations and demands, the Company actively maintains close communication with all parties through diversified communication channels, while providing timely responses and effective engagement on the core topics of concern to different participants across the value chain.

### SANY Heavy Industry Stakeholder Communication Strategy

Stakeholders	Key Concerns	Communication Channels & Feedback Methods
<b>Government departments/regulators</b> 	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business ethics</li> <li>Circular economy</li> <li>Pollutant &amp; waste management</li> <li>Climate change response</li> <li>Environmental compliance management</li> <li>Biodiversity conservation</li> <li>Energy management</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspections</li> <li>Meetings and discussions</li> <li>Field investigations</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>ESG management</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Field investigations</li> <li>Roadshows</li> </ul>
<b>Investors</b> 	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>ESG management</li> <li>Product quality &amp; safety</li> <li>Research &amp; innovation</li> </ul>	<ul style="list-style-type: none"> <li>Corporate announcements</li> <li>Investor meetings</li> <li>Roadshows</li> <li>Conference calls</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Employee rights &amp; benefits</li> <li>Health &amp; safety</li> <li>Employee training &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Union activities</li> <li>Employee satisfaction surveys</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Product quality &amp; safety</li> <li>Business ethics</li> <li>Due diligence</li> <li>Environmental compliance Management</li> <li>Pollutant &amp; waste management</li> </ul>	<ul style="list-style-type: none"> <li>On-site assessments</li> <li>Quality communication</li> <li>Supplier training and support</li> <li>General meetings of suppliers</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Product quality &amp; safety</li> <li>Climate change response</li> <li>Research &amp; innovation</li> <li>Data security &amp; customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Market research</li> <li>Customer satisfaction surveys</li> <li>Press conferences</li> <li>Online and offline campaigns</li> </ul>
<b>Communities, public, and NGOs</b> 	<ul style="list-style-type: none"> <li>Rural revitalization &amp; social contribution</li> <li>Circular economy</li> <li>Climate change response</li> <li>Biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>Community discussions</li> <li>Community engagement</li> <li>Online outreach</li> </ul>
<b>Partners</b> 	<ul style="list-style-type: none"> <li>Due diligence</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Strategic cooperation</li> <li>Executive-level exchanges</li> </ul>

## Financial Materiality Assessment

The financial materiality assessment aims to systematically analyze how sustainability topics are translated into actual financial impacts through the Company's specific operations. This assessment focuses on the core business processes directly associated with each topic, including raw material procurement, R&D, construction manufacturing, production, logistics and warehousing, aftermarket service, and downstream customer interactions, among other full-process nodes, and analyzes the specific financial performance they may trigger in the daily and overall operations of the enterprise.

The Company's financial materiality assessment specifically covers various financial impacts arising from risk management, efficiency improvement, innovation, and relationship maintenance, such as risk-related expenditures including potential fines and compensation, production interruption losses, quality costs, and emergency procurement premiums, as well as benefits realized through savings in raw materials and energy use, sales revenue from green products, tax incentives, increased customer share, and optimized financing costs. At the same time, we also pay attention to the necessary investments made to safeguard operations, such as costs related to safety corrective actions, technology R&D, and employee training.

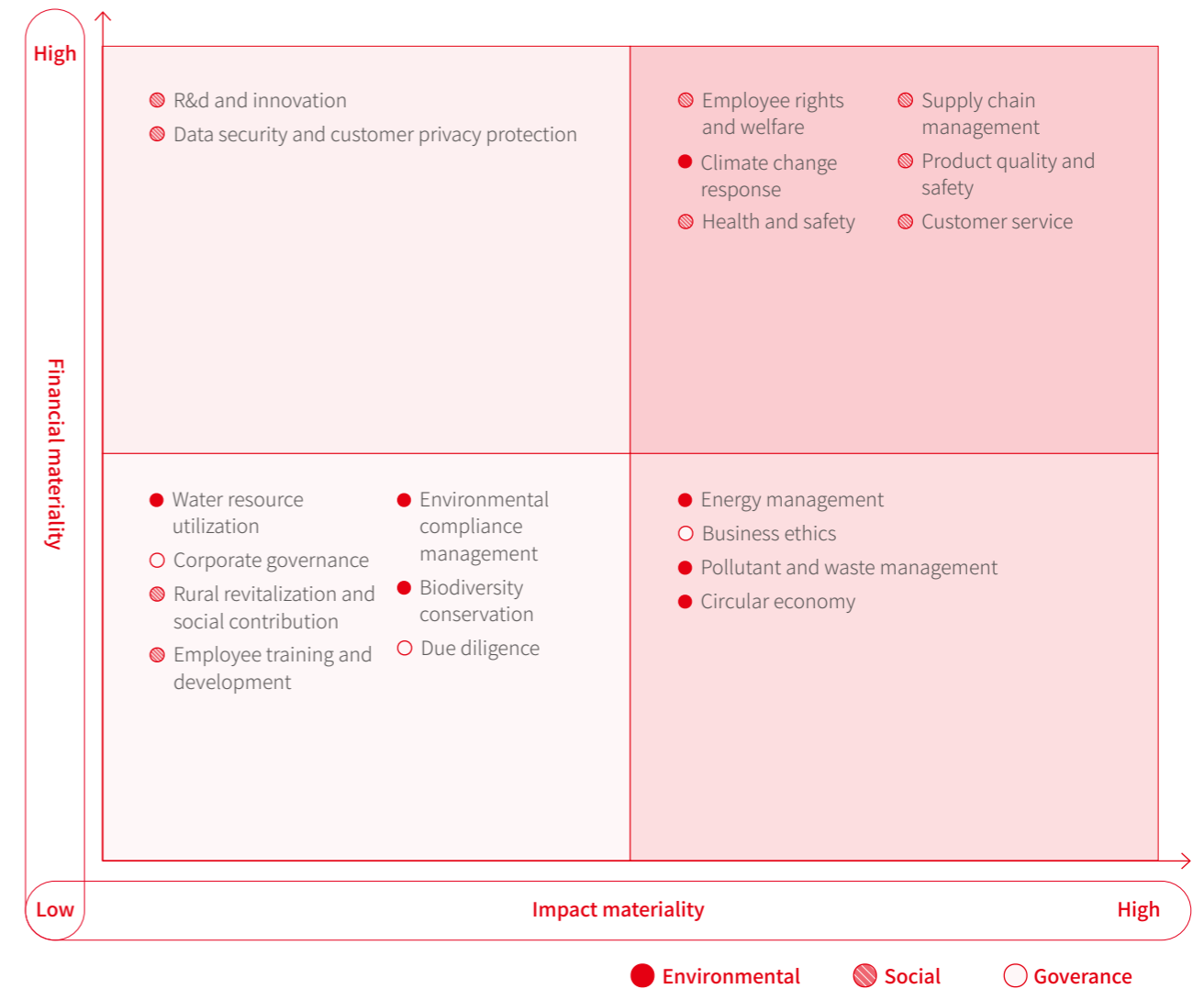
By closely linking specific topics, business processes, and clear financial impact pathways involving revenue, costs, assets, liabilities, and cost of capital, we are able to precisely identify the key financial drivers that affect the Company's value, thereby providing a substantive basis for decision-making on strategic resource allocation, operational risk control, and long-term value enhancement.



## Double Materiality Assessment Results

Based on the above double materiality assessment, the Company has ultimately identified the materiality topic matrix of sustainable development material topics that require priority attention, management, and disclosure during this reporting period. These topics are of high priority in the Company's strategy and are a focus of decision-making and resource allocation by management employees. The specific content, management approaches, and performance of the relevant topics will be elaborated in detail in subsequent sections of this report.

### Materiality Topic Matrix



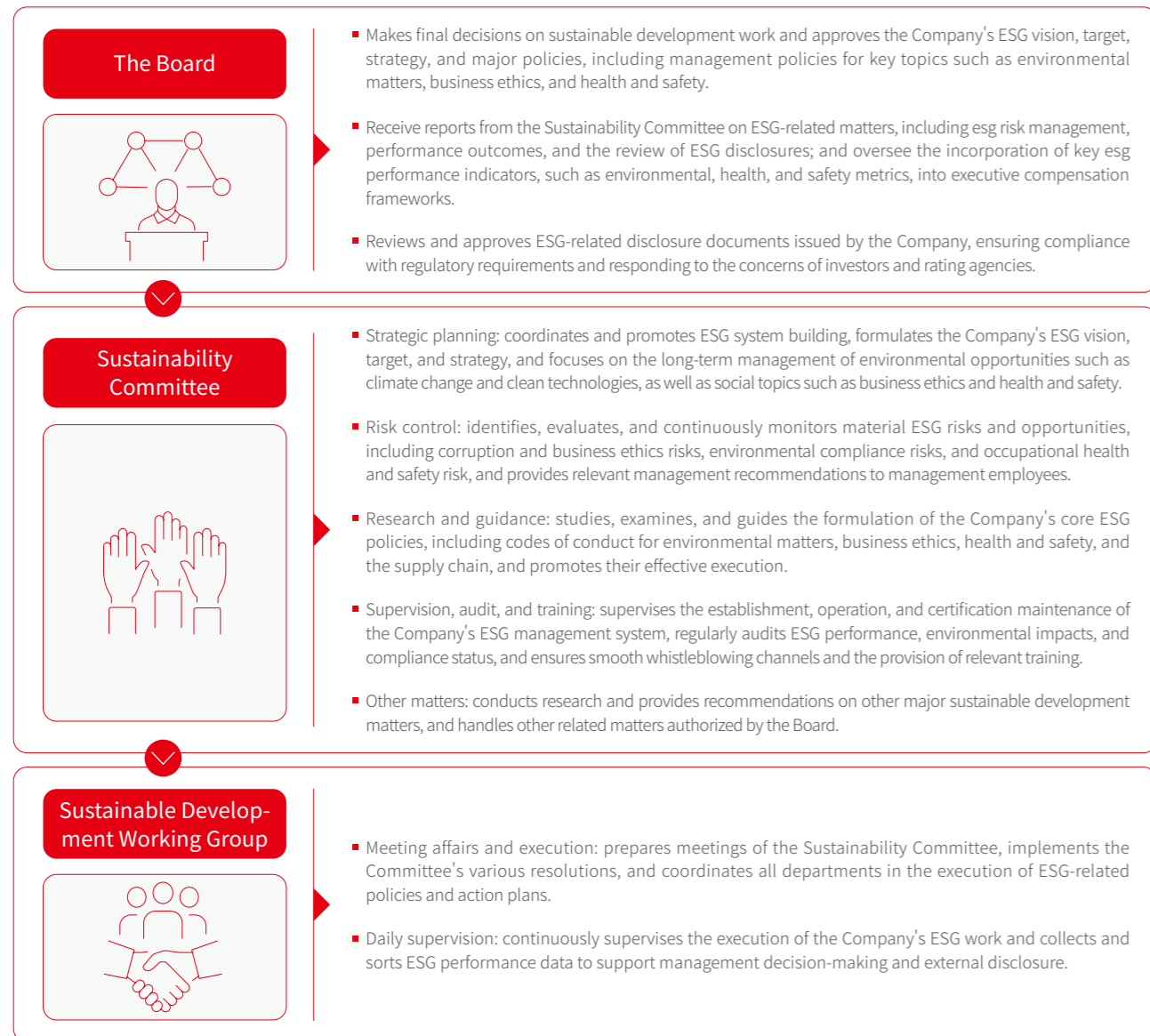
# Sustainability Management

SANY Heavy Industry has built a systematic, multi-level, and comprehensive ESG management framework. Through a clear governance structure, a strategic pathway that integrates with its core business, science-based ESG risk control mechanisms, and internationally aligned indicators and targets, the Company comprehensively promotes sustainable development practices and continuously creates long-term value.

## Governance

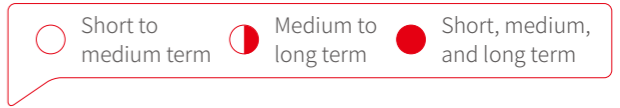
To achieve scientific, systematic, and standardized management of the environmental, social, and corporate governance system, SANY Heavy Industry has formulated the *Detailed Working Rules for the Sustainability Committee* and established a three-tier ESG management structure composed of the Board, the Sustainability Committee, and the Sustainable Development Working Group. Meanwhile, the Sustainability Committee convenes at least one regular meeting each year and may hold extraordinary meetings when necessary, ensuring the continuous promoting and effective implementation of ESG-related work.

### Division of ESG Management Responsibilities



## Strategy

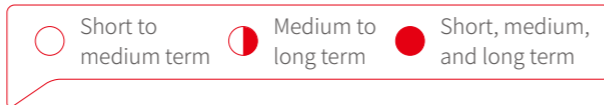
To systematically address the challenges and opportunities of sustainable development, SANY Heavy Industry has deeply integrated the three core strategies—globalization, digitalization, and decarbonization—into its ESG management framework, and has conducted dedicated analysis of risks and opportunities for financial material topics. We formulate and execute corresponding response measures in light of market trends to ensure that the Company's ESG strategy remains sufficiently resilient, can dynamically adapt to internal and external changes, and continuously advances the achievement of sustainable development targets.



### SANY Heavy Industry Risk and Opportunity Management<sup>1</sup>

Type	Area	Level	Reporting Period	Overview	Response Measures
Risk/ Opportunity	Employee rights and benefits	High	●	As competition for talent intensifies and employees' expectations for career development and work experience continue to rise, whether the Company can establish a competitive incentive system, provide clear career development pathways, and safeguard employees' democratic rights and care will directly affect talent attraction, retention, and organizational effectiveness.	<ul style="list-style-type: none"> <li>▪ Establish a tiered and categorized performance and compensation system, implement multi-channel incentives such as incremental profit sharing and incentivizing innovation, and safeguard remuneration competitiveness.</li> <li>▪ Improve "Talent promotion pathways," implement succession plans and specialist talent management, and provide employees with systematic training and career growth support.</li> <li>▪ Improve the system of workers and staff congress and labor unions, keep diversified communication channels such as the Chairman's Mailbox open, and regularly conduct employee satisfaction surveys and service improvement.</li> <li>▪ Implement support mechanisms for employees in need, regularly organize cultural, recreational, and mental health activities, and enhance employees' sense of belonging and organizational cohesion.</li> </ul>
Risk/ Opportunity	Health and safety	High	●	Operational risks faced by manufacturing businesses are complex. Once a safety accident occurs, it may severely affect employees' lives and health, the Company's operations, reputation, and compliance. Meanwhile, a sound HSE system is a core competitive strength for attracting talent and safeguarding stable production.	<ul style="list-style-type: none"> <li>▪ Establish a three-tier governance structure of the "Board-Sustainability Committee-intelligent manufacturing management department" to clarify the HSE strategic oversight and management responsibilities at each level.</li> <li>▪ Strictly implement the ISO 45001 system, improve institutional processes, and strengthen graded risk management and hazard identifications Governance.</li> <li>▪ Conduct full-coverage safety training and emergency drills. In 2025, the Company organized more than 480,000 participants in training sessions and conducted 440 drills, enhancing the safety awareness and emergency response capabilities of all employees.</li> <li>▪ Integrate contractors and other stakeholders into unified safety management and implement whole-process supervision. Continue to carry out occupational health monitoring and mental health support to safeguard employees' physical and mental health.</li> </ul>
Risk/ Opportunity	Supply chain management	High	◐	The stability, compliance, and sustainability of the supply chain face multiple risks, including geopolitical tensions, trade frictions, raw material price fluctuations, extreme weather, and suppliers' own business management and ESG performance, which may affect production continuity, cost control, and brand reputation. At the same time, digitalization-enabled collaboration, green procurement, and supply chain resilience building are important opportunities to improve efficiency, reduce risks, and create competitive advantages.	<ul style="list-style-type: none"> <li>▪ Improve all stages of supplier management, strictly implement admission review, performance evaluation, and tiered elimination mechanisms, leverage the iGSP platform to realize digitalization and transparency throughout the entire procurement process, and regularly conduct risk screening and disposal.</li> <li>▪ Deeply integrate ESG requirements into the supply chain by incorporating key indicators such as environmental, human rights, quality, and business ethics into the review process, and promote suppliers' energy conservation, emissions reduction and green transformation to jointly build a responsible supply chain.</li> <li>▪ Establish the "Supplier Alliance" and deepen collaboration through technical exchanges, special support, and satisfaction surveys to enhance the overall capability and resilience of the supply chain and safeguard the security of critical material supply.</li> </ul>

<sup>1</sup> For more details, please refer to [Climate Change Response](#).

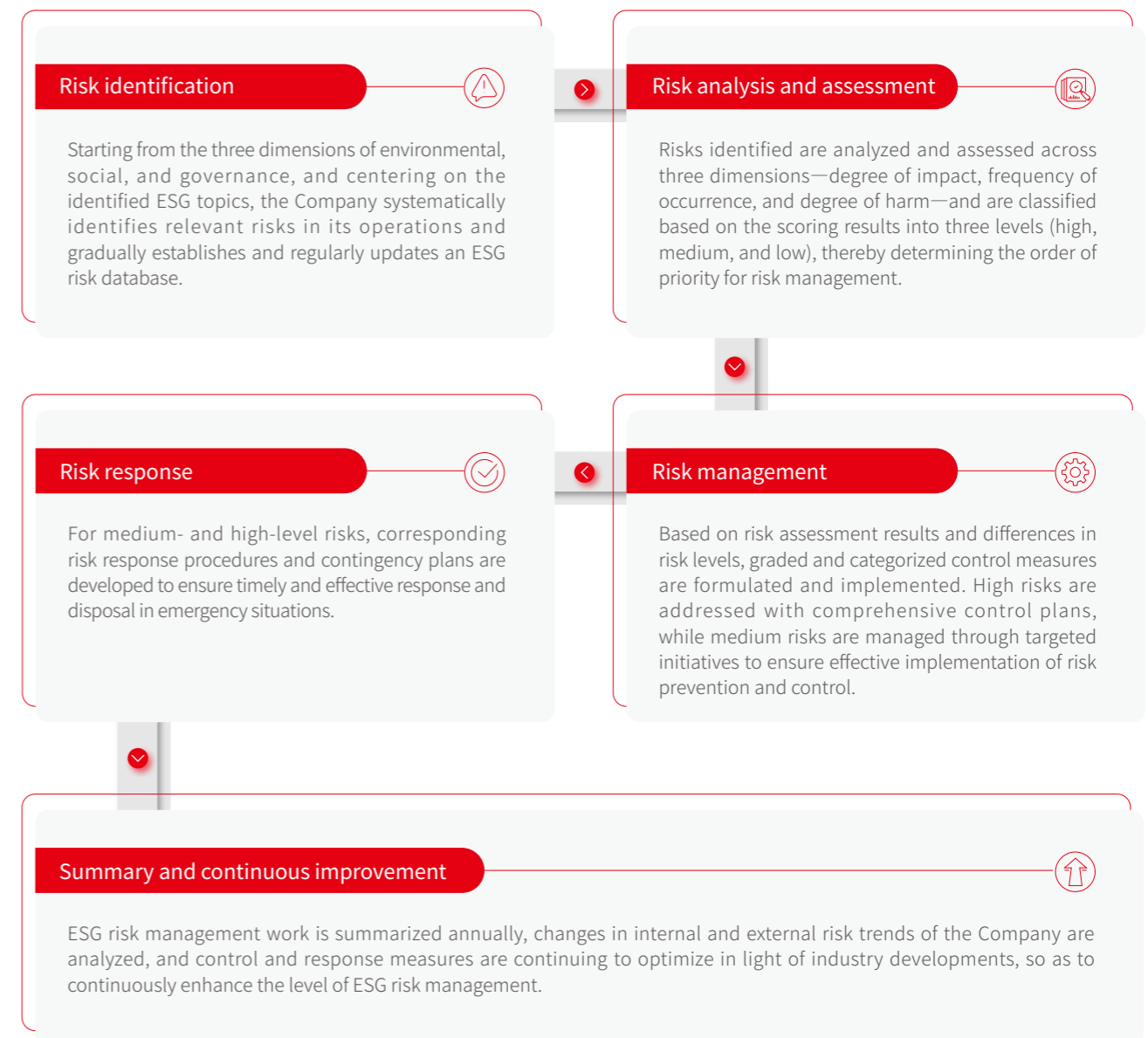


Type	Area	Level	Reporting Period	Overview	Response Measures
Risk/ Opportunity	Product health and safety	High	●	Product quality defects or safety hazards may lead to safety incidents, product recalls, and customer claims, seriously damaging brand reputation and market trust and triggering compliance risks. As technology complexity and regulatory requirements increase, the difficulty of risk control also rises. Through digitalization-based and refined quality management covering the entire process from R&D to after-sales service, the Company can systematically reduce risks, deliver superior quality, and build a core competitive advantage.	<ul style="list-style-type: none"> <li>■ We have enhanced the digital quality management system, strictly controlled all processes including design, incoming materials, production, and after-sales service, and used the quality information system to enable real-time monitoring of problems and implement closed-loop management.</li> <li>■ We have formulated the "Accountability Management System for Major Quality Defects" and regularly carried out certification of the quality management system to prevent major product safety incidents.</li> <li>■ We have strengthened quality management with suppliers, used quality management as the standard for access and evaluation, and implemented supplier quality inspection and provide to safeguard product quality at the source.</li> </ul>
Risk/ Opportunity	Customer service	High	○	Inefficient customer response, improper complaint handling, or customer data leakage may directly lead to customer loss, lower satisfaction, legal proceedings, and reputational damage. In the era of digitalization, customers' expectations for service efficiency, transparency, and privacy protection continue to rise. Upgrading the service system through digitalization, strengthening privacy protection, and deepening customer communication are key opportunities to enhance customer loyalty and unlock long-term value.	<ul style="list-style-type: none"> <li>■ We have upgraded the digitalization-based customer service system, standardized complaint handling standards and procedures, and continuously tracked processing progress and make improvements.</li> <li>■ We have built a sound data security and privacy protection system, clarified requirements for all-stage management of data, implemented system security certification, data protection measures, and employees' compliance training, and strictly prevented information leakage incidents.</li> <li>■ We have enhanced key account management and multi-channel customer communication, regularly conducted a satisfaction survey, integrated customer feedback into the optimization of products and service, and enhanced customer experience and brand recognition.</li> </ul>
Risk/ Opportunity	R&D and innovation	High	●	Amid the global industrial transformation toward digitalization, intelligence, and sustainability, technological iteration is accelerating and customer demands are evolving. Companies that underinvest in R&D, maintain rigid innovation mechanisms, or pursue directions misaligned with market needs risk falling behind in core technologies, declining product competitiveness, and loss of market share. Conversely, building a forward-looking, efficient, and open innovation ecosystem can lead industry technological development, create differentiated product advantages, and shape a green and intelligent brand image.	<ul style="list-style-type: none"> <li>■ We have defined the three-core strategy of globalization, digitalization, and decarbonization, established a three-tier R&amp;D management structure comprising the R&amp;D Technical Committee, the seven technical committees, and the specialized technical subcommittees, and improved governance documents such as the <i>R&amp;D Project Input-Output Management Measures</i>.</li> <li>■ We have implemented diversified incentive and talent development mechanism, with dedicated incentive programs targeting key focus areas. We have launched systematic R&amp;D training and certification programs to build a structured professional talent pipeline.</li> <li>■ We have established active industry-academia-research collaboration with universities such as Dalian University of Technology. Through joint R&amp;D and technical exchange, we use external expertise to tackle cutting-edge technological challenges and accelerate the commercialization of innovative outcomes.</li> </ul>
Risk/ Opportunity	Data security and customer privacy protection	High	●	The Company has accumulated extensive operational data, customer information, and product data. Any incidents of data breach, tampering, misuse, or non-compliant cross-border data transfer could directly result in the collapse of customer trust, exposure to substantial litigation and regulatory penalties, and severe damage to brand reputation. At the same time, building an industry-leading data security and privacy protection framework is a cornerstone for earning the trust of customers and partners, ensuring the resilient operation of digital businesses, and fulfilling corporate social responsibility.	<ul style="list-style-type: none"> <li>■ We have established a data compliance management structure guided by the responsible Board Director, and formulated policies such as the <i>Data Security Management Policy</i> and <i>Customer Privacy Policy</i> to define management requirements and accountability for data security and customer information.</li> <li>■ We have implemented security measures including disaster recovery backup and data sandboxing for core IT systems. We have obtained Certifications such as ISO 27001 (Information Security Management System) and Cybersecurity Classified Protection assessments.</li> <li>■ We have signed cross-border data transfer agreements with overseas subsidiaries and other relevant parties. We have conducted 100% compliance review at the system initiation and go-live stages. We signed and reviewed the <i>Information Security and Confidentiality Agreement</i> with partners on a regular basis, incorporating third-party risks into the overall risk management framework.</li> </ul>

## Impact, Risk and Opportunity Management

To standardize the Company's ESG risk management, SANY Heavy Industry has incorporated ESG risks into the Company's overall risk management system and systematically carried out whole-process management covering risk identification, analysis and assessment, control, response, and continuous improvement.

### Impact, Risk and Opportunity Management Process of SANY Heavy Industry



## Metrics and Targets

We actively respond to the United Nations Sustainable Development Goals (UN SDGs). Based on our own professional strengths and resources, we focus on priority goals that are highly relevant to our operations and commit to taking specific actions on relevant social and environmental topics. We have deeply integrated ESG targets into our development strategy and daily operations, advancing sustainable development in tandem with core business metrics.

### Response to the United Nations Sustainable Development Goals



### Environmental



Climate change tackling 3.1 Climate change response



Usage of water resources 3.4 Green development



Pollutant and waste management 3.3 Ecological protection



Energy management 3.4 Green development



Environmental compliance management 3.2 Environmental management



Ecosystem and biodiversity protection 3.3 Ecological protection



Circular economy 3.4 Green development

### Social



Employee rights and welfare 4.1 Compliant employment  
4.3 Employee benefits



Employee training and development 4.2 Talent development



Health and safety 4.4 Health and safety



Data security and customer privacy protection 2.2 Superior quality



Rural revitalization and social contribution 5.1 Philanthropy  
5.2 Rural revitalization  
5.3 Social rescue



Supply chain management 2.3 Sustainable supply chain



Product quality and safety 2.2 Superior quality



R&D and innovation 2.1 Innovation-driven development



Customer service 2.2 Superior quality

### Governance



Corporate governance ESG governance  
1.1 Corporate Governance

Due diligence 1.2 Risk Control

Business ethics 1.3 Business ethics

**Feature**

**Upholding the Leadership of Globalization, Digitalization, and Decarbonization to Explore New Pathways for the Development of the Engineering Machinery Equipment Manufacturing Industry**

Against the backdrop of profound changes in the global industrial landscape, SANY Heavy Industry takes the strategy of "globalization, digitalization, and decarbonization" as its guidelines, comprehensively promoting enterprise transformation and industrial upgrading. We take digitalization technology as the core driving force to lead the deep integration of digitalization with product innovation, intelligent manufacturing, and intelligent operations, while continuously promoting the global layout from "exporting products" to "industrial globalization" and accelerating the development of an efficient and collaborative global value chain. At the same time, we remain firmly committed to low-carbon development and actively promote the R&D and application of electrification, hybrid, and clean energy technologies, injecting green momentum into the sustainable development of the global equipment manufacturing industry.

**Adhering to Globalization Development and Advancing a New Phase Through Coordinated Domestic and International Efforts**

The Company, adhering to the resolve that "if we do not go global, we will be left behind," regards globalization as its primary development strategy and drives a profound transformation from "product exports" to "industrial globalization" Through the global deployment of the full industry chain spanning R&D, manufacturing, sales, and service, the Company actively fosters new quality productive forces and continuously opens a new landscape for globalization development.



**Globalization of Manufacturing Building a Global Manufacturing Network**

The Company has deeply advanced localized production overseas and is steadfastly promoting the globalization of manufacturing. In the international market, in addition to continuously upgrading factories in the United States and Germany, we have also built new overseas factories in Indonesia, South Africa, and Türkiye, accelerating the globalization of manufacturing and actively promoting the replication, application, and upgrading of China's intelligent manufacturing standards.

**Case | China's Manufacturing Goes Global to Realize the Localization of Intelligent Manufacturing Bases**

SANY Heavy Industry has systematically exported China's advanced intelligent manufacturing system, green technology, and management standards globally, completing a strategic upgrade from single-product trade to deeply localized operations. Based on the industrial foundation and market demand of different regions, the Company has precisely established the intelligent manufacturing bases in Indonesia and India, building a global manufacturing network that is collaborative, efficient, and uniquely differentiated. Through technology empowerment, supply chain integration, and green operations, the company has deeply integrated China's standards with localized innovation, significantly enhancing its global competitiveness and sustainable influence in the global market.

As of the end of the reporting period, the Indonesia base achieved a 40% faster response to orders, annual carbon dioxide emission reduction of 1,800 tonnes, and an increase in the localization rate of core components to 78%. The India base shortened the supply cycle for key components to 7 days and launched products suited to high-temperature environments, reducing the failure rate by 60%.

**Globalization of Operations Localized Operations and Service**

Adhering to the business strategy of "group leadership, local operation, and service first," the Company continues to improve its global marketing and service network. By establishing overseas regional and country offices as platforms for strategic planning and empowerment, the Company advances deep localization in management and operations.

As of the end of the reporting period the localization rate of overseas personnel was close to **70%** forming a global talent pipeline.

**Case | SANY Heavy Industry Participates in the 34th Bauma 2025**

On April 13, 2025, SANY Heavy Industry appeared at the 34th Bauma 2025, themed "A World of Efficiency—Partners for Excellence." During the exhibition, the Company showcased 66 high-end equipment units, including compliant products and electrified equipment customized for the European market, attracting great attention from professional customers globally. Meanwhile, the live demonstration of the Mechlink intelligent excavation system attracted more than 200 participants to experience it firsthand with its intelligent, safe, user-friendly, and efficient product features, fully demonstrating the company's technological strength in areas such as intelligent and green development.



SANY Heavy Industry Exhibition Area



Customers Experience the Mechlink Intelligent Excavation System

**Globalization of Products Building a Coordinated R&D System**

The Company has established a "1+5+N" globally coordinated R&D system. The "1" refers to the China global R&D center as the hub; the "5" refers to five major R&D bases in Germany, the United States, Japan, India, and Indonesia, focusing on the emerging needs and compliance standards of regional markets; and the "N" refers to leveraging the global sales network to extensively collect scenarios and customer feedback, thereby responding precisely to local market needs. Through deep localized innovation, the Company has successively launched excavators that comply with the Euro V Emissions standard<sup>2</sup>, electric mixers that have obtained EU Whole Vehicle Type Approval (WTA), and customized special-purpose models for regions such as Africa and the Middle East featuring high-temperature resistance and sand and dust protection, thereby forming a product matrix that covers different market segments and operating-condition requirements. By the end of the reporting period, the Company's products had covered more than 150 countries and regions globally, achieved rapid growth in mature high-end markets such as Europe and the United States, and established a competitive position alongside rivaling international brands.

**In 2025**

Products launched on the global market

**60**

Products newly developed

**20**

Brought to the market

**400** tonne-class mining excavator

<sup>2</sup> Euro V Emission Standard: This is the fifth-generation European standard for vehicle exhaust emissions, limiting maximum particulate emissions to 0.005 g/km and nitrogen oxide (NO<sub>x</sub>) emissions to 0.2 g/km. Following the implementation of the "Euro V" standard, all new diesel vehicles are required to be fitted with particulate filters.

## Pursue Digitalization Development and Achieve Transformation

SANY Heavy Industry regards digitalization as the core engine of high-quality development, comprehensively integrating digitalization into the entire value chain of R&D, manufacturing, and operations, and, centered on the "Business Online" target, systematically promoting the enterprise's transformation from "partial intelligence" to "overall intelligence." By building a globally unified digitalization platform and deepening the integration of business scenarios, the Company has achieved systematic breakthroughs in three key areas: intelligent products, intelligent manufacturing, and intelligent operations.

### Intelligent Products Driving the Intelligent Upgrading of Products

With intelligent construction machinery products at the core, the Company has built an intelligent product portfolio covering excavators, mixers, rollers, pavers, cranes, etc. Through the deep integration of key technologies such as 5G remote control and unmanned operation technology, the Company has launched a series of equipment featuring auxiliary systems, such as the Mechlink intelligent excavation system, as well as remote control and autonomous driving functions. These are widely applied in scenarios such as smart mines and construction projects, leading the industry toward an "unmanned intelligent era."

To continuously drive product innovation, the Company has enhanced employees' technology application capabilities and digitalization literacy by organizing more than 200 special digitalization training sessions. Relying on its self-developed intelligent agent platform, the Company has integrated core tools such as intelligent agents and intelligent workflows. In 2025, the Company advanced the implementation of 29 innovation projects in key areas such as R&D, marketing, and HR. The intelligent agent platform provided over 4.5 million times of service annually, realizing the transformation of technology tools into the core productivity, continuously expanding the digitalization capabilities of its products, and providing customers with more efficient and safer intelligent equipment solutions.

#### Case | SCC3200T Crane Sets a New Benchmark in the High-End Market

To meet demand in the global high-end market for intelligent and green lifting equipment, the company launched the SCC3200T, the first 300-tonne-class crawler crane compliant with the EU stage V emissions standard. This product integrates advanced technologies such as digital twin-based planning and intelligent safety control, significantly improving operational accuracy and safety. In international projects such as the Fremantle bridge renovation project in Australia, two SCC3200T crawler cranes demonstrated outstanding adaptability under complex working conditions, including narrow spaces and waterside environments, by virtue of their stable design without outriggers and powerful lifting performance. By the end of 2025, the SCC3200T crane has achieved sales revenue of RMB 120 million, while derived models secured RMB 2.2 billion in orders before launch, marking a new breakthrough in the global competitiveness of China's high-end equipment.



SCC3200T Crawler Cranes in the Fremantle Bridge Renovation Project in Australia

## Intelligent Manufacturing Lighthouse Factory Leading Digitalization

The Company aims to deliver a new-generation lighthouse factory by deeply integrating the self-developed industrial software, building a digital management system covering the entire production process, and creating a central intelligence hub for factories. In 2025, the coverage rates of the intelligent manufacturing operations management platform (iMOM), intelligent warehouse management system (iWMS), and intelligent advanced planning and scheduling system (iAPS) reached 71%, 93%, and 87%, respectively.

On this basis, Changsha No. 18 Factory introduced an industrial large-scale model to enable intelligent autonomous decision-making in processes such as production scheduling, quality inspection, and equipment maintenance, and has scaled up the application of systems such as welding robots and smart visual quality inspection, to continuously improve manufacturing precision, efficiency, and quality.

#### Case | Kunshan Factory Innovates with 5G Intelligent Manufacturing

In 2025, the Kunshan Excavator Factory achieved full 5G coverage across all 18 production processes from raw materials to finished products, enabling real-time collection of over 5,000 data points and reducing data latency to 20 milliseconds. Through a modular production line design, the factory supports flexible mixed-line manufacturing of six major series and 42 excavator models, significantly reducing product changeover time from four hours to just 15 minutes. In quality inspection, a vision-based inspection system has been deployed, achieving a defect detection accuracy rate of 99.5% and driving the transition toward more intelligent and efficient quality control processes.



Kunshan Excavator Factory

## Intelligent Operations Data Enhances Value Chain Efficiency

With "linking data globally" as the main thread, the Company has integrated data across overseas business systems to build an operations system that is transparent across all domains, real-time online, and intelligently collaborative. The Company's self-developed the Industrial Internet of Things (IIoT) platform adopts a "1+1+N" (IoT + NSLINK + applications) architecture and continually enhances data collection, storage, computing, and application capabilities across scenarios. At present, the platform covered 46 factories in 23 industrial parks, connected 18,000 pieces of equipment and 33,000 energy meters, and built more than 30 integrated applications based on IoT data, including energy management, process optimization, and interconnected applications. In 2025, related applications cumulatively achieved cost reductions of RMB 72 million in manufacturing processes.

The Company has continued promoting the extension of the Industrial Internet of Things overseas, completing the integration and value mining of databases across business units while simultaneously carrying out adaptive upgrades for overseas data compliance. Through the "My SANY" intelligent operations platform, the Company provides customers with monitoring working conditions and warning services, significantly enhancing customer satisfaction and brand trust.

#### Case | Intelligent Diagnosis by the Overseas Maintenance Assistant

In response to the challenges of difficulty in diagnosing overseas equipment failures and limited expert resources, the company developed the intelligent "overseas maintenance assistant" based on the global service command center (GSC) project. Users can describe fault symptoms verbally to quickly obtain intelligent diagnostic recommendations, troubleshooting steps, and relevant parts information. In 2025, the number of registered users of this application exceeded 1,000, with cumulative usage surpassing 43,000 times, continually enhancing the efficiency of resolving overseas service issues.

## Pursuing Low-Carbon Development to Contribute "Green Strength" to the Equipment Manufacturing Industry

SANY Heavy Industry is driven by new quality productive forces and is advancing on two fronts centered on product electrification upgrades and green industrial chain coordination, systematically building a decarbonization transformation pathway to become a globally leading pioneer in low-carbon development in the construction machinery sector.

### Product-Side Decarbonization | Electrification and Energy Mix Optimization

We actively seize opportunities arising from the green and low-carbon transformation, focus on product electrification, continuously push the boundaries of clean energy technology, and establish a comprehensive presence in sectors such as pure electric, hybrid, and hydrogen energy. The Company is systematically promoting the electrification of the core equipment across main machine products such as construction vehicles, excavators, loaders, and cranes, strengthening independent innovation in core components, and exploring the production and utilization of clean energy to deliver high-quality, low-energy, and user-friendly products.

#### Electric and Hybrid Technology

- SANY Heavy Industry continues to advance electrification, accelerating the electrification of main machine products, core components, and energy replenishment systems, covering a wide range of products including excavators, loaders, pump trucks, mixers, and cranes. In 2025, sales of the Company's major products, including electric excavators, mixers, pump trucks, and cranes, ranked at the forefront of the industry, with annual sales reaching 13,992 units.

In 2025

Sales reached

**13,992 units**

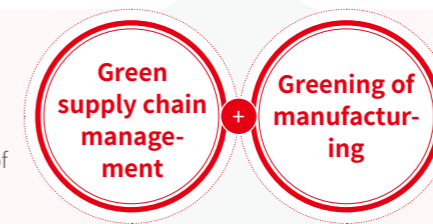
#### Hydrogen Energy Technology

- SANY Heavy Industry has been actively engaged in the hydrogen industry, treating it as a key field within its decarbonization strategy, with a focus on R&D for hydrogen-powered vehicles, adjusting the energy mix and service model of its products, continuously launching technological achievements with independent intellectual property rights, and supporting the development of the full industry chain for hydrogen energy.

## Decarbonization Across the Industrial Chain | Building Green Ecosystems

At the industrial chain level, we are building a low-carbon ecosystem through "green supply chain management + environmentally friendly manufacturing," establishing a full-process carbon reduction system covering R&D, manufacturing, and energy management, helping customers reduce total cost of use, and supporting users in international markets such as the European Union in meeting carbon regulatory requirements, thereby demonstrating the systemic value of new quality productive forces in energy conservation and carbon reduction.

- Establishing an ESG tiered management system for suppliers, using energy use and carbon emissions as key assessment indicators to drive green upgrading of the industrial chain at the source.



- Continuously carrying out environmental protection technology upgrades, systematically reducing water resource use and energy consumption, and improving resource efficiency in the manufacturing process.

At present, the Company has become one of the globally leading businesses in decarbonization in the construction machinery sector, and in 2025, the Company's sales revenue from new energy products reached RMB 8.64 billion. Looking ahead, we will continue to increase investment in clean technology R&D, upgrade production facilities, and expand into new markets, continuously improving the low-carbon ecosystem across the industrial chain, providing customers with greener solutions that are more efficient and more economical, and contributing "SANY strength" to advancing the green transformation of the global equipment manufacturing industry.

In 2025

The Company's sales revenue from new energy products reached

**RMB 8.64 billion**



### R&D Highlights in Low-Carbon Fields

#### Zero-emission technology

In 2025, the Company adopted a dual-motor, dual-transmission independent redundant design for its powertrain, balancing performance and efficiency and supporting breakthroughs in the new energy dump truck and concrete mixer market. At the vehicle platform level, the Company advanced modular development to create a platform standardized land parcel, achieving unified hardware and software interfaces. This reduced the failure rate by 30% and lowered production costs by 5%. In addition, refined design was implemented for low-voltage electrical wiring harnesses, reducing in-warranty failure rates by 80% and cutting related quality losses by 84.5%, thereby strongly supporting brand enhancement for products such as dump trucks.

#### Pollution control technology

In 2025, the Company carried out a key technological upgrade to the automotive paint exhaust gas pretreatment system, replacing the original three-stage bag filtration system with an innovative combined process of "cartridge filtration + bag filtration." This upgrade increased the overall filtration efficiency to over 97%, with the first-stage cartridge filter offering a significantly higher paint-holding capacity compared to previous materials. Following the upgrade, system operating resistance became more stable, electricity costs were reduced by approximately one-third, and the service life of downstream filters was effectively extended, resulting in lower maintenance frequency. Overall, the upgrade ensured stable compliance with stringent environmental standards while optimizing operating costs and maintenance efficiency.

#### Hybrid technology

In 2025, the Company launched a new-generation 39m intelligent hybrid pump truck. Through six major technological breakthroughs, it established the industry's first intelligent hybrid technology platform (the Xuanding System), reducing energy consumption costs by 54% and redefining industry benchmarks through technological innovation. The product delivers a 66% increase in driving range and a 53% improvement in pumping capacity, significantly enhancing operational capability and efficiency. In terms of reliability, it has undergone 2,000 hours of uninterrupted extreme testing on a three-electric pumping test bench, along with dual validation through professional whole-vehicle thermal management chambers and authoritative EMC testing. From a design perspective, the vehicle achieves industry-leading performance in overall length, minimum unfolding height, and turning radius, improving adaptability in confined working conditions. In addition, the product qualifies for green license plates, allowing operation during smog alerts without administrative restrictions, offering a unique road access advantage in the industry and comprehensively optimizing the operating experience.

# 01

## Building on Compliance for First-Class Governance

SANY Heavy Industry upholds integrity across all business activities as the foundation of the Company, adheres to business ethics and compliance requirements, continuously improves a first-class governance system centered on risk control and enhanced internal controls, promotes the deep integration of compliance requirements into operations practices, and provides solid safeguards for sustainable and high-quality development.

- Corporate Governance
- Risk Control
- Business Ethics

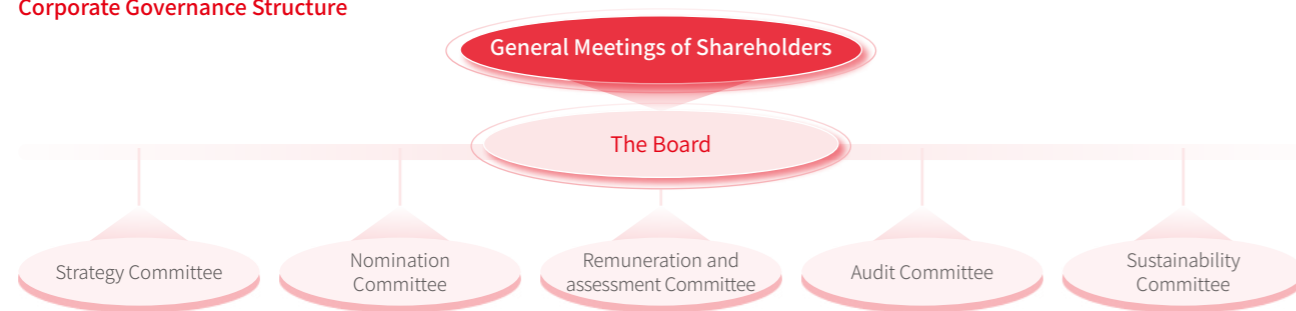


# Corporate Governance

SANY Heavy Industry regards sound corporate governance as a core underpinning for the enterprise's long-term stable operations and sustainable development. The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, and other laws, regulations, and regulatory requirements; continues to optimize its governance structure; and safeguards the effective performance of the functions of the general meeting of shareholders and the Board. The Company carries out information disclosure in accordance with laws and regulations to ensure transparency and compliance of disclosed information, and is committed to building a modern governance system that is scientific and standardized, efficient in operation, and clear in powers and responsibilities.

Under the Board, the Company has established the strategy committee, the audit committee, the nomination committee, and the remuneration and assessment committee to support professional decision-making and supervision. The Board emphasizes member independence and diversity, taking into comprehensive consideration factors such as industry experience, educational background, professional competence, and gender to enhance the quality of decisions and breadth of perspectives. Board members possess extensive experience in legal affairs, finance, auditing, and corporate management, providing professional guidance for the Company's strategic planning and operational decisions. In 2025, the Company's Board comprised 9 directors, including 3 independent directors and 1 female director.

## Corporate Governance Structure



## Corporate Management Levels and Main Functions



The Company strictly follows laws and regulations, the *Articles of Association*, and the working rules for each specialized committee; standardizes the convening of the general meeting of shareholders, the board meeting, and the meeting of the board of supervisors; ensures that the procedures for convening, holding, and voting at the "three meetings" are lawful and compliant; and effectively safeguards the legitimate rights and interests of the Company and all shareholders, especially minority shareholders.

In 2025, SANY Heavy Industry held			
Annual general meeting of shareholders	Extraordinary general meetings	Board meetings	Attendance rate
<b>1</b>	<b>5</b>	<b>10</b>	<b>100%</b>

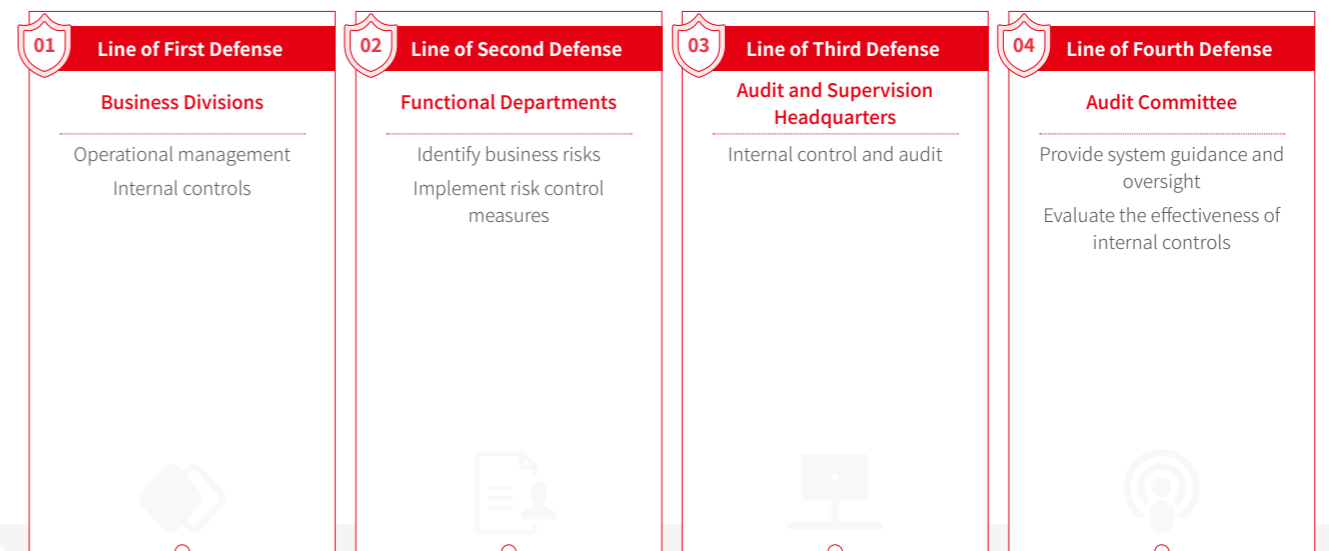
# Risk Control

SANY Heavy Industry continues to build and improve a comprehensive and highly efficient risk management and internal control system to safeguard the implementation of the Company's strategy and its high-quality development. The Company revised and improved 15 management protocols or guidelines, including the *Operational Guidelines for Risk Assessment*, the *Operational Guidelines for Internal Control assessment*, the *Administrative Measures for Rectification Acceptance*, and the *Audit and Supervision Management System*, continuously enhancing capabilities in risk prevention and management and ensuring safe and stable operations.

## Risk Management

The Company has established a comprehensive risk management structure composed of the "four lines of defense," under which business divisions, functional headquarters, the audit and supervision headquarters, and the audit committee perform their responsibilities at different levels and coordinate risk prevention and control, fully integrating risk management into corporate governance and operational processes. In 2025, the Company established the Risk and Compliance Management Task Force, led by a director, to formulate risk targets and policies, approve response strategies for major risks, promote the implementation of responsibilities and system optimization, and enhance the effectiveness of managing overall operational risks.

### Risk Management Structure



The Company has deepened system building for its digitalization-based risk control system and developed a three-dimensional digital audit and supervision platform centered on "data support, intelligent early warning, and AI empowerment." This platform can identify risks across multiple processes, including marketing, commerce, and finance, and conduct dynamic oversight of related parties such as suppliers and employees, thereby enabling more intelligent and refined risk control.

To strengthen the company-wide risk management culture, the Company established a normalized control mechanism implemented through monthly regular meetings and ad hoc special training. During the reporting period, a total of 33 risk control training sessions were conducted, covering 2,046 participants, which continuously enhanced employees' risk awareness and risk response capabilities.

During the reporting period	
Risk control training sessions conducted	Covering
<b>33</b>	<b>2,046 participants</b>

## Internal Control and Compliance

The Company continues to improve its internal audit system, continuing to optimize the global auditing and supervision system, strengthening coordination between supervision and audit departments, and systematically advancing internal control management toward a more systematic, compliant, and digitalization-driven model.

### Audit and Supervision Headquarters System



The Company has established an internal control framework centered on the "1+8+N" system framework, systematically revised 15 core management protocols including the *Internal Control assessment Management Process* and the *Operational Guidelines for Internal Control assessment*, and achieved end-to-end coverage of key processes such as risk assessments, plan management, and quality control. Centered on "prevention, inspection, and assessment," we have established three lines of defense consisting of business divisions, the internal control team, and audit and supervision, and applied three major tools—compliance testing, special inspections, and annual assessment—to build a four-dimensional assessment system covering whether processes have been established, whether personnel have mastered them, whether processes are strictly executed, and whether processes are continuing to optimize, thereby continually enhancing systematic management improvement.

The Company has established routine monitoring and audit mechanisms. In 2025, it completed internal control assessment testing covering the commerce, finance, and marketing systems, while also promoting the establishment of internal control and compliance departments within overseas business management, finance, and the business headquarters to perform day-to-day supervision functions. Risk management performance is incorporated into the performance assessment system, and accountability for violations is enforced in accordance with the *Accountability Management Policy*.

In addition, the Company carried out a series of training sessions focused on core areas such as internal control, compliance, and strategic procurement, strengthening employees' compliance awareness and risk management capabilities, consolidating the foundation for compliant operations, and continually enhancing employees' capabilities in internal control execution, compliance awareness, and risk management.

## Business Ethics

SANY Heavy Industry is honoring its philosophy of compliance operations, continuously improving its anti-corruption and integrity framework, strengthening business ethics management, further promoting anti-money laundering efforts, and actively fostering a culture of integrity. The Company firmly opposes corruption, bribery, and fraud, as well as all unfair competition, and requires the same standards of its business partners, working together to foster a clean and upright business environment and build a sustainable development business ecosystem.

### Integrity Management

SANY Heavy Industry strictly complies with the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibiting Commercial Bribery*, and other applicable laws and regulations. In 2025, the Company formulated and optimized internal policies such as the *Code of Ethics and Business Conduct for Employees*, the *Conflict of Interest and Integrity Management System*, the *Accountability Management Policy and Red Line List*, the *Blacklist Sharing Management Procedure*, and the *Business Personnel Behavior Management Regulations*. By establishing consultation and whistleblowing mechanisms, it systematically standardizes employee conduct, identifies potential risks, and prevents non-compliant behaviors.

The Company has established an anti-corruption supervision system with clearly defined responsibilities. The Board directly leads, guides, and evaluates integrity management. As the dedicated oversight body, the audit committee regularly reports to the Chairman on the progress of audit and supervision work and the investigation and handling of cases involving embezzlement and commercial bribery. The Audit and Supervision Headquarters issues the *Monthly Audit and Supervision Briefing* on a monthly basis to support decision-making by management employees and safeguard the efficient promoting of integrity management.

#### In 2025

the Company organized all directors, employees in pivotal roles, commercial staff, and mid-level managers in the Manufacturing Department to sign *Integrity and Anti-Corruption Commitment Letter*

Signing the Letter with  
**3,446 persons**

A signing rate of  
**100%**

### Integrity Management Structure and Responsibilities

Management Structure	Functions
<b>Primary responsibility</b>	As the first person responsible for conflict of interest management and personal integrity within the unit, this role is required to promptly disclose any conflict of interest in accordance with relevant provisions.
<b>Audit and Supervision Headquarters</b>	Responsible for organizing the communication and disclosure of conflict of interest and integrity-related systems, and for acceptance and handling of consultations, whistleblowing reports, investigations, and other matters related to non-compliant behaviors.
<b>Unit heads</b>	May authorize designated personnel to be responsible for the acceptance and handling of the execution of accountability for conflict of interest and integrity-related matters within their unit, and for receiving gifts or monetary items returned by employees, carrying out registration and filing in accordance with regulations, and subsequent handling.
<b>Business Headquarters and the commercial departments of business units</b>	Responsible for the communication, organization, and inspection of supplier conflict of interest declarations, ensuring the effective implementation of relevant results, and accepting supervision and inspection by the Audit and Supervision Headquarters.
<b>Chairman's Office</b>	Responsible for supervising the conflict of interest management of the Audit and Supervision Headquarters and coordinating the receipt and management of gifts or monetary items.
<b>Human Resources Headquarters / HR departments of business units</b>	Responsible for assisting the Audit and Supervision Headquarters and the Board Office in carrying out work related to conflict of interest disclosure, and participating in the organization and implementation of policy publicity and communication activities.

## Integrated Anti-Fraud System of Punishment, Governance and Prevention

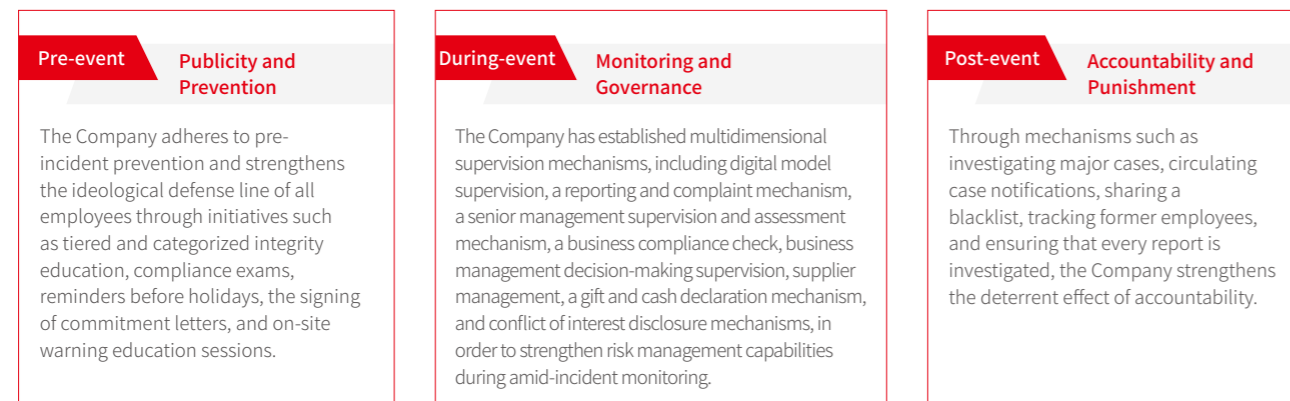
The Company continues building anti-fraud systems and promoting work centered on the integrated approach of "punishment, governance, and prevention," fully implementing integrity management and risk control to achieve full-chain management from education and process supervision to strict accountability.

## End-To-End Anti-Corruption Audit Mechanism

With "data penetration" as its core principle, the company leverages its intelligent audit and supervision platform to establish a normalized anti-corruption audit mechanism spanning the full lifecycle of "pre-event, in-event, and post-event" stages, driving the transformation of audit practices from traditional experience-driven approaches to data intelligence-driven models. Audit and supervision operations have been fully migrated online, with intelligent tools such as audit subject profiling and indicator-based early warning models, combined with preventive education, real-time monitoring, and investigative enforcement, systematically ensuring comprehensive audit coverage.

### Management Measures System

#### Anti-Corruption Management Mechanism



### Audit Tool Intelligence

The Company has continued to promote the transformation of its intelligent audit and supervision system by building an integrated data analysis and monitoring platform, thereby advancing its audit model from experience-driven to data-driven. The Company has systematically established a multidimensional risk warnings and supervision framework covering "points, lines, planes, and entities," achieving end-to-end closed-loop management from risk identifications and dynamic monitoring to assessment and decision-making, and strengthening the preventive and control capabilities of its audit and review efforts.

### Penetrative Audit Execution

The intelligent audit and supervision platform continuously builds and dynamically monitors profiles of over 600,000 suppliers, agents, customers, and employees, significantly enhancing audit penetration. In 2025, the platform automatically generated and closed out 63 high-risk action items, achieving 100% coverage of anti-corruption and business ethics audits. This has progressively strengthened the governance cycle of "monitoring — early warning — disposal — education," driving audit oversight to penetrate with greater depth and precision.

### Integrity Management Measures

In 2025

Whistleblowing reports and complaints handled

95

With a resolution rate of

100%

Anti-corruption audits achieved full coverage of core business processes, with a coverage rate of

100%

A data-driven approach, audit findings identified throughout the year reached

2,208

Creating economic value of

RMB 146 million



## Integrity Management for Stakeholders

The Company attaches great importance to business ethics risks involving partners and related parties in the global supply chain, and has formulated and updated the *Supplier Management System*, the *Procurement Framework Agreement*, the *Supplier Contact and Visit Management Rules*, and other management protocols to ensure that all stages of the supply chain comply with local regulations and standards in places where it operates and to regulate the conduct of suppliers.

Through initiatives such as organizing supplier integrity training, signing integrity cooperation commitment letters, and issuing holiday integrity initiatives, the Company continuously communicates integrity requirements to partners. In 2025, the Company launched the business ethics certification module in the CRM and GSP systems, requiring suppliers to obtain a 2-year certification before signing contracts, thereby achieving systematic coverage of integrity management. At the same time, it carried out integrity communications for internal procurement personnel, prohibiting the acceptance of entertainment or gifts, and strictly enforcing the handling and notification of violations.

In 2025

The signing rate of supplier integrity cooperation agreements and commitment letters reached

100%



### Supplier Integrity Management System

<b>Supplier Management System</b>	<ul style="list-style-type: none"> <li>Set access requirements of dishonest operations for suppliers.</li> </ul>
<b>Procurement Framework Agreement</b>	<ul style="list-style-type: none"> <li>Require all suppliers and distributors to sign integrity cooperation agreements.</li> <li>Complete the <i>Conflict of Interest and External Investment Declaration Form</i> in the procurement system.</li> </ul>
<b>Administrative Measures for Supplier Contact / Visits</b>	<ul style="list-style-type: none"> <li>Establish reporting channels via telephone and WeChat, as well as a callback mechanism, to enable real-time response to issue feedback.</li> <li>Provide immediate notification of non-compliant behaviors and strengthen communication of integrity policies.</li> <li>Verify and investigate matters involving suspected breaches of contract by suppliers.</li> </ul>

## Petition and Whistleblowing Management

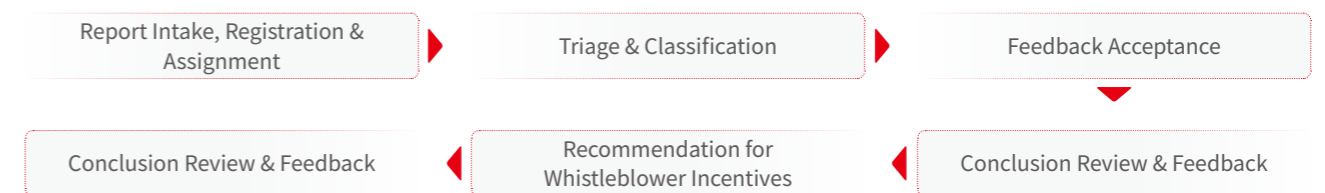
SANY Heavy Industry strictly complies with relevant national disciplinary inspection and supervision regulations, and has formulated and implemented internal management protocols such as the *Whistleblowing and Complaint Management System* and the *Whistleblowing Management Process* to systematically manage the acceptance and handling process for whistleblowing reports. Whistleblowers may report issues through multiple channels, and the Company promptly organizes and archives whistleblowing information, establishes ledgers for issue clues, and conducts regular analysis and assessment to ensure that each report is handled in a timely and impartial manner.

### SANY Heavy Industry Whistleblowing Channels

<b>Email:</b> jiancha@sany.com.cn	<b>QQ:</b> 2592689550
<b>Official website:</b> integrity reporting_about SANY_SANY Group, Quality Changes the World	<b>Reception room:</b> Room 306, Complex Building of Changsha Industrial Park/audit & supervision office
<b>WeChat:</b> Integrity SANY Official Account, the chairman's mailbox	<b>Mail:</b> Audit and supervision headquarters, SANY Industrial Park, Xingsha Economic & Technological Development District, Changsha, Hunan Province, China 410100
<b>Telephone:</b> 0731-84031222, 85835000	
<b>Feishu:</b> Workbench/Integrity SANY	

The Company strictly implements the *Whistleblowing and Complaint Management System*, maintains full-process confidentiality of whistleblowers' information and report contents, and fully enforces the principle of recusal in information processing and investigation procedures to prevent conflicts of interest from interfering with procedural fairness. For acts such as illegally obtaining or disseminating information, or discriminating against, threatening, or retaliating against whistleblowers, the Company will seriously pursue accountability in accordance with the system and establish a one-to-one special protection mechanism. When necessary, it will work with judicial authorities to pursue legal responsibility, so as to effectively safeguard the rights and interests of whistleblowers and uphold the credibility and security of whistleblowing channels.

### Whistleblowing Process



## Integrity Culture Development

The Company deeply embeds integrity management throughout its operations, promotes a culture of integrity through diversified channels, and continuously enhances all employees' awareness of anti-corruption. We regularly conduct code of conduct training covering all formal employees, and carry out dedicated conflict of interest disclosure for board members and key position holders, clearly defining "comprehensive risk coverage, proactive disclosure, conflict recusal, and zero tolerance" as the core principles to ensure timely and comprehensive disclosure. In addition, at key times such as holidays, we continue to strengthen warning communications through multiple channels, including pushing warning messages and publishing articles on the official account, and regularly publish typical fraud investigation cases to reinforce employees' behavioral boundaries through normalized warning education sessions. In 2025, the coverage rate of business ethics training for formal employees reached 100%.

### Case | Jointly Conducting Business Ethics Seminar with the Judicial System

In 2025, SANY Heavy Industry, together with national judicial administrative authorities, organized special lectures on explaining the law through cases in Shenyang, Huzhou, Shanghai, Xi'an, and Changsha. Through analysis of typical cases and explanations of judicial practice, the company enhanced employees' awareness of anti-fraud and legal literacy, fostering a regulated and orderly corporate environment.



Training Site

## Anti-Unfair Competition

To foster a fair and orderly market environment, the Company has formulated dedicated internal management regulations and strictly implements the principle of "no boasting, no smearing," prohibiting all forms of unfair competition. At the same time, it has established a whole-process management mechanism covering training, inspections, assessment, and disposal to strengthen internal controls. All employees are required to uphold the principles of honesty and good faith in business activities, and shall not engage in exaggerated publicity, defame others, or spread false information. They are expected to consciously resist unfair competition and safeguard a healthy and civilized industry ecosystem. In 2025, the Company was not involved in any litigation or subject to any major administrative penalties arising from unfair competition.

### Anti-Unfair Competition Management Measures

#### Compliance Management

- Employment contracts explicitly stipulate employee obligations regarding anti-unfair competition;
- Conflict of interest disclosure requires employees to disclose their non-compete status and confidentiality agreement status, so as to avoid related disputes.

#### Training Management

- Anti-unfair competition training is provided to new employees, and the Company organizes an exam; only those who pass may proceed before onboarding;
- At least one company-wide anti-unfair competition training session is held annually for all employees.

#### Issue Early Warning

- Market research is conducted on an ad hoc basis to collect various issues and non-compliant behaviors reported by customers and industry peers;
- The Company organizes marketing teams and agents to conduct self-inspections at least once every six months, and to promptly report and address any identified issues and implement corrective actions for issues identified during self-inspections.

#### Violation Assessment

- The Company has established a normalized assessment mechanism for employee conduct, closely linking anti-unfair competition violations to monthly performance assessments.

## Anti-Money Laundering

The Company attaches great importance to anti-money laundering efforts and strictly complies with the *Anti-Money Laundering Law of the People's Republic of China* and other relevant national regulations. In 2025, it formulated and refined a series of policies, including the *Anti-Money Laundering Internal Control System* and the *Anti-Money Laundering assessment Measures*.

The Company has established a sound functional framework for its anti-money laundering system. Powered by advanced technologies, it provides end-to-end coverage of key business scenarios such as customer identification, money laundering risk rating, suspicious transaction monitoring and reporting, dynamic blacklist updates and maintenance, and institutional money laundering risk self-assessment, effectively addressing the challenges of anti-money laundering efforts.

### Anti-Money Laundering Internal Control System



#### Financial Management

- The Company has designated the Legal & Compliance Department to take the lead in anti-money laundering efforts and requires each department to appoint one anti-money laundering commissioner to collaboratively promote the implementation of relevant management tasks.
- The Company continues to improve anti-money laundering-related processes and systems, clearly defining anti-money laundering obligations and the functions of each department, standardizing the suspicious transaction reporting mechanism, optimizing the money laundering risk assessment process, and ensuring the orderly advancement of anti-money laundering efforts.
- The Company has put an anti-money laundering information system into operation, which automatically identifies and assesses customer money laundering risks based on information such as watchlists, customer identity, financial product type, and transaction amount, and transmits the results to business systems through system integration.



#### Financial Monitoring

- For large-amount transfers, the Company systematically reviews the source of funds and the destination of funds to ensure that the entire transaction process complies with legal and regulatory requirements, and adopts effective measures to prevent and eliminate the occurrence of various illegal financial activities.
- The system integrates the Customer Relationship Management (CRM) system and the GSP platform to strengthen the credit management of customers and suppliers, and strictly controls cooperation access and transaction processes to enhance risk management.

To continuously improve its anti-money laundering management standards, the Company has strengthened internal audit oversight, conducted annual anti-money laundering audits, promoted compliance-oriented revisions to policies, enabled the linkage between risk ratings and business systems, and optimized the updating and screening processes for watchlists, using audits to drive rectification and improve the management system. Meanwhile, the Company irregularly invites external experts to conduct anti-money laundering communication and training sessions to enhance employees' compliance awareness. For high-risk positions such as directors, supervisors, and senior management, the Company organizes special training on a quarterly basis to strengthen their role-based compliance capabilities in anti-money laundering.

# 02

## Driving Technological Innovation to Deliver First-Class Products

SANY Heavy Industry regards technological innovation as the core engine driving development and, by closely focusing on the strategies of globalization, digitalization, and decarbonization, uses innovation to lead products and industrial upgrading. The Company strengthens its global R&D system and establishes systematic research management, talent incentive, and intellectual property rights protection mechanisms to provide a solid safeguard for technological innovation. At the same time, we have built a quality and service system covering the full life cycle of products and the entire customer processes, integrated the philosophy of sustainability throughout the supply chain and operations, and are committed to providing customers with safe, reliable, intelligent first-class products and services.

- Innovation-Driven Development
- Superior Quality
- Sustainable Supply Chain



# Innovation-Driven Development

The Company aligns with the direction of three core strategies, deeply integrates green technology and digital intelligence, and fosters an open and collaborative innovation ecosystem. By continuously strengthening the global R&D system, building talent teams, and intellectual property management, we continue promoting technological breakthroughs and product innovation to meet the demand in the global market with more competitive green and intelligent solutions.

## Research Management

The Company has formulated and continuously improved the *R&D Project Input-Output Management Measures* and the *R&D Planning and Management Guidelines* to manage R&D activities in a normalized way. The Company has established a clear three-tier R&D management organizational structure comprising the R&D Technical Committee, the seven technical committees, and the specialized technical subcommittees, with clearly defined functions and division of responsibilities, and safeguards the quality of R&D projects and the implementation of strategy through efficient coordination and oversight mechanisms.

### R&D Management Organizational Structure



To fully stimulate innovation vitality, the Company has formulated *the Implementation Rules for the Incentive Policy on R&D Projects* and established a functional evaluation and incentive system centered on positions and capabilities. The Company has set up project process awards, standout project awards, and project incremental profit awards covering the entire project life cycle, with rewards granted based on project classification and innovation outcomes, among other factors. It has also established special upward adjustment incentive mechanisms for electrification, digitalization, and market hits.

### Highlights

#### In 2025

R&D investment reached	Accounting for the Company's main business revenue	Number of R&D personnel	Accounting for the Company's total employees
<b>RMB5.169billion</b>	<b>5.79%</b>	<b>5,720</b>	<b>20.09%</b>

Furthermore, the Company has formulated and implemented the *Project Manager System for R&D Projects*, encouraging R&D personnel to participate in training and certification programs for project management, enhancing the professionalism of project management, and improving the professional competence and comprehensive capabilities of the R&D team across multiple dimensions through training for directors of research institutes, R&D project manager training, and various special-topic training programs on professional knowledge.

## Research Collaboration and Exchange

The Company actively builds an open and collaborative R&D ecosystem and continuously expands its technological horizons and pools innovation resources through external cooperation. The Company has established strategic cooperation relationships with well-known domestic universities and research institutes such as Dalian University of Technology to jointly conduct research on frontier technologies.

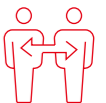
#### In 2025

The Company participated in and organized important technical exchanges

**12**

Reached new cooperation intentions with

**6** external institutions



#### Case | In-House Development and Upgrade of a 3D Engine for Lifting Planning

To enhance the safety, precision, and efficiency of lifting operations, SANY Heavy Industry independently developed a 3D lifting planning engine based on the Unity platform, achieving comprehensive breakthroughs in model coverage, functional integration, and system performance. The engine added support for 24 wheeled and crawler crane models, strengthened 8 core capabilities including multi-user collaboration, CAD interaction, and virtual reality, and iteratively optimized 7 existing features. The upgraded system reduces interaction latency, achieves a 100% accuracy rate in working condition logic verification, and supports multi-format engineering file imports and 4K-level visualization rendering. These advancements not only improve internal design efficiency but also lay a technical foundation for delivering digital lifting solutions to customers.

#### Case | Technical Exchange with Dalian University of Technology

In August 2025, a company technical delegation visited Dalian University of Technology, where both parties engaged in in-depth technical exchanges covering emerging technologies, processes, materials, and equipment. The visit resulted in over ten cooperation intentions, with a shared commitment to building a full-chain collaborative ecosystem spanning from core technology breakthroughs to product competitiveness enhancement.

## Intellectual Property Rights

SANY Heavy Industry regards intellectual property as an important component of technological development, strictly complies with national laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Enterprise Intellectual Property Management Standards*, and has established internal systems such as the *R&D Patent Management Measures*, the *Trademark Management System*, the *IT Software Copyright Management Policy*, and the *Technical Secrets Management Policy*. The Company has established an intellectual property special group responsible for the establishment of rights, protection, and application of intellectual property, thereby effectively safeguarding innovation achievements and preventing infringement risks.

In 2025, the Company continued promoting whole-process management of intellectual property rights and implemented improvement measures in multiple areas, including review mechanisms, brand and trademark protection, industry seminars, and employee training.

### Annual Highlight Measures for Intellectual Property Protection

#### Review and Early-Warning Mechanisms

- Each research institute is staffed with patent engineers who proactively conduct patent screening before new products are launched and before participating in overseas exhibitions, to avoid potential infringement risks.

#### Brand and Trademark Protection

- The Company conducts routine monitoring of core trademarks such as "SANY" and regularly files objections against similar trademarks to maintain the uniqueness and distinctiveness of well-known trademarks.
- In response to market behaviors such as passing off on established brands and disparaging commercial reputation, the Company actively safeguards its rights through civil infringement litigation.
- For serious infringements such as the production and sales of counterfeit and substandard parts, the Company resolutely adopts criminal enforcement measures to create an effective deterrent.

#### Industry Exchanges and Seminars

- The Company participated in seminars on revisions to the Trademark Law organized by the China National Intellectual Property Administration and special seminars organized by the Administration for Market Regulation of Hunan Province, discussing the issues including trade secret protection and cross-provincial coordinated law enforcement.
- The Company participated in the working meeting of the State Administration for Market Regulation on combating counterfeiting and infringement and further deepened trademark protection efforts.

#### Employee Training and Development

- The Company organized compliance training on software management and use, as well as specialized training on the protection of intellectual property rights for parts, in order to enhance employees' compliance awareness and risk prevention capabilities in relation to intellectual property.

### Highlights

#### In 2025

Number of domestic patent applications filed

**596**

Computer software copyrights obtained

**68**

Number of granted patents

**820**

Number of patents applied to the Company's core business operations

**8,660**

Number of international patent applications filed

**23**

Authorizations overseas

**47**

## Superior Quality

SANY Heavy Industry regards quality and safety as the foundation of development and is committed to providing customers with reliable products. Through digital tools and systematic processes, the Company upgrades product quality, strengthens supply chain and process control, optimizes the service experience, and builds a data protection network, comprehensively pursuing superior quality with unwavering commitment.

## Quality Management

The Company strictly complies with the *Product Quality Law of the People's Republic of China* and other national laws and regulations as well as relevant corporate standards, has formulated internal systems such as the *Technical Notification Management System*, and has established a digital quality management system covering the entire process of R&D, manufacturing, supply chain, and after-sales.

### By the end of the reporting period

The number of subsidiaries of SANY Heavy Industry certified by ISO 9001 quality management system had reached

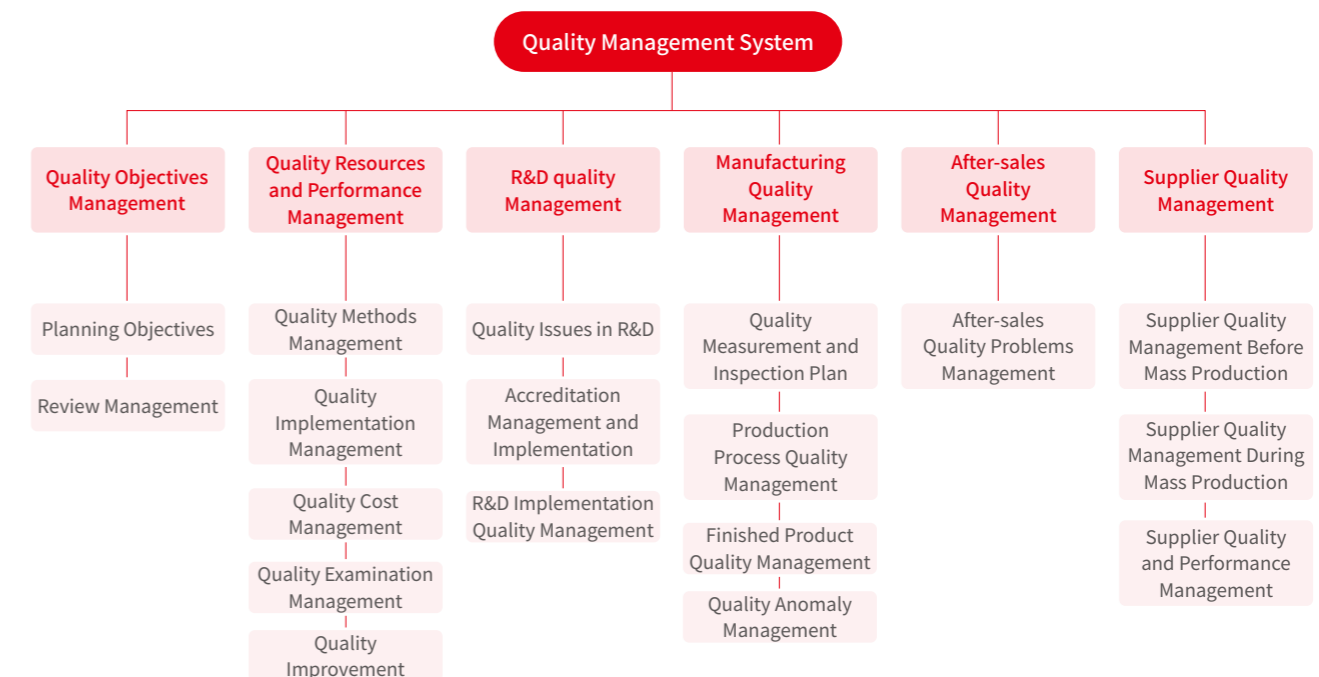
**22**

With a coverage rate of

**100%**



### Quality Management System of SANY Heavy Industry



SANY Heavy Industry Quality Management Content

R&D Quality

- For the product R&D process, controls are applied to the output of key product characteristics, special characteristics, QC control charts, and testing benchmarks, while monitoring initial item inspection and trial production testing, and managing the avoidance of design risk zones, quality gate reviews, and closed-loop management of problem points.

Manufacturing Quality

- Quality control in the manufacturing process includes management activities such as disqualification improvement, regular inspection, patrol inspection, and self-made pieces of primitive objects.

Supplier Quality

- For supplier management and their material management for suppliers, this includes aspects such as quality agreements, initial procurement components, incoming material inspection, supplier monitoring, and initial mass production flow.

After-Sales Quality

- For fault messages reported by users, quality problem analysis is conducted, including liability judgment, supplier claims, internal component quality problem management, and closed-loop tracking for quality improvement.

In 2025, the Company's digital quality information system covered all 113 domestic factories. Through tools such as quality boards at workstations and the quality control map, it comprehensively identified quality issues and ensured accountability was implemented, forming closed-loop management. In accordance with the *Accountability Management System for Major Quality Defects*, the Company established an emergency response mechanism to ensure that, after an incident occurs, relevant departments can initiate a response within 24 hours and complete corrective actions. In 2025, the Company had no major product safety incidents or product recall events.

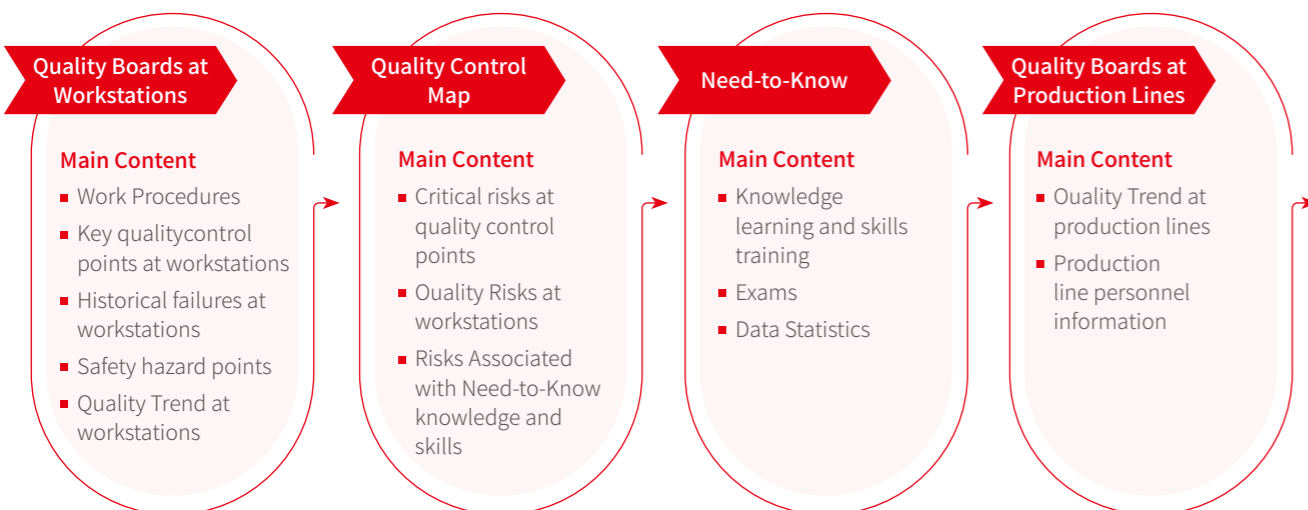
In 2025

The Company had

**no** major product safety incidents or product recall events



Quality Control Map



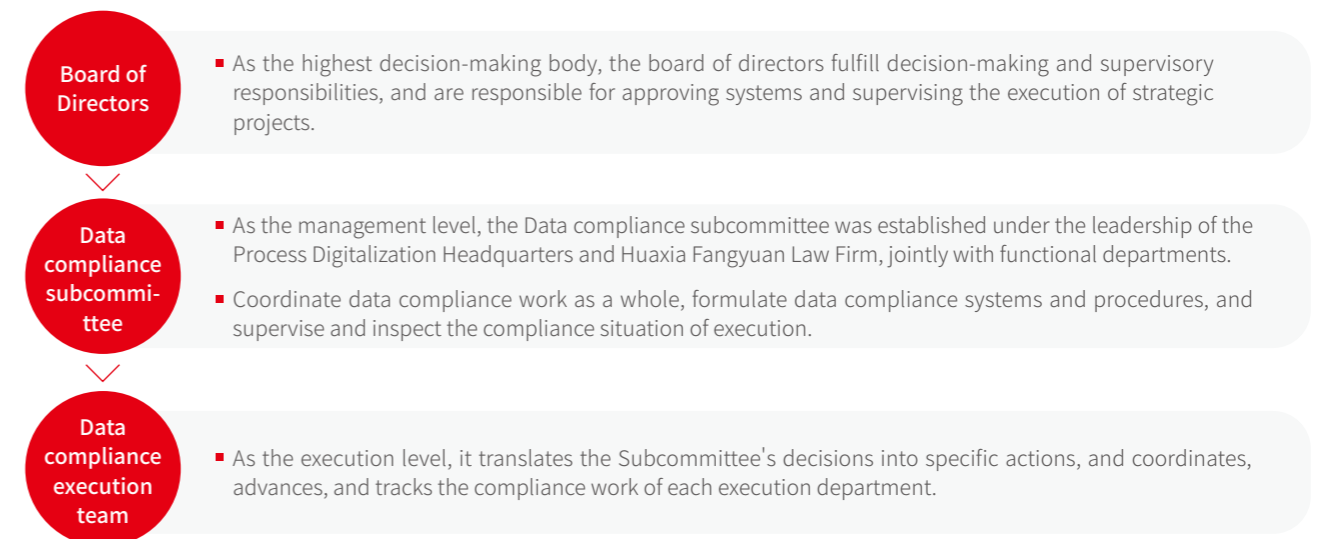
Customer Service and Privacy Protection

SANY Heavy Industry complies with the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, the *Advertising Law of the People's Republic of China*, and other relevant laws and regulations, and has formulated internal systems such as the *Marketing Contract Management Policy* and the *Customer Complaint Handling Process* to standardize all business processes and complaint handling standards.

In 2025, the Company upgraded its key account management, risk control, and service system, and improved service efficiency and intelligent capabilities through digitalization transformation across the entire process. Furthermore, the Company continued to strengthen team capabilities and deepen customer relationships through training and multi-channel customer communication. During the reporting period, the Company's customer satisfaction surveys score was 93.0 points. A total of 1,052 customer complaints were received, of which 1,035 were processed, and the complaint handling satisfaction rate was 84.1%.

The Company has established a data compliance management structure guided by the board of directors and formulated internal systems such as the *Data Security Management Policy*, clarifying management requirements for domestic and overseas data across all stages. In 2025, the Company signed cross-border data agreements with 21 overseas subsidiaries and conducted 100% compliance checks during the project initiation and launch stages of IT systems.

Data Compliance Management Structure



On the data protection front, the Company completed disaster recovery for 26 application systems and data backup for 804 applications, while enabling secure intranet data access through desktop cloud and data sandbox technologies. In terms of customer privacy protection, the Company formulated the *Customer Privacy Policy*, signed the *Information Security and Confidentiality Agreement* with partners and conducted regular reviews, and incorporated privacy protection into compliance training for all employees.

In 2025

The Company obtained

**ISO 27001 certification for its information security management system**

Number of core systems completed cybersecurity graded protection assessment certification

**9**

Number of data security incidents or customer privacy leakage incidents occurred

**0**

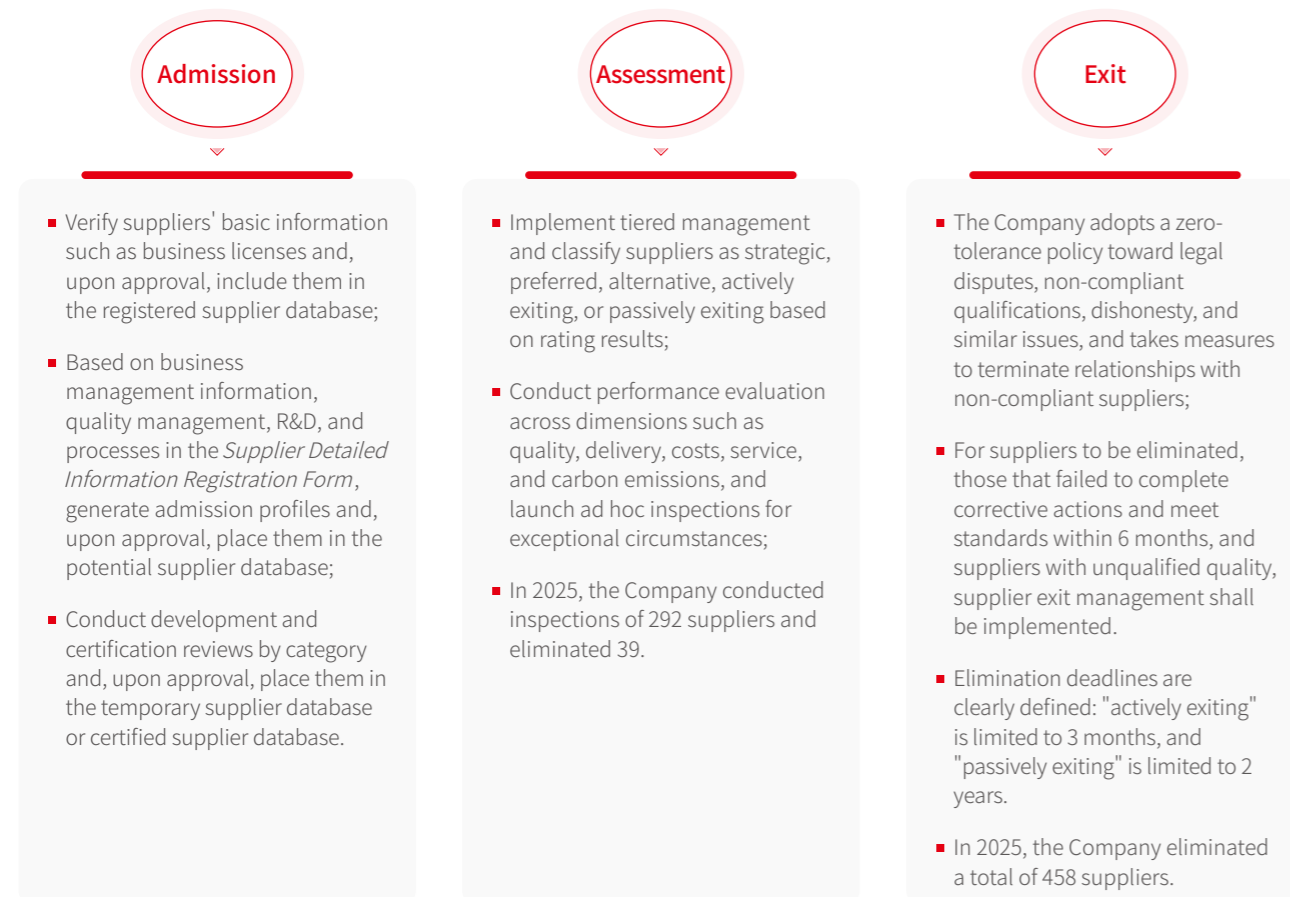
# Sustainable Supply Chain

SANY Heavy Industry is committed to building a stable, efficient, and sustainable supply chain system. We continue to refine management protocols covering full lifecycle of supplier management. Through rigorous admission assessment and dynamic tiered management, and by leveraging digitalization systems to strengthen risk control, we safeguard the resilience and competitiveness of the supply chain. Meanwhile, we comprehensively integrate ESG requirements into supplier management and work with partners to advance sustainable development, building a responsible, resilient, and collaboratively innovative global supply chain ecosystem.

## Supply Chain Management

The Company strictly complies with the *Bidding Law of the People's Republic of China* and other laws and regulations, continuously revises the *Supplier Management System* and other internal systems, improves the processes for supplier admission, assessment, and supplier exit, and has introduced new requirements such as time-bound management for exiting suppliers, thereby systematically optimizing full lifecycle management of suppliers.

### Supplier Full Lifecycle Management of SANY Heavy Industry



The Company continues promoting the digital and intelligent transformation of the supply chain. The global procurement platform (iGSP), independently developed by the Company, has covered 27 countries and regions, enabling transparent and standardized operations throughout the entire procurement process. Through the platform's intelligent functions, operational efficiency has been significantly improved, significantly shortening the time for supplier information review, contract signing and delivery cycles. Meanwhile, the platform's intelligent customer service operational capabilities continue to strengthen, knowledge bases are continuously enriched, and in 2025 it cumulatively provided 43,825 online question-and-answer services, with an automatic problem-solving rate of 74.71%.

### Statistics on the Number of Suppliers in 2025<sup>3</sup>

Indicators	Data	
<b>Total number of suppliers</b>	5,875	
<b>Number of suppliers by region</b>	Chinese Mainland	5,838
	Hong Kong, Macao, and Taiwan of China	4
	Overseas	33
<b>Number of suppliers by procurement category</b>	Number of production suppliers (procurement of raw and auxiliary materials)	2,679
	Number of non-production suppliers (project procurement)	3,196
<b>Production suppliers by category<sup>4</sup></b>	Number of suppliers of general products	1,280
	Number of suppliers of specialized products	1,979
<b>Number of suppliers certified to management systems</b>	1,597	
—Number of production suppliers certified to ISO 14001 Environmental Management System	1,438	
—Number of production suppliers certified to ISO 9001 Quality Management System	1,591	

## Supplier Risk Identification

To safeguard the resilience and sustainable development of the supply chain, SANY Heavy Industry has established a mechanism for supplier risk identification and management and prepared the *Supplier External Risk Control Plan* to achieve closed-loop management throughout the full process of risk classification, identification, disposal, and investigation. In 2025, the Company completed a comprehensive risk review of existing suppliers and, based on the evaluation results, eliminated 58 high-risk suppliers, thereby reducing compliance and operations risks at the source.



<sup>3</sup> The 2025 supplier data statistics include internally assisted suppliers, but exclude suppliers that were phased out or moved to the blacklist by the end of 2025.

<sup>4</sup> The number of production suppliers for each category may overlap, so the total number of production suppliers is not equal to the sum of production suppliers broken down by category.

### Supplier Risk Identification Process



### ESG Management of Supply Chain

The Company has deeply integrated ESG requirements into supply chain management and, through rigorous review, risk identification, and collaborative improvement, guides and empowers partners to enhance sustainability performance.

#### Supplier ESG Management Measures

- Environmental**
  - During the review process, environmental management system certification (such as ISO 14001), environmental impact assessment acceptance reports, emission permits, and other items are included within the assessment scope;
  - The Company pays close attention to suppliers' carbon reduction actions, encourages suppliers to set carbon emission reduction targets, adopt energy conservation, emissions reduction measures, and promote green procurement;
  - In supplier cooperation, we actively advocate and explore recyclable logistics packaging models and are committed to working with suppliers to reduce resource consumption and packaging waste.
- Human Rights**
  - During the review process, talent development plans, employee satisfaction surveys, and employee safety and health are included within the assessment scope;
  - The Company pays close attention to the human rights of suppliers' employees and examines whether suppliers have issues such as forced labor, child labor employment, and employment discrimination.
- Quality**
  - Quality Management System certifications (such as ISO 9001 certification and TL 9000/IATF 16949 certification) are included within the scope of supplier assessment.
- Business Ethics**
  - The Company has launched a supplier business ethics certification module on the global procurement platform (iGSP), requiring all suppliers to complete relevant anti-corruption training and an online exam, thereby strengthening the development of an honest supply chain at the source.

### Supplier Communication

SANY Heavy Industry deepens exchanges and communication with suppliers through various approaches, including establishing the "Supplier Alliance" platform, technical exchange meetings, and regular training. In 2025, the Company conducted a satisfaction survey among important production suppliers, with a score of 4.351, representing an increase of 0.115 points over the previous year. At the same time, the Company continued promoting technical collaboration, support and executive-level exchanges centered on supplier reviews and support, thereby systematically enhancing the overall capabilities of the supply chain. In 2025, the Company provided specialized support and capability enhancement for a cumulative number of 190 suppliers.

#### Case | The Tech Lecture Series: Conducting a Frontier Hydraulic Technology Exchange with Bosch Rexroth

On March 14, 2025, the Company invited Bosch Rexroth to host a dedicated technical exchange session at the Xingsha Industrial Park. Experts from Bosch Rexroth focused on innovative solutions integrating hydraulic transmission, electric drive, and intelligent control technologies, and shared pathways for enhancing efficiency through automation and digitalization. The exchange provided valuable insights for collaborative innovation in forward-looking technologies, supporting the advancement of products toward greater intelligence and sustainability.

### Equal Treatment to SMEs

Adhering to the principles of "Justice, Fairness, and Openness," SANY Heavy Industry is committed to fostering a non-discriminatory competitive environment for all suppliers, including small and medium-sized enterprises (SMEs). The Company has formulated the *Non-Production Procurement Management Policy* and uses the iGSP platform to publicly release tender and bidding information to the society, ensuring equal opportunities for small and medium-sized enterprises (SMEs) to win bids. In 2025, the Company publicly released 6,633 non-production procurement projects on the iGSP platform. At the same time, the Company strictly performs contracts and makes timely payments, with no malicious arrears of payments owed to SME suppliers.



# 03

## Exploring Low-Carbon Pathways for First-Class Practice

SANY Heavy Industry integrates "green and low-carbon" into the DNA of its operations and actively explores new pathways for sustainable development. We have established systematic environmental management, energy management, and ecological protection systems to achieve excellent operations across multiple dimensions, including climate change response, reducing environmental impact, and improving resource efficiency, thereby using first-class environmental performance to drive harmonious coexistence among the enterprise, society, and nature.

- Climate Change Response
- Environmental Management
- Ecological Protection
- Green Development



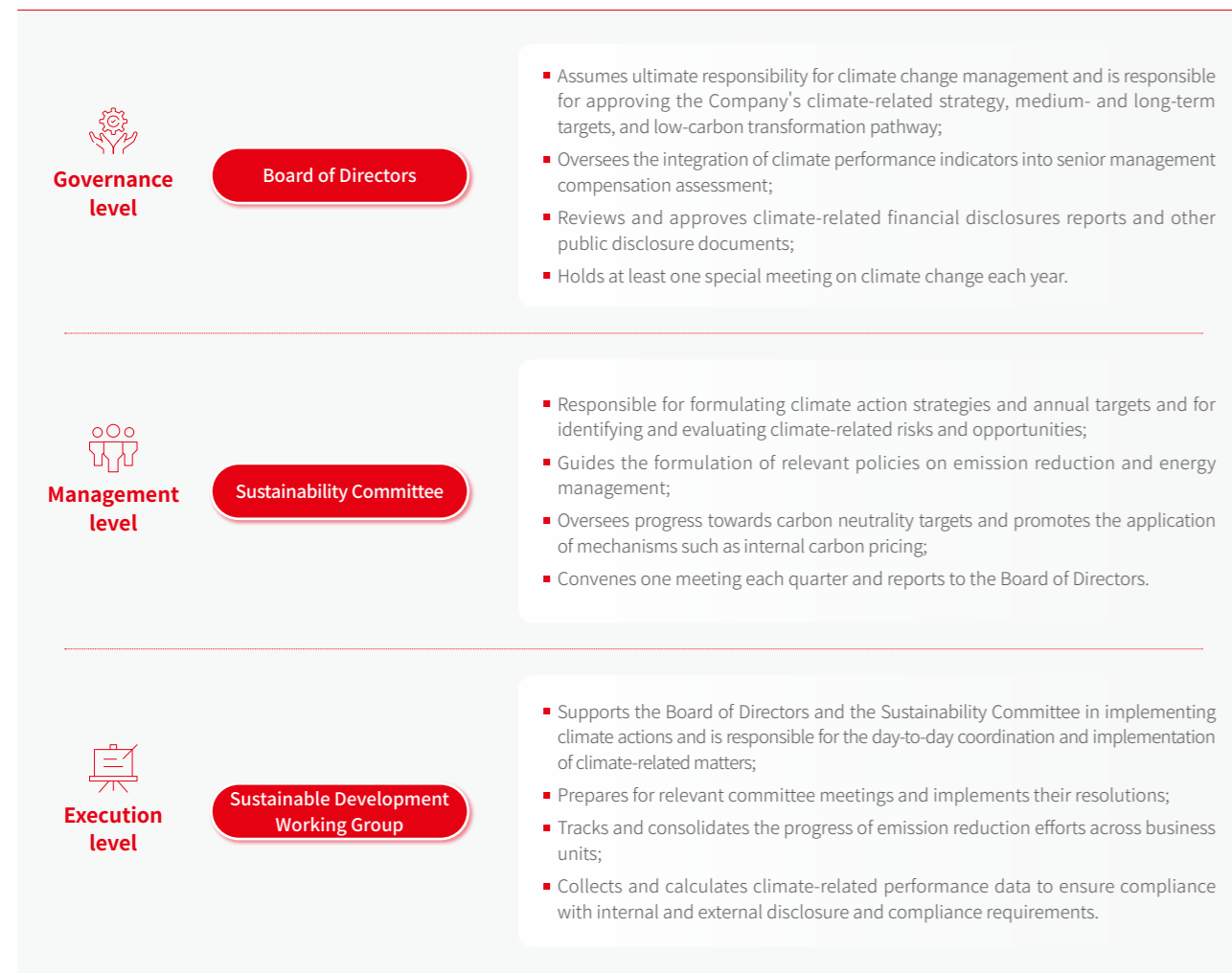
# Climate Change Response

Climate change is a systemic challenge faced globally. As a leading global equipment manufacturer, SANY Heavy Industry fully recognizes its responsibilities and opportunities in advancing the green transformation of the industry. The Company strictly follows Part D of the *ESG Reporting Guide: climate-related disclosure framework*, and with reference to standards such as the International Sustainability Standards Board (ISSB)'s *IFRS Sustainability Disclosure Standard 2—Climate-Related Disclosures (IFRS S2)*, systematically identifies, evaluates, and manages climate-related risks and opportunities.

## Climate Change Governance

SANY Heavy Industry places great importance on climate change and has established and continuously improved a three-tier governance structure comprising the governance, management and execution levels, deeply integrating the governance of climate change response into the Company's overall sustainability management structure to ensure that climate-related issues receive adequate oversight.

### Climate Governance Responsibilities and Working Mechanism of SANY Heavy Industry



To systematically promote climate governance, SANY Heavy Industry has established a three-tier governance and execution system composed of the Board of Directors, the Sustainability Committee, and the Sustainable Development Working Group, supported by regular meeting and reporting mechanisms to ensure the effective formulation and implementation of climate strategies.

The Company attaches importance to the management team's sustainability management and capacity building for climate change response, and invites external climate experts to provide special training for the Board of Directors, the Sustainability Committee, and the Sustainable Development Working Group, deepening members' understanding and application of mainstream international climate frameworks, risk identifications, and carbon management tools, thereby systematically strengthening the Company's strategic decision-making and risk management capabilities in relation to climate-related matters.

## Climate Change Strategy

To systematically address the challenges of climate change, SANY Heavy Industry has established a comprehensive climate risk and opportunity management system. Based on internationally recognized frameworks, the Company identifies short-, medium-, and long-term risks through scenario analysis and deeply integrates climate factors into the Company's strategy and operations. We are committed to enhancing overall climate resilience and proactively transforming the systemic pressures of low-carbon transformation into sustained competitive advantages in green technology, products, and markets.

## Climate Scenario Selection

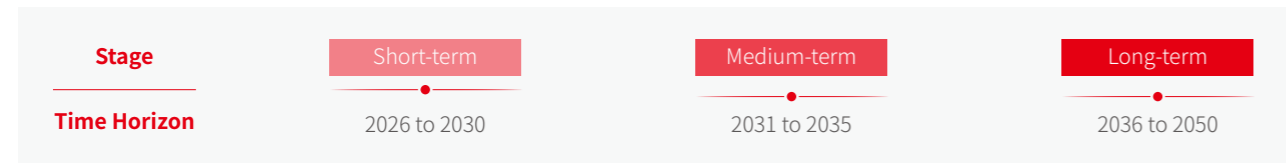
To systematically identify and evaluate the potential risks and opportunities brought about by climate change, SANY Heavy Industry conducted forward-looking scenario analysis with reference to climate scenarios published by internationally authoritative institutions. The Company selected the Shared Socioeconomic Pathways (SSP) scenarios of the Intergovernmental Panel on Climate Change (IPCC) and the energy transition scenarios of the International Energy Agency (IEA) to simulate the possible impacts on the Company's operations under different climate policy and warming pathways from the two dimensions of physical risk and transition risk, thereby enhancing strategic resilience and providing a basis for long-term decision-making.

### Climate Scenario Selection

Climate Scenario Type	Selected Scenarios	Scenario Description	Key Scenario Assumptions
Physical scenario	SSP1-2.6	The SSP series scenarios are a set of hypothetical scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC) for evaluating possible future pathways of GHG emissions and climate change. Among them, SSP refers to Shared Socioeconomic Pathways, 2.6 indicates that radiative forcing stabilizes at 2.6 W/m <sup>2</sup> by 2100, and 8.5 indicates that radiative forcing stabilizes at approximately 8.5 W/m <sup>2</sup> by 2100.	Low-emissions scenario: globally, development follows a sustainable development pathway, with coordinated and robust climate action to achieve rapid emission reduction and low-carbon transformation, limiting the temperature increase to within 1.5°C.
	SSP5-8.5		High-emissions scenario: global development relies on fossil fuels, GHG emissions continue to grow rapidly, and climate policies remain relatively weak, resulting in a possible global temperature increase of more than 4°C by the end of this century.
Transition scenario	STEPS	NZE (Net Zero Emissions) and STEPS (Stated Policies Scenario) are both scenarios proposed by the International Energy Agency (IEA) to describe possible future energy mix and emissions pathways.	Stated Policies Scenario: nations implement only announced climate change and energy policies, without introducing additional new commitments.
	NZE		Net Zero Emissions scenario: the world takes the most stringent actions to ensure net zero energy-related CO <sub>2</sub> emissions by 2050 and keep temperature rise within 1.5°C.

Taking into account the national strategic objectives of Carbon Peak and Carbon Neutrality and the Company's own development plans, and in accordance with the regulatory requirements and by referring to the practices of industry peers, the Company has clearly defined short-, medium-, and long-term time horizons and conducted assessment of climate change risks and opportunities based on different time horizons.

### SANY Heavy Industry Climate Risk Analysis Time Horizons



## Climate Risk Analysis and Assessment

SANY Heavy Industry systematically conducted scenario analysis of climate-related risks and opportunities. At the physical risk level, the Company referred to the IPCC Shared Socioeconomic Pathways (SSP) scenarios, with a focus on evaluating the long-term climate challenges that the Company's major manufacturing bases and R&D centers worldwide may face by 2050 under the SSP1-2.6 low-emissions scenario and the SSP5-8.5 high-emissions scenario. The analysis covered disaster types such as extreme heat, extreme cold, extreme precipitation, and typhoons to identify their potential impacts on the safety of the Company's assets, production continuity, and supply chain stability. The assessment indicates that extreme heat and typhoons are the key risks requiring priority attention. At present, the Company has brought the relevant risks within a controllable range through emergency plans and facility resilience upgrade planning.

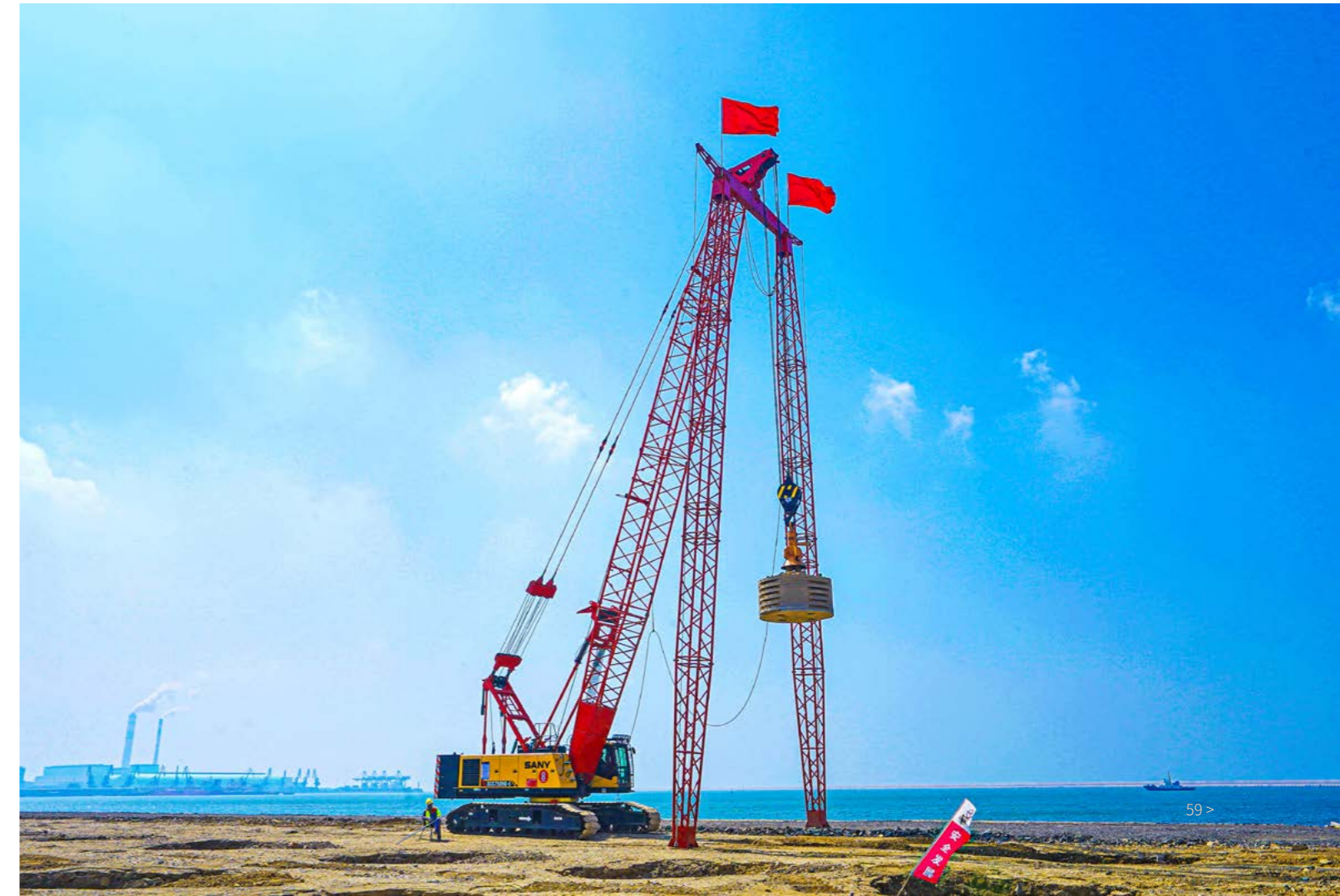
### SANY Heavy Industry Physical Risk Impacts

Physical Risk	SSP1-2.6			SSP5-8.5		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Extreme heat weather	Low	Medium	High	Low	Medium	High
Extreme cold weather	Low	Low	Low	Low	Low	Low
Typhoon weather	Low	Medium	Medium	Medium	High	High
Extreme precipitation	Low	Low	Low	Low	Low	High

In addressing the global low-carbon transformation, SANY Heavy Industry has systematically identified the transition risk and opportunities arising from shifts in policy, technology, and the market. With reference to analysis under the International Energy Agency (IEA)'s Net Zero Emissions (NZE) and Stated Policies Scenario scenarios, policy compliance and changes in market demand are the primary challenges facing the Company over the medium and long term, while also creating opportunities for the development of new electrified and intelligent products and services, as well as room to improve resource efficiency across the entire value chain. To this end, the Company integrates response measures into its "globalization, digitalization, and decarbonization" strategy and proactively manages risks and captures opportunities through green technology R&D, zero-carbon factory development, and supply chain optimization, thereby continuously strengthening its competitive advantages in fields such as new energy products.

### Transition Risk and Opportunity Impacts of SANY Heavy Industry

Category	Risk/Opportunity Item	Short-term	Medium-term	Long-term
Transition risk	Carbon pricing risk	Low	Low	Low
	Policy and legal risk			
	Energy saving and emission reduction policy	Low	High	High
	Technology risk			
	Technology iteration risk	Low	Medium	Medium
	Market risk			
Changes in consumer demand	Low	Medium	Medium	
Supply chain stability	Low	Medium	Medium	
Reputational risk				
Stakeholder concerns	Low	Low	Low	



SANY Heavy Industry systematically identifies climate-related risks and opportunities by comprehensively reviewing regulatory requirements, industry benchmarks, and value chain data, among other factors, and conducts specific assessments using a multi-scenario analysis process that combines quantitative and qualitative approaches, covering physical and transition risks and opportunities, short-, medium- and long-term time horizons, and different business processes such as the supply chain and upstream and downstream transportation, in order to formulate targeted response strategies.

**Assessment of Climate-Related Physical Risks and Response Strategies**

Risk Type	Risk Item	Potential Impacts on the Company	Impact Period	Response Measures	
Physical Risk	Extreme cold weather	<ul style="list-style-type: none"> <li>Increased brittleness of raw materials such as steel may raise the rate of failures in quality inspection, driving up quality control and emergency procurement costs.</li> <li>Road icing and snow accumulation may lengthen logistics turnaround time, increase transportation costs, and potentially affect the progress of on-site delivery to customers.</li> <li>Increased viscosity of hydraulic oil in equipment requires preheating before startup, resulting in reduced effective operating time, lower production capacity, and increased energy use.</li> <li>Activities at outdoor testing grounds may be hindered, and low-temperature conditions may affect the testing efficiency of components such as batteries, potentially slowing the R&amp;D validation cycle.</li> <li>In low-temperature conditions, personnel may experience reduced operational flexibility, while slippery environments increase the risk of work-related injuries, potentially resulting in lower efficiency and increased safety investment.</li> </ul>	/	<ul style="list-style-type: none"> <li>Establish meteorological early warning and emergency command procedures; stock snow-melting agents and snow-removal equipment; implement standardized snow-removal and traffic-maintenance operations to safeguard smooth logistics.</li> <li>Complete anti-freezing upgrades and insulation treatment for critical pipeline equipment; formulate low-temperature operating procedures for equipment; dynamically adjust planning and prioritize indoor processes.</li> <li>Dynamically adjust outdoor testing plans and shift to indoor validation; funding has been earmarked for the optimization and testing of the building's heating system.</li> <li>Strengthen patrol inspection of heating systems in the plant area and install additional cold-protection facilities in key areas; equip personnel with professional cold-weather gear and adjust work arrangements.</li> </ul>	
		Extreme Heat Weather	<ul style="list-style-type: none"> <li>High temperatures cause thermal expansion of raw materials, leading to fluctuations in dimensional accuracy, increasing incoming material quality inspection costs, and potentially affecting suppliers' production capacity.</li> <li>It increases the load on the cooling systems of transportation vehicles, raises the risk of malfunctions and fuel consumption, and may lead to delivery delays.</li> <li>Rising workshop temperatures increase the risk of hydraulic equipment overheating and shutdowns, accelerate hydraulic oil consumption, and drive up maintenance costs and energy use.</li> <li>High temperatures hinder outdoor testing, affect equipment heat dissipation and the stability of test data, and may delay product validation.</li> <li>It increases the risk of heatstroke among outdoor workers, and high temperatures reduce attention and operational accuracy, affecting production efficiency.</li> </ul>	Medium-to long-term	<ul style="list-style-type: none"> <li>Provide heat allowances, heatstroke prevention supplies and personal cooling equipment; strictly enforce requirements to suspend outdoor operations during periods of extreme heat.</li> <li>Implement cooling measures such as water spraying and ventilation at operating sites; strengthen inspections of vehicle and equipment cooling systems and heat dissipation maintenance.</li> <li>Optimize workshop ventilation and localized cooling; adjust production shifts to avoid continuous operations during periods of extreme heat.</li> <li>Adjust outdoor testing plans during periods of extreme heat; strengthen heat dissipation protection for testing equipment.</li> <li>Coordinate with suppliers to address high-temperature production challenges; strengthen temperature control in raw material storage.</li> </ul>
			Extreme Rainfall	<ul style="list-style-type: none"> <li>It may cause upstream raw material production stoppages and disruptions to logistics channels (roads and ports), resulting in supply shortages and rising emergency procurement costs.</li> <li>The risks of water ingress in plant buildings and moisture damage to equipment increase, while excessive humidity may affect the quality of processes such as welding and painting, resulting in higher repair costs and production delays.</li> <li>Outdoor testing activities are disrupted, and R&amp;D facilities may face leakage risks, affecting equipment and data safety and slowing testing progress.</li> <li>Employees' commuting may be disrupted, and the risks of slippery floors in operating areas and electrical leakage from electrical equipment may increase, potentially causing work-related injuries.</li> </ul>	Medium-to long-term
	Typhoon Weather	<ul style="list-style-type: none"> <li>It may significantly affect maritime transportation, potentially causing shipping schedule delays and affecting the supply of imported raw materials and components; local land transportation may also be disrupted.</li> <li>Production planning adjustments and delivery delays may result from external supply disruptions, temporary power outages at industrial parks, or water accumulation.</li> <li>Strong winds and heavy rainstorms may force the suspension of outdoor testing activities, while testing equipment faces risks of wind damage and flooding.</li> <li>Safety risks for field personnel will increase, and production sites may need to arrange for personnel to suspend operations and seek shelter, affecting attendance and working hours.</li> </ul>		Short-, medium-, and long-term	<ul style="list-style-type: none"> <li>Secure insurance coverage for maritime transportation; maintain safety stock of essential parts; use smart platforms for early warnings.</li> <li>Carry out wind-resistance retrofitting or design for plant buildings; clear drainage systems in advance and equip facilities with emergency power supplies and flood control equipment.</li> <li>With abnormal weather management protocols in place, reinforce elevated facilities and immediately suspend outdoor testing during typhoons to ensure equipment safety.</li> <li>During typhoons, arrange shuttle services to transfer essential personnel and deliver meals; purchase property insurance for plant assets.</li> </ul>

**Assessment of Climate-Related Transition Risks and Response Strategies**

Risk Type	Risk Item	Risk Subcategory	Potential Impact on the Company	Impact Period	Response Measures
Transition Risk	Policy and Legal Risk	Carbon pricing risk	<ul style="list-style-type: none"> <li>International carbon tariffs, such as the EU CBAM, require exported products to provide carbon footprint certification, creating market entry barriers and potentially resulting in lost export orders to Europe and higher additional compliance costs.</li> </ul>	/	<ul style="list-style-type: none"> <li>For key products exported to Europe, the Company is advancing carbon footprint certification. To date, third-party verification has been completed for two products, electric trucks and wind turbines, to meet core customer access requirements and avoid order risk.</li> </ul>
		Energy saving and emission reduction policy (carbon emissions compliance pressure)	<ul style="list-style-type: none"> <li>Increasingly stringent carbon regulatory policies domestically and internationally are driving up operational compliance costs. To meet higher standards, capital expenditures on energy-saving upgrades and R&amp;D investment in electrification will continue to increase.</li> </ul>	Medium to long-term	<ul style="list-style-type: none"> <li>The Company has established a digitalized energy and emissions monitoring system and improves cost efficiency through measures such as deploying photovoltaic systems, procuring green electricity and applying energy-efficient equipment. It has designated product electrification as a core strategy and established a dedicated office to promote it.</li> </ul>
	Technology Risk	Technology iteration risk	<ul style="list-style-type: none"> <li>The shift toward electrification and intelligent transformation may accelerate the depreciation of assets in traditional production lines, resulting in stranded assets. Meanwhile, sustained high levels of R&amp;D investment carry the risk that judgments on technology pathways may fall short of expectations.</li> </ul>	Medium to long-term	<ul style="list-style-type: none"> <li>Adopt a dual-track strategy of "hardware upgrades" and "talent reserves," proactively iterating high-energy-use equipment to reduce the risk of asset stranding; plan a dedicated budget with a focus on investment in frontier technology R&amp;D and talent recruitment.</li> </ul>
	Market Risk	Changes in consumer demand	<ul style="list-style-type: none"> <li>Sustainability-related market entry requirements in overseas markets, particularly in Europe, are becoming increasingly stringent. Customers regard product carbon footprints and low-carbon performance as key procurement criteria, and failure to meet these requirements may result in a loss of market share.</li> </ul>	Medium to long-term	<ul style="list-style-type: none"> <li>Increase the share of electric equipment among the Company's principal export products for the European and U.S. markets, and continue to obtain international carbon footprint certification for key products as a critical credential for securing high-end orders.</li> </ul>
		Supply chain stability	<ul style="list-style-type: none"> <li>The green transformation of upstream suppliers and carbon compliance requirements across the entire value chain may drive up raw material procurement costs and increase the complexity of supply chain management.</li> </ul>	Medium to long-term	<ul style="list-style-type: none"> <li>In the supplier admission process, preference is given to low-carbon suppliers, and cost pressures are alleviated through lightweight design. The establishment of a green supply chain management system has been identified as a key task for 2026.</li> </ul>
	Reputational Risk	Stakeholder concerns	<ul style="list-style-type: none"> <li>Being labeled as a high-carbon entity may attract scrutiny from financial institutions, posing a risk of moderately elevated financing costs.</li> <li>An unclear carbon neutrality roadmap or environmental compliance violations could trigger negative public sentiment, resulting in short-term impact on key client relationships or regional brand perception.</li> </ul>	/	<ul style="list-style-type: none"> <li>Proactively disclose emissions reduction progress to reinforce confidence and strengthen alignment with financial institution partners.</li> <li>Enhance compliance management and engage in transparent environmental communications to safeguard and sustain brand reputation.</li> </ul>



### Assessment of Climate-Related Transition Opportunities and Response Strategies

Opportunity Item	Potential Impact on the Company	Response Measures
<b>Use clean technologies to improve resource efficiency</b>	<ul style="list-style-type: none"> <li>Optimize high-energy-use processes through intelligent monitoring to directly reduce energy use and water consumption per unit of output value and lower energy cost.</li> <li>Increase the recycling rate of scrap steel, adopt water-based paint, and reuse reclaimed water to reduce raw material and water consumption, as well as the related procurement expenditures.</li> <li>Strengthen cost control and environmental protection performance during production through systematic management of energy efficiency and material consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Invest R&amp;D resources to explore cooperation with universities and research institutions on energy conservation and carbon reduction processes.</li> <li>Upgrade production equipment, improve the workflows of high-energy-use procedures such as welding and coating, and implement dedicated energy conservation retrofits.</li> <li>Evaluate the deployment of distributed photovoltaics, energy storage, and intelligent microgrids at production bases to increase the proportion of green electricity.</li> <li>Explore remanufacturing business, improve the waste management system, and enhance resource recycling.</li> </ul>
<b>Products and services</b>	<ul style="list-style-type: none"> <li>Capture the clear demand in the European and American markets for electric and low-carbon equipment, launch new energy products to seize high-growth market share, and increase revenue.</li> <li>Develop data services such as fuel analysis and intelligent construction to promote the transformation from "equipment sales" to "products + service" and enhance customer loyalty and earnings stability.</li> <li>By providing green solutions, reinforce the Company's image as an industry leader in intelligent development and electrification.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct market research, track policies in key markets and customer needs, and flexibly adjust products and market strategies.</li> <li>Increase R&amp;D investment in new energy products such as electrification, intelligent technologies, and hydrogen energy to seize market opportunities.</li> <li>Actively explore value-added businesses such as equipment leasing, remanufacturing, and data services to deliver comprehensive competitiveness.</li> </ul>
<b>Policy support</b>	<ul style="list-style-type: none"> <li>Through projects such as green factory development and energy conservation retrofits, apply for government subsidies, incentives, and tax reductions and exemptions to directly reduce capital expenditures and operations costs related to transformation.</li> <li>With sound carbon management practices, the Company is better positioned to obtain green credit, issue green bonds, and secure low-cost capital management to support long-term R&amp;D and investment.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain ongoing attention to policies on green manufacturing, technological upgrading subsidies, and tax incentives domestically and internationally.</li> <li>Systematically promote green factories and energy conservation projects, and proactively prepare for and apply for various government subsidies and tax incentives.</li> <li>Leveraging green practices, proactively engage with financial institutions and explore financing instruments such as green credit and green bonds.</li> </ul>
<b>Enhancing corporate resilience</b>	<ul style="list-style-type: none"> <li>Install distributed photovoltaic systems at operating bases to reduce the cost of purchased electricity and, in extreme circumstances, safeguard basic production capacity and enhance operations continuity.</li> <li>By improving the quality of ESG disclosure and brand reputation, attract long-term investors who prioritize sustainable development and optimize valuation and the financing environment.</li> <li>Explore in-house capabilities for key components, reduce external dependence, and enhance the overall resilience of the supply chain.</li> </ul>	<ul style="list-style-type: none"> <li>Systematically evaluate climate-related risks and opportunities and formulate response contingency plans.</li> <li>Evaluate and promote the construction of distributed photovoltaic systems at major operating bases to reduce energy costs and dependence.</li> <li>Explore in-house development and internal production capabilities for key components, such as batteries.</li> <li>Continuously improve the quality of ESG information disclosure, proactively communicate green achievements, and attract investors focused on long-term value.</li> </ul>

### Financial Impact Assessment

Based on an analysis of the operating model and industry characteristics, the impact of climate-related risks on the Company's overall financial position is currently within a controllable range. Without additional response measures, physical risks, such as extreme cold weather, extreme heat weather, heavy rainstorms, and typhoons, may disrupt the supply chain, delay logistics, and affect continuity of production and the progress of R&D testing, resulting in temporary increases in raw material and energy costs, delivery delays, and efficiency losses, but with limited impact on the Company's overall profitability. In terms of transition risk, carbon pricing, green supply chain management, rapid iteration of technology pathways, and market access barriers in the international market will increase compliance, R&D, and capital expenditures, and may accelerate the impairment of certain traditional assets. The Company has incorporated the relevant costs and risks into its long-term strategic planning and management system through forward-looking technology deployment, investment in green manufacturing, and adjustments to market strategy.

### Results of SANY Heavy Industry's Analysis of the Financial Impacts of Climate-Related Risks

Risk/Opportunity Category	Risk/Opportunity Item	Current-Period Financial Impacts	Financial Materiality
<b>Physical risk</b>	Extreme cold weather	Increased raw material procurement and quality inspection costs; increased logistics and transportation expenses; increased production energy use and maintenance expenses; and indirect costs caused by delays in the progress of R&D testing	Low
	Extreme heat weather	Increased production energy use and cooling expenses; increased equipment maintenance and oil consumption costs; indirect costs caused by delays in the progress of R&D testing; and increased expenses for labor protection and heatstroke prevention and cooling	Low
	Extreme rainfall	Increased procurement costs caused by supply chain disruptions; increased contract fulfillment costs caused by logistics delays; increased repair expenses due to equipment damage from moisture exposure; and operating revenue losses caused by production suspension or delivery delays	Low
	Typhoon weather	Increased supply chain costs caused by delays in maritime transportation; efficiency losses and overtime costs arising from adjustments to planning; and increased expenses for disaster prevention emergency response and asset maintenance	Low
<b>Transition risk</b>	Carbon pricing risk	Increased procurement costs for green power and carbon allowance purchases, higher costs for product carbon footprint verification and certification, and rising compliance management expenses to meet market access requirements in the international market	Low
	Energy saving and emission reduction policy (Carbon emissions compliance pressure)	Increased capital expenditures for energy conservation equipment investment and low-carbon upgrades, rising costs for energy and resource management in operational processes, and higher ongoing R&D expenditures to meet more stringent emissions standards	High
	Technology iteration risk	Increased R&D capital expenditures for the transformation toward electrification and intelligent transformation, accelerated depreciation or impairment losses on traditional production line equipment, and higher market-based recruitment and training costs to acquire new technologies and talent	Medium
	Changes in consumer demand	Increased R&D expenditures for developing green products, such as electric equipment, higher marketing expenses related to market promotion and customer education, and rising compliance costs associated with international product certification and market access	Medium
<b>Transition opportunity</b>	Supply chain stability	Increased administrative expenses for the development and review of green suppliers, higher procurement costs arising from low-carbon raw materials or components, and increased system investment for the collaborative management of supply chain carbon data	Medium
	Stakeholder concerns	Rising costs associated with specialized audits and assurance services required for ESG disclosure compliance Increased brand-building investment directed toward enhancing the organization's corporate sustainability profile	Low
	Improving resource efficiency through the use of clean technologies	Savings in operating costs resulting from reductions in energy use, water consumption, and material consumption, as well as increased capital expenditures for the application of energy-saving and consumption-reduction technologies	Medium
	Products and services	Revenue growth driven by new products such as electrified and intelligent products, increased income generated by new models such as leasing, remanufacturing, and data services, and corresponding increases in R&D and market development expenditures	High
	Policy support	Obtaining subsidies and tax rebates related to government initiatives such as green manufacturing and technology upgrades, and optimizing financing costs through the issuance of green bonds or access to green credit	Low
	Enhancing corporate resilience	Reducing purchased power costs through self-generation methods such as distributed photovoltaic systems, thereby lowering operating costs, and attracting long-term investment by enhancing ESG performance to reduce the cost of capital	Medium

## Climate Risk Management

SANY Heavy Industry has systematically integrated the identification and response of climate-related risks into the enterprise's long-term development strategy, comprehensive risk management, and corporate governance framework. The Company is committed to promoting the deep coordination of climate risk assessments with core business processes such as manufacturing, R&D testing, and supply chain management, and is gradually building an institutionalized and normalized climate risk management process to achieve forward-looking management of transition and physical risks while systematically capturing green market opportunities.

### Risk Identification

- Establish a regular mechanism to systematically track policies and regulations related to carbon emissions, green manufacturing, and product market access domestically and internationally, such as developments in China's carbon market and the EU CBAM, and to monitor changes in extreme weather patterns and market competition.
- Based on the Company's global operations and supply chain layout, systematically identify physical risks and transition risks that may affect production continuity, supply chain stability, cost structure, and market access, and formulate and regularly update the *List of Climate-Related Risks and Opportunities*.

### Risk Assessment

- Conduct qualitative and quantitative analysis of identified risks to assess the likelihood of occurrence, the scale of potential financial impacts, and the relevant time horizons.
- Measure risk exposure by analyzing the impacts of risks on key operational and financial indicators, including raw material procurement costs, production and logistics efficiency, capital expenditures, R&D cycles, and market orders.

### Risk Response

- Based on risk assessment results and the Company's strategy, formulate specific response targets and action plans, and integrate them into the annual plans and budgets of each business unit, such as production, R&D, supply chain, and sales.
- For high-priority risks, deploy specific management measures, such as weather-resilience upgrades for production equipment, establishing green supply chain standards, and promoting product electrification and carbon footprint certification; define the responsible department; and formulate emergency plans for scenarios involving critical operational disruptions, so as to reduce finance impacts and capture green market opportunities.

### Risk Monitoring

- Establish and track a series of key performance indicators, such as energy use per unit of output, carbon emissions intensity, sales revenue from new energy products, and the completion rate of audits of high-risk suppliers, in order to monitor emission reduction progress, risk exposure levels, and the effectiveness of measure execution.
- Regularly review the target achievement status of climate targets, the status of major risks, and the effectiveness of response measures, and dynamically review and optimize management strategies based on changes in the internal and external environment, developments in new technology, and regulatory requirements.



## Metrics and Targets

SANY Heavy Industry actively supports the nation's "carbon peak and carbon neutrality" strategy, systematically plans its low-carbon transformation pathway, continuously reduces carbon emissions intensity, and has set a clear GHG emission reduction target: using 2021 as the baseline year, by 2030 GHG emissions per unit of product will be reduced by 35.5% compared with 2021.

To promote green development, the Company continues to explore and implement carbon emission reduction initiatives in equipment production, factory operations, and logistics distribution by strengthening energy management, deepening internal communication, introducing digital tools, and promoting technology upgrades, with the aim of systematically reducing GHG emissions throughout operations and the products life cycle.

In addition, we have established a full-process GHG emissions monitoring system to continuously conduct precise collection, systematic analysis, and dynamic tracking of emissions data from manufacturing, supply chain operations, and equipment use, providing data support for achieving science-based carbon reduction.

### GHG Emissions Performance

Indicators	Unit	Data for 2025
<b>Total GHG emissions (Scope 1+Scope 2)</b>	tCO <sub>2</sub> e	345,006.20
— Total direct GHG emissions (Scope 1) <sup>5</sup>	tCO <sub>2</sub> e	76,112.84
— Total indirect GHG emissions (Scope 2) <sup>6</sup>	tCO <sub>2</sub> e	268,893.36
<b>GHG emissions intensity (Scope 1+Scope 2)</b>	tCO <sub>2</sub> e / RMB 1,000,000	3.87
<b>Other Indirect GHG emissions (Scope 3)</b>	tCO <sub>2</sub> e	60,005.99
— Category 3 – Fuel- and Energy-Related Activities <sup>7</sup>	tCO <sub>2</sub> e	51,742.15
— Category 7 – Employee Commuting <sup>8</sup>	tCO <sub>2</sub> e	8,263.84

<sup>5</sup> Total direct GHG emissions (Scope 1): Mainly include emissions from the combustion of gasoline and diesel for administrative and transportation vehicles, as well as emissions from the use of natural gas. Calculation basis: the *Guidelines for the Accounting and Reporting of GHG Emissions by Machinery Manufacturing Enterprises (Trial)*.

<sup>6</sup> Total indirect GHG emissions (Scope 2): Mainly include emissions from purchased electricity and purchased heat. The national grid emission factor is based on the *Notice on Effectively Conducting the Administration of GHG Emission Reporting of Power Generation Enterprises from 2023 to 2025*.

<sup>7</sup> Other Indirect Greenhouse Gas Emissions (Scope 3), Category 3 – Fuel- and Energy-Related Activities: This category primarily includes upstream emissions associated with the production and use of gasoline, diesel, natural gas, and electricity, as well as emissions arising from transmission and distribution losses of purchased electricity. Calculations are based on the *UK Government GHG Conversion Factors for Company Reporting* and the *2024 National Electricity Carbon Footprint Factor* published by the Ministry of Ecology and Environment of China.

<sup>8</sup> Other Indirect Greenhouse Gas Emissions (Scope 3), Category 7 – Employee Commuting: This category mainly covers emissions generated from employees' daily commuting. Calculations are based on the *Commuting Monitoring Report of Major Chinese Cities* published by the China Urban Planning Network.

# Environmental Management

SANY Heavy Industry actively fulfills its environmental protection responsibility by establishing a systematic, end-to-end environmental management system and implementing specific initiatives covering energy conservation, emissions reduction, resource recycling, and ecological protection, it minimizes the impact of operations on the ecological environment, promotes the harmonious coexistence of industrial production and the natural environment, and consolidates the green foundation for the Company's high-quality development. In 2025, SANY Heavy Industry's environmental protection investment reached RMB 280 million.

## Management System

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations. With reference to standards such as the *ISO 14001 Requirements and Guidance for Use of Environmental Management System* and the *ISO 45001 Requirements and Guidance for Use of Occupational Health and Safety Management System*, it has formulated and regularly revised internal documents, including the *HSE Management Manual*, applicable to all subsidiaries, to comprehensively improve its health, safety, and environment (HSE) management mechanisms. In 2025, the Company revised and issued a total of 9 management procedures, including the *Environmental Policy*, *HSE and 6S Management Manual*, *Sustainability (ESG) Management Policy*, and the *Procedures for Accident Reporting, Investigation, and Handling*, to further advance system improvement.

The Company has established a three-tier management structure, under which the President supervises and examines major HSE decisions of the Company and oversees the handling of major HSE abnormal events. The Sustainability Committee promotes the implementation of environmental, health, and safety initiatives and reports progress to board members, ensuring the effective implementation of HSE management system requirements. In 2025, a total of 5 President's office meetings were convened to hold special discussions on major matters related to environmental management.

### SANY Heavy Industry Environmental Management System Structure



The Company has established a systematic closed-loop mechanism for HSE targets and performance management, setting annual targets and promoting their cascading implementation by subsidiaries. To strengthen responsibility fulfillment, the Company has incorporated HSE performance into the annual performance contracts of executives and established a direct linkage mechanism with compensation and benefits. It has also formulated the *HSE Reward and Punishment System* and a corresponding manual for HSE behavioral rewards and penalties, and adjusts compensation based on annual assessment results to ensure effective management implementation and continuous improvement.

To continuously improve its HSE management standards, the Company has established a regular, multidimensional internal and external audit system, conducting one external independent audit each year, one internal site audit every six months, and internal online audits every month, with the audit scope covering all factories.

In 2025

**12**  
had been certified by the ISO 14001 environmental management system

the certification coverage rate reached **54.5%**

### 2025 HSE audit implementation

- The Company conducted on-site reviews of the system building and operation of the HSE systems of subsidiaries through special 6S<sup>3</sup> inspections, and used the HSE digital platform to monitor safety hazards, safety incidents, and the certification rate of personnel engaged in specialized tasks across all businesses.
- Each month, the Company conducts compliance evaluations on the HSE systems of its subsidiaries, covering simultaneous consideration for construction projects, on-site occupational hazard monitoring, and environmental monitoring.

<sup>3</sup> 6S: Six core management elements including Sort, Set in Order, Shine, Standardize, Sustain, and Safety.

## Management Initiatives

SANY Heavy Industry integrates the concept of green development throughout its operations. Centered on the *HSE Management Manual*, it has established an environmental management system covering all stages, and has formulated specific management standards for environmental assessment and management, hazard identification, emergency management, HSE reviews, and agreement signing, systematically promoting environmental risk prevention and control and sustainable operations.

### Lifecycle Environmental Management

#### Environmental Impact Assessment

- Before the project starts, the Company strictly complies with the legal and regulatory requirements of the region where the project is located and carries out environmental impact assessment in depth.
- It comprehensively investigates and evaluates the adverse impacts and potential risks that may be caused to the surrounding environment throughout the project life-cycle, while formulating scientific and reasonable risk response measures to minimize or eliminate adverse effects to the greatest extent possible.

#### Environmental Monitoring

- Each Company formulates monitoring plans based on its actual circumstances. Automated monitoring, manual monitoring, commissioned testing, and other methods, thereby establishing a robust environmental monitoring system.
- Each Company strictly complies with emission standards in its emissions, formulates self-monitoring plans, and conducts third-party assessments of emission permits. It carries out monthly, quarterly, and annual environmental monitoring in strict accordance with applicable standards and, on this basis, completes work related to environmental impact audits, thereby minimizing potential environmental impacts to the greatest extent possible. In 2025, the licensed pollutant discharge rate reached 100%, with no instances of exceeding emission standards.

#### "Four New" Introduction Management

- When introducing new equipment, materials, technologies, or processes (the "Four New"), the Company identifies and assesses project hazards and environmental factors for the project to ensure that all aspects comply with safety and environmental regulations.
- Before adopting new processes, technologies, or materials, or putting new equipment into use, the Company carries out HSE education to enhance employees' safety awareness and operational efficiency.
- Standard acceptance procedures are carried out for "Four New" projects.

#### Emergency Management

- The Company identifies and mitigates potential environmental and safety incidents or emergencies so that response measures can be taken in a timely manner.
- All subsidiaries of the Company have prepared emergency plans for sudden environmental accidents and emergency plans for production safety accidents. Each year, they carry out no fewer than two emergency drills and training sessions based on actual conditions to enhance their capacity to respond to sudden environmental incidents.

#### Employee Training

- The Company formulates targeted training programs and competency requirements for employees in various job roles, covering areas such as risk management, case studies, and emergency prevention/preparedness, in order to strengthen employees' HSE knowledge and improve their response capabilities when issues arise. In 2025, the heavy truck, heavy lifting, and pump truck business units of the Company focused on key positions in coating and warehousing, and organized personnel to carry out training on the standardized management of hazardous waste and emergency drills for sudden environmental incidents, thereby enhancing employees' awareness of environmental protection compliance and practical capabilities and reducing the likelihood of potential environmental risks. A total of over 200,000 training sessions were conducted throughout the year.

#### Stakeholder Management

- The Company enters into specialized agreements on environmental protection and other documents with stakeholders to ensure that the responsibilities of all parties are clearly defined and that measures are fully implemented;
- The Company conducts necessary reviews of environmental protection for project contractors, suppliers, and other stakeholders to ensure that stakeholders strictly comply with relevant standards and requirements during the course of cooperation;
- The Company conducts safety and environmental assessments for stakeholders and, with reference to the assessment standards, imposes economic penalties for cases that fail to meet requirements, thereby effectively constraining stakeholder conduct.

# Ecological Protection

Adhering to the philosophy of green manufacturing, SANY Heavy Industry strictly implements national and local standards for wastewater and waste gas treatment and solid waste disposal, complies with noise prevention and control regulations, and applies whole-process management to the discharge and disposal of various types of waste. We have established stringent emissions control targets and are continuing to optimize production processes to ensure that pollutants are emitted in lawful compliance. At the same time, we actively promote ecological restoration and protection in and around our industrial parks, striving to protect biodiversity and achieve harmonious coexistence between production operations and the natural environment.

## During the reporting period

SANY Heavy Industry did

**not** record any environmental pollution incidents involving waste loss, leakage, or diffusion.



## 2025 Environmental Protection Performance

Wastewater, waste gas, and on-site noise emissions met

**100%** of standards

hazardous waste was disposed of in compliance with regulations at

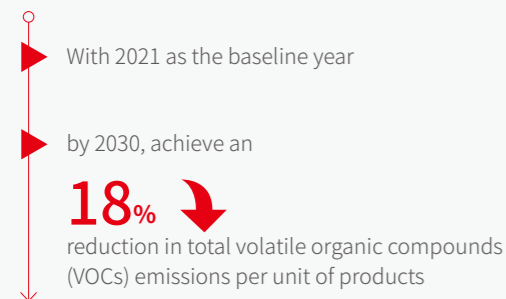
**100%**



## Waste Gas Management

SANY Heavy Industry systematically manages atmospheric emissions in production and business management. Its air pollutants, namely volatile organic compounds (VOCs), mainly originate from production and operations processes such as coating and welding. The Company strictly complies with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations, implements stringent requirements for pollutant emissions, and carries out waste gas emissions management at its production bases to ensure that waste gas emissions comply with environmental protection standards.

### Waste gas emission reduction target



In 2025, we actively adopted emission reduction measures such as green processes and environmental protection treatment equipment, effectively reducing the generation and emissions of waste gas in production and operations. We invested RMB 2 million in the Lingang factory of Heavy Machinery, completed the environmental impact assessment acceptance for a new project, and built welding fume treatment equipment to control pollution from welding operations at the source and strengthen the workshop's air cleanliness safeguards. Meanwhile, we invested 1.63 million yuan to establish online VOCs monitoring systems at Hunan SANY Medium Tonnage Hoisting Machinery Co., Ltd. and STE Transmission Equipment Co., Ltd., ensuring compliance with coating exhaust gas emission regulations.

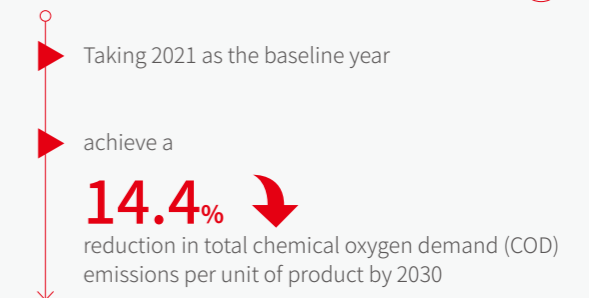
## Data Related to Waste Gas Emissions in 2025

Indicators	Unit	Data for 2025
Total waste gas emissions	cubic meter	18,417,283,923.48
SO <sub>2</sub> emissions	tonnes	2.44
NO <sub>x</sub> emissions	tonnes	39.60
VOCs (volatile organic compounds) emissions	tonnes	145.20
Total soot emissions	tonnes	83.52

## Wastewater Management

SANY Heavy Industry's water pollutants mainly arise from daily production and operations, with chemical oxygen demand (COD) and ammonia nitrogen as the primary pollutants. The Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, treats wastewater by categories for all types of wastewater generated, and prevents water pollution incidents through whole-process monitoring and control. At the same time, it manages wastewater by combining source control, end-of-pipe disposal, and reclaimed water reuse, and has established emission limits that are more stringent than national standards. To ensure effective execution, the Company requires its subsidiaries to formulate and implement management systems for wastewater treatment, specify emission limits for pollutants such as COD and ammonia nitrogen, strictly control the treatment and discharge of industrial wastewater by optimizing treatment processes and conducting on-line monitoring, and continuously enhance its management capabilities for the multipurpose use of wastewater.

### Wastewater emission reduction target



In 2025, SANY Commercial Vehicles Changsha carried out pipeline modifications, using concentrated water containing high concentrations of calcium and magnesium ions instead of tap water to clean cab transportation equipment, achieving annual water savings of 24,175 tonnes.

## 2025 Wastewater Discharge-Related Data

Indicators	Unit	Data for 2025
Total water discharge	tonnes	507,953.48
Biochemical oxygen demand (BOD) emissions	kg	5,293.52
Chemical oxygen demand (COD) emissions	kg	35,892.56
Suspended solids (SS) discharge	kg	8,941.17
Ammonia nitrogen (NH <sub>3</sub> ) discharge	kg	4,545.77

## Waste Management

SANY Heavy Industry's solid waste mainly arises from daily production and operations, including general waste and hazardous waste. The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and other relevant regulations and policies, and has formulated special systems such as the *Waste Management Guideline* to achieve proper whole-process management of solid waste in accordance with the principles of recycling and harm minimization. The Company strictly disposes of hazardous waste in accordance with national laws and regulations, ensuring effective control of hazardous waste during storage, transfer, and other processes so that it is handled in a safe and compliant manner.



### Waste-Related Data for 2025

Indicators	Unit	Data for 2025
The total production of hazardous waste	kg	5,904,310.00
Total general industrial solid waste discharge	tonnes	256,734.58

## Biodiversity Conservation

SANY Heavy Industry strictly complies with the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Outline for Nature Conservation of China*, the *Regulations on the Administration of Environmental Protection for Construction Projects*, and other laws and regulations, fully integrates the philosophy of ecological protection into its business operations processes, strives to reduce impacts on ecosystems, and strengthens the protection of vital ecosystems, species, and genetic resources.

For new construction and renovation projects, we conduct environmental surveys and assessments during the preparatory phases to effectively mitigate and control impacts on the surrounding environment and avoid carrying out construction or operations in legally designated ecological protection area<sup>10</sup>, important habitats<sup>11</sup>, and other areas with critical ecological functions. For projects already in operation, subsidiaries regularly conduct independent environmental impact assessment monitoring to continuously reduce environmental burdens.

At the same time, the Company also implements a tiered assessment of environmental sensitivity for project sites and, after confirming that a project will not cause significant impacts on ecological resources and habitats, promotes subsequent work so as to avoid ecological damage to the greatest extent possible and foster the aspiration of harmonious coexistence between humanity and nature. As of the end of the reporting period, the Company had not carried out production or business activities within ecological protection red lines.

<sup>10</sup> Legally designated ecological protection areas: Defined or confirmed by laws, regulations, policies, and other normative documents as national parks, nature reserves, natural parks and other natural protected areas, including World Natural Heritage sites, ecological protection red lines.

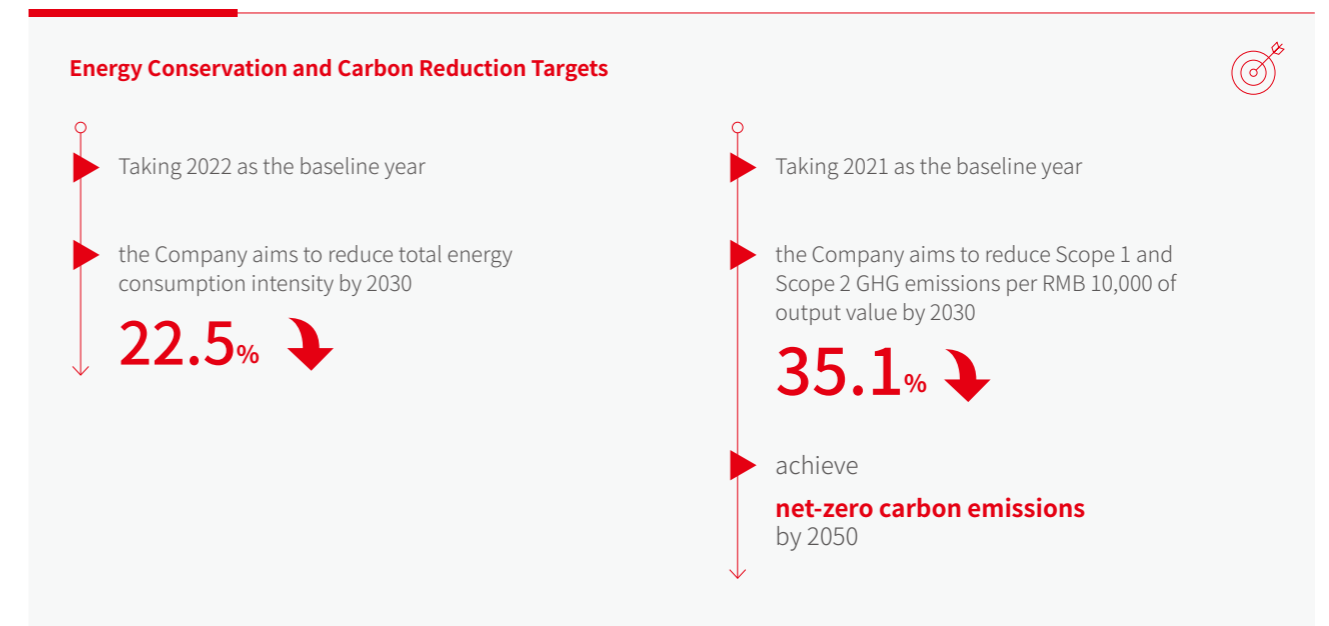
<sup>11</sup> Important habitats: These include natural concentration areas and habitats of key species, spawning grounds, foraging areas, overwintering sites, and migration pathways for significant aquatic life, as well as critical breeding grounds, stopover sites, wintering areas, and migration routes for migratory birds and other wildlife.

## Green Development

Guided by the dual carbon goals, SANY Heavy Industry deeply integrates green development into the entire value chain of R&D, manufacturing, and operations. We continuously enhance green competitiveness across every process of operations by steadily expanding photovoltaic applications and carrying out energy-saving technological upgrades, thereby promoting cleaner and more efficient energy use structures in factories; by implementing water-saving processes, we make every effort to reduce resource consumption per unit of output; and by systematically planning ecological spaces and low-carbon facilities, we deliver modern intelligent manufacturing bases that coordinate production, ecology, and daily life.

## Energy Management

SANY Heavy Industry has established its decarbonization pathway around two directions: "energy conservation and efficiency improvement" and "energy infrastructure transformation." In terms of energy conservation, the Company has established management protocols and uses routine inspections and monitoring to track energy use across each production process in real time, implementing refined management and optimization to improve energy use efficiency. In terms of energy infrastructure transformation, the Company actively promotes the large-scale application of projects such as photovoltaic and clean energy, reducing reliance on fossil fuels and other traditional non-renewable energy sources.

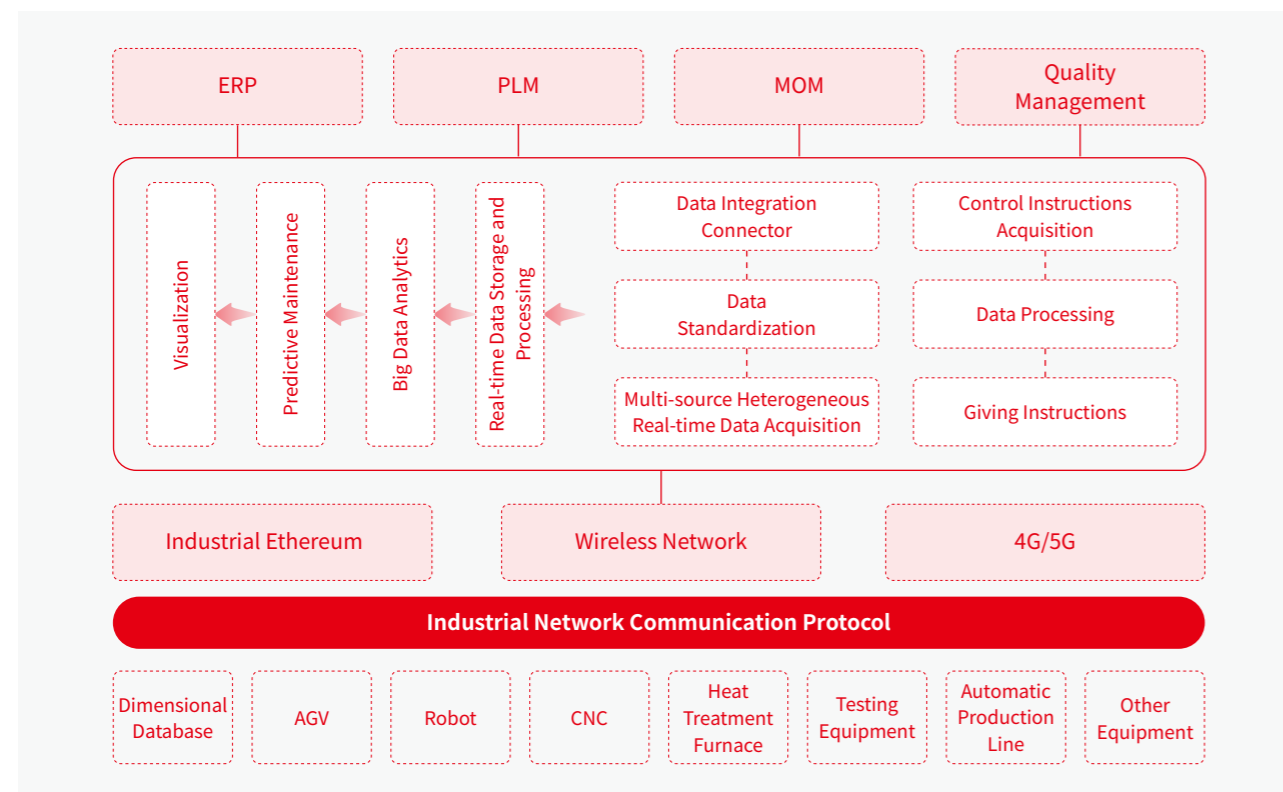


## Energy Conservation Management

In accordance with standards such as the *Code for Construction and Acceptance of Automation Instrumentation Engineering* and the *Technical Code of Energy Consumed Monitoring Systems for Large-Scale Public Buildings*, SANY Heavy Industry has built an equipment inter-connectivity system to enable smarter management of production processes, thereby improving production efficiency while reducing energy consumption. Based on this system, we achieve real-time carbon emission data collection to ensure the timeliness and accuracy of data. On this basis, the Company has further refined the standards for measuring and accounting for carbon emissions and, by applying scientific statistical and analytical methods, conducts in-depth mining and analysis of carbon emission data to identify patterns and pinpoint issues, thereby providing reliable data support for formulating precise emission reduction strategies.

The Company has formulated the *Environmental Protection Equipment Operation Management Policy*, integrating energy-saving measures into all aspects of production activities. Through initiatives such as introducing energy-saving equipment, optimizing operational workflows, and reasonably scheduling equipment use, it has minimized energy wastage to the greatest extent possible and continued promoting process carbon reduction. In 2025, the Company carried out a daily precision monitoring for the four meters covering water, power, oil, and gas, accurately identifying key nodes and optimization opportunities for energy consumption controls, and promoted the implementation of a series of special-purpose upgrades across 19 subsidiaries, including air compressor energy-saving upgrades, shifting power loads from peak periods to off-peak and valley periods, and transformer capacity-to-demand conversion projects, saving a total of RMB 72 million for the year.

### Structure of SANY's Equipment Inter-Connectivity System



### Some Energy-Saving Measures for 2025

To adapt to changes in power policies, SANY Heavy Lifting Ningxiang systematically optimized its electricity use structure and production scheduling by increasing the proportion of electricity consumed during flat and valley periods and reasonably avoiding high-price peak periods. Meanwhile, the base adjusted production hours and simultaneously established a daily monitoring mechanism to ensure effective execution of off-peak scheduling. In 2025, the base saved approximately 180,000 kWh of electricity in total and reduced carbon emissions by approximately 95 tonnes.

## Energy Infrastructure Transformation

The Company's future development plans for energy use focus on three main directions: building distributed photovoltaic systems and energy storage systems, and making extensive use of green electricity, with the aim of establishing a clean, low-carbon, and efficient energy system. Based on the above plans, the Company has systematically promoted clean energy infrastructure development. We prioritize the deployment of distributed photovoltaic and supporting energy storage projects across production bases, making the generation and use of green energy a core pathway for reducing the carbon footprint of operations. Through the successive investment in and construction of a series of projects, the Company's green power supply capacity has been substantially enhanced.

In 2025, enterprises including Huzhou Heavy Lifting, Lianyuan Pump Road, and SANY Heavy Machinery Kunshan had completed the construction of photovoltaic and energy storage projects, achieving a total installed photovoltaic power generation capacity of 48 MW and cumulative annual power generation of 1.74 million kWh. As of the end of 2025, SANY Heavy Industry had applied photovoltaic power generation systems at 22 subsidiaries, with clean energy usage reaching 7,736.56 ten thousand kWh and the proportion of clean energy usage<sup>12</sup> at 14.7%.

### 2025 Energy Use and Carbon Emissions Data

Indicators	Unit	Data for 2025
Purchased electricity	kWh	506,772,250.19
Gas	cubic meter	33,255,165.20
Gasoline	Liter	4,582.00
Clean energy	kWh	77,365,601.75
Diesel	Liter	1,598,820.94
Total energy consumption <sup>13</sup>	tce	108,461.82

<sup>12</sup> The calculation method for the proportion of clean energy utilization: the ratio of photovoltaic power consumption converted into energy consumption to total energy consumption.

<sup>13</sup> Comprehensive energy consumption: The total amount of various energy sources actually consumed in the production of a product or provision of a service during the statistical reporting period, after being converted separately in accordance with the specified calculation methods and units. Basis for calculation: General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020).



## Resource Management

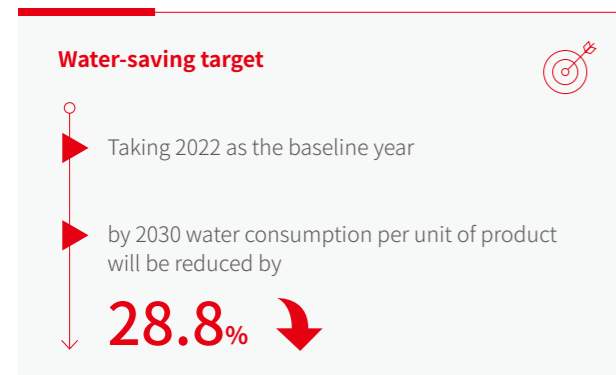
We adhere to the philosophy of "refined control throughout all stages" and "circular economy," focusing on water recycling and efficiency improvement, while vigorously promoting the greening, reduction, and recycling of packaging materials. Through systematic management and technological innovation, we continuously reduce environmental footprints and advance toward a more efficient and cleaner model of resource utilization.

### Water Resource Management

SANY Heavy Industry strictly complies with national policies and regulations on water resource management and has systematically established a full-process management system covering water withdrawal, water use, recycling, and discharge. In accordance with the *Environmental Policy*, the Company has clarified water-saving management requirements and departmental management responsibilities, promoting water resource management from the top-level design.

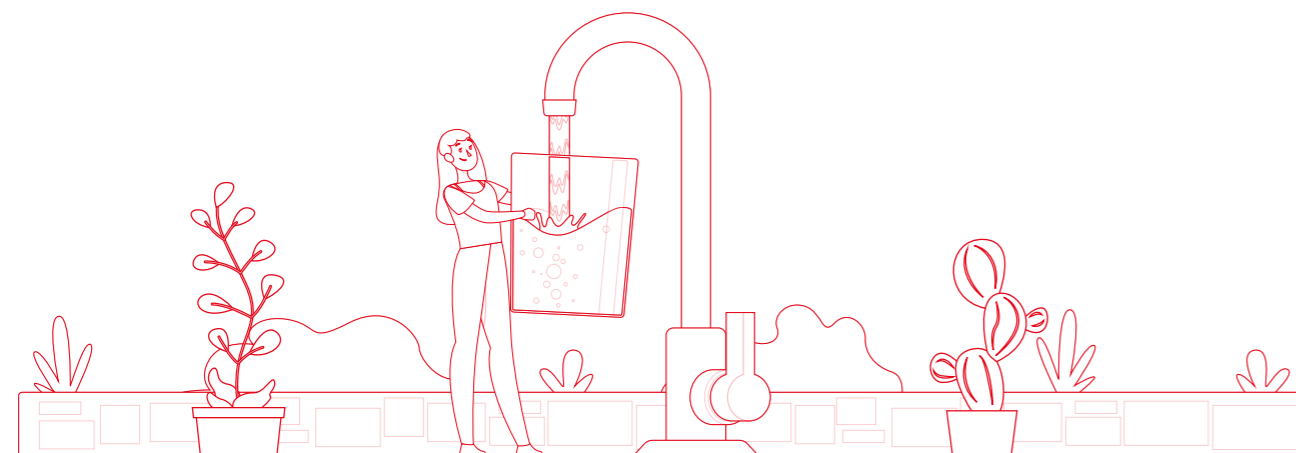
The Company continues to strengthen full-process water use management by selecting water-saving devices at the source, establishing rainwater storage ponds and reclaimed water reuse systems to reduce consumption, and enhancing supervision in daily operations to promptly address running, bubbling, dripping, and leaks so as to improve water use efficiency. To support refined control, the Company has installed metering instruments and implemented daily monitoring records and a monthly analysis mechanism to ensure the traceability of water use and manage water use conditions in a data-driven manner. In 2025, all bases actively implemented the Company's requirements for the "four-meter monitoring" initiative. Relying on the warning function of the new energy management platform, they realized software warnings and closed-loop disposal through threshold settings for water use branch lines, effectively resolving leakage issues on the pipeline. Among them, Transmission SOTE has cumulatively identified 22 water use abnormalities and, together with administration, completed repairs of 20 water leakage points; Huzhou Equipment used acoustic leak detection technology to investigate leaks and found 12 leaks in the northern plant area, saving an average of RMB 50,000 in water charges per month after repairs; the Kunshan base identified 1 water leak point, reducing seepage by an average of 600 tonnes per month.

During the reporting period, SANY Heavy Industry did not record any issues in seeking access to applicable water sources.



### 2025 Water Resource Usage Data

Indicator		Unit	Data for 2025
Water resource usage	Municipal water supply	tonnes	3,946,162.73



## Packaging Material Management

SANY Heavy Industry regards product packaging as an important process in promoting resource efficiency improvement and reducing environmental impact. Adhering to the principle of "eco-design and recycling first," we systematically promote the greening, reduction, and recycling of packaging materials. At present, through a series of initiatives such as optimizing packaging design, promoting renewable and recyclable materials, and establishing a closed-loop recycling system, we are continuously reducing disposable packaging consumption and improving resource utilization efficiency. We will continue to deepen collaborative innovation with partners, actively explore intelligent and standardized green packaging solutions, and build a green supply chain.

### 2025 Packaging Material Usage Data

Indicators	Unit	Data for 2025
Total	tonnes	86,998.54
Metal (Aluminum Alloy Packaging Boxes)	tonnes	78,893.04
Plastic (Plastic Sheets)	tonnes	293.47
Composite materials (Plywood)	tonnes	3,669.69
Paper (Pulp Boards)	tonnes	1,769.91
Others	tonnes	2,372.43



## Green Industrial Parks

In the practice of environmental management and sustainable development, the Company has always taken "green, low-carbon initiatives" as its core orientation and, driven by the dual engines of "digitalization empowerment" and "initiatives in practice," has built an environmentally friendly system covering all operational scenarios across its industrial parks.

In 2025, four subsidiaries of SANY Heavy Industry—Hunan SANY Medium Lifting Machinery Co., Ltd., SANY Heavy Machinery (Chongqing) Co., Ltd., SANY Heavy Machinery Co., Ltd., and SANY Special Vehicle Co., Ltd.—were certified as provincial-level "Green Factories", bringing the cumulative total to seven certified "Green Factory" entities.



### Green Office

SANY Heavy Industry adheres to green living and production, has formulated the *Non-Production Area Energy Consumption Management System*, clarified the regulatory requirements and responsibility boundaries for energy and resource management in non-production areas, and provides institutional safeguards for building a circular economy, reducing the ecological burden, and creating a low-carbon, environmentally friendly, and sustainable working and living environment.

In 2025, the Company adhered to the principle of "full-scenario coverage and multidimensional efforts" in its energy conservation and emission reduction practices, with integrating green production and lifestyle into operations as the core, building an emission reduction system with clear layers and effective implementation ranging from day-to-day conservation details and hardware upgrades and optimization to intelligent control and monitoring, thereby driving the coordinated improvement of environmental benefits and operational efficiency. In 2025, the Company's energy consumption in non-production areas decreased by 14% year-on-year.

### Green Office Initiatives in 2025

#### Paperless Office and Resource Efficiency

With the goal of "integrating green lifestyles into all operational scenarios," the Company comprehensively practices its culture of environmental protection by promoting paperless office and shared workstations; implementing time-based lighting controls in public areas and dynamically adjusting air-conditioning temperatures according to ambient temperature; and launching "Clean Plate Campaign" to eliminate food waste.

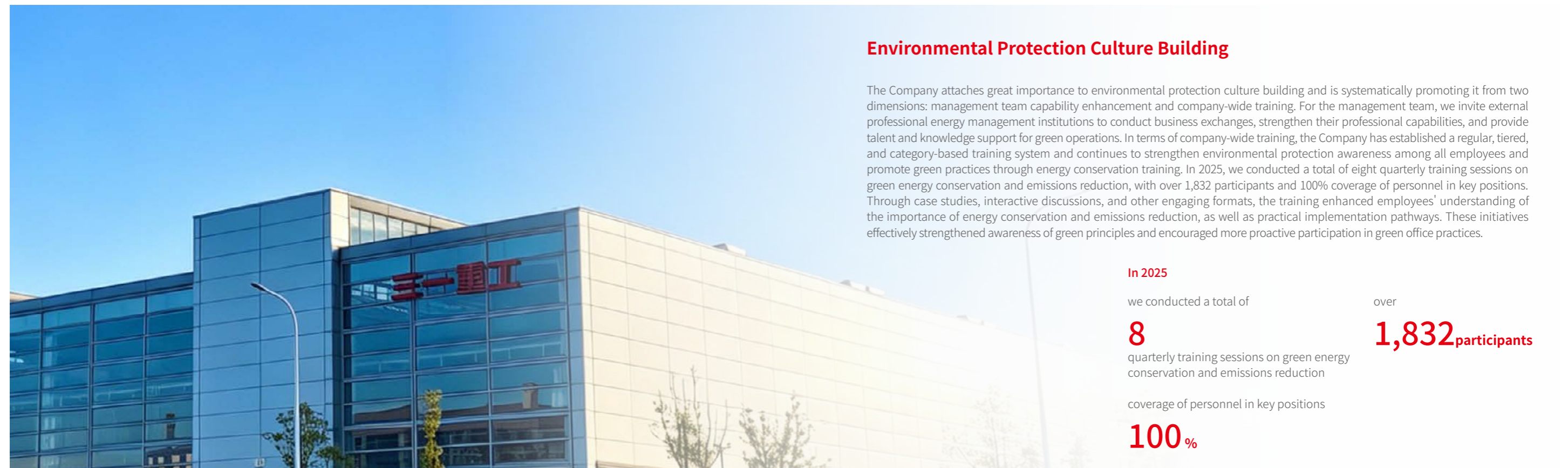
#### Monitoring Optimization and Inspection-Based Corrective Actions

**Energy use monitoring and inspection-based corrective actions:** Through measures such as energy use inspections (supervising and assessing water, electricity, gas, heating, and wastewater discharge; analyzing abnormal areas; formulating control measures; and assigning responsibility for corrective actions), silent screening, grid inspections, and enclosed office areas, we cumulatively identified and rectified 2,036 issues in 2025.

#### Energy Conservation Retrofitting and Equipment Upgrades

**Clean energy use:** strengthen the application of clean energy in the production area and office areas.

**Integration of energy-saving equipment and digitalization deployment:** We integrated 18 categories of energy-saving equipment, including dishwasher heat recovery systems, solar light strips, and stove retrofits (covering 33 industrial parks). After integration, the total power consumption of the equipment decreased by 11% (with average daily total power consumption dropping from 34,920 kWh to 30,772 kWh, a reduction of 4,148 kWh). At the same time, we deployed digitalization equipment such as solar street lamps, LED energy-saving lamps, sound-activated lights, and smart meters to enable precise control of energy use.



## Environmental Protection Culture Building

The Company attaches great importance to environmental protection culture building and is systematically promoting it from two dimensions: management team capability enhancement and company-wide training. For the management team, we invite external professional energy management institutions to conduct business exchanges, strengthen their professional capabilities, and provide talent and knowledge support for green operations. In terms of company-wide training, the Company has established a regular, tiered, and category-based training system and continues to strengthen environmental protection awareness among all employees and promote green practices through energy conservation training. In 2025, we conducted a total of eight quarterly training sessions on green energy conservation and emissions reduction, with over 1,832 participants and 100% coverage of personnel in key positions. Through case studies, interactive discussions, and other engaging formats, the training enhanced employees' understanding of the importance of energy conservation and emissions reduction, as well as practical implementation pathways. These initiatives effectively strengthened awareness of green principles and encouraged more proactive participation in green office practices.

In 2025

we conducted a total of

**8**

quarterly training sessions on green energy conservation and emissions reduction

coverage of personnel in key positions

**100%**

over

**1,832** participants

# 04

## Developing a People-Centered Culture to Foster First-Class Talent

Adhering to the people-centered philosophy, SANY Heavy Industry has systematically built a framework of care, support, and development that covers employees' entire career lifecycle. On the basis of fully safeguarding employees' legitimate rights and interests, we provide systematic training and fair promotion opportunities, and promote employees' growth together with the enterprise through a rich variety of cultural and sports activities. At the same time, we continue to focus on employees' safety and health and are committed to fostering a positive, healthy, and warm work environment.

- Compliant Employment
- Talent Development
- Employee Benefits
- Health and Safety



# Compliant Employment

SANY Heavy Industry places compliant employment in an important position in its corporate development, strictly observes national laws and regulations and international labor standards, and adheres to the principle of fair employment. We actively nurture a diverse and inclusive work environment and effectively safeguard employee rights.

## Fair Employment

SANY Heavy Industry strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other applicable laws and regulations; observes the core conventions of the International Labor Organization; and continues to advance the implementation of the *Code of Ethics and Business Conduct for Employees*, so as to safeguard the legitimate rights and interests of every employee and prohibit all forms of employment discrimination, forced labor, and child labor.

During the recruitment process, the Company has established a dedicated review mechanism to conduct background verification on candidates and ensure that no child labor or forced labor exists in any form. We prohibit all forms of workplace discrimination, harassment, and violence, and protect employees' personal information through the issuance of the *Data Platform Privacy Policy*. At the same time, the Company clearly stipulates compensation and benefits, working hours and leave, and overtime compensation in its policies, so as to safeguard employees' legitimate rights and interests in all respects.

In 2025

SANY Heavy Industry's labor contract signing rate was **100%**, and the Company had **no** major labor disputes, strikes, or major layoffs in **the past three years**.

## Diversified Teams

SANY Heavy Industry attaches great importance to the introduction and cultivation of talent, attracting exceptional talents from diversified backgrounds to join the Company through multiple channels, including online promotional events, public information platforms, and offline job fairs. We are committed to fostering an equal and diversified work environment, respecting differences in gender, ethnic groups, age, nationality, and other aspects, and actively responding to the needs of employees from different backgrounds.

As of the end of the reporting period

The Company's employees came from more than

**40** ethnic minorities

Female employees

**3,804**

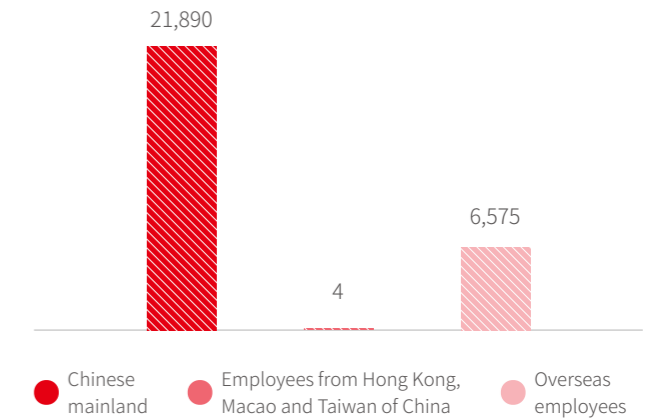
Women accounted for

**14.3%** of the senior management team

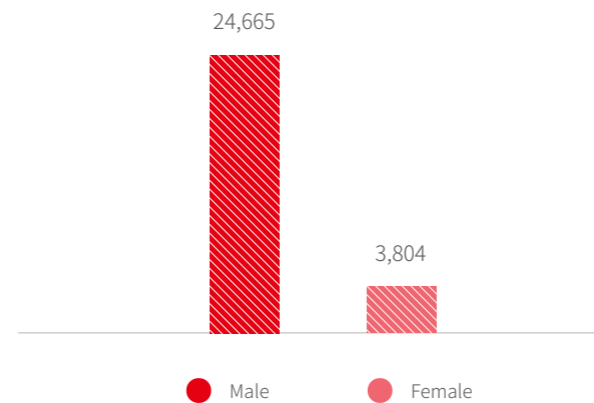
### Employee Performance in 2025



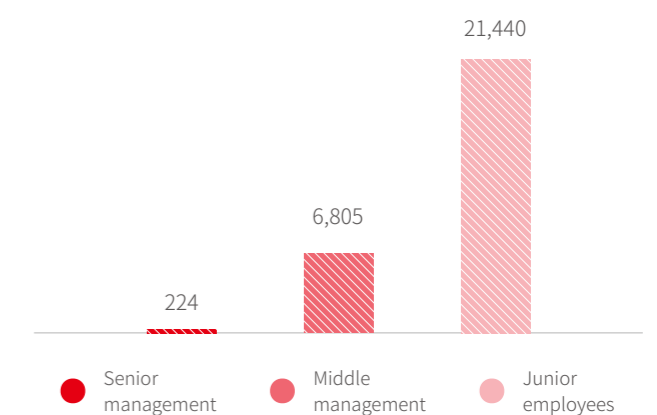
### Number of employees by region



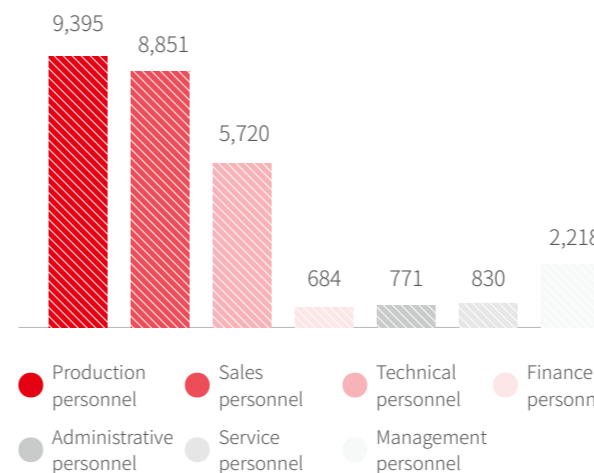
### Number of employees by gender



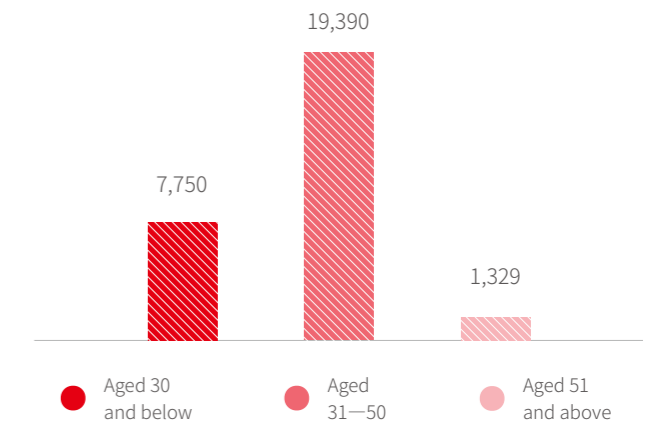
### Number of employees by rank



### Number of employees by role type



### Number of employees by age

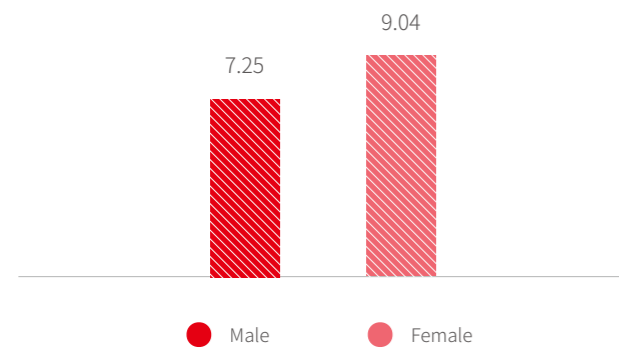


The Company actively builds a globally integrated human resources management system and, in line with the laws, regulations, and cultural environments of different countries and regions, has systematically prepared and issued the *Local Employee Human Resources Manual* covering 26 countries and the *Employee Handbook* covering 25 countries, providing systematic guidelines for the standardized management and cultural integration of overseas employees.

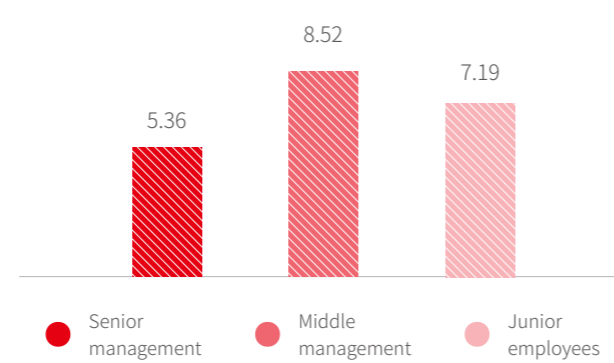
While advancing diversified development, the Company continues to conduct systematic analysis of employee turnover and, based on the results, continuously optimizes the human resources management system. By strengthening employee care, improving training mechanisms, and implementing targeted incentives, it continually enhances talent retention effectiveness and team cohesion.

### Employee Turnover of SANY Heavy Industry

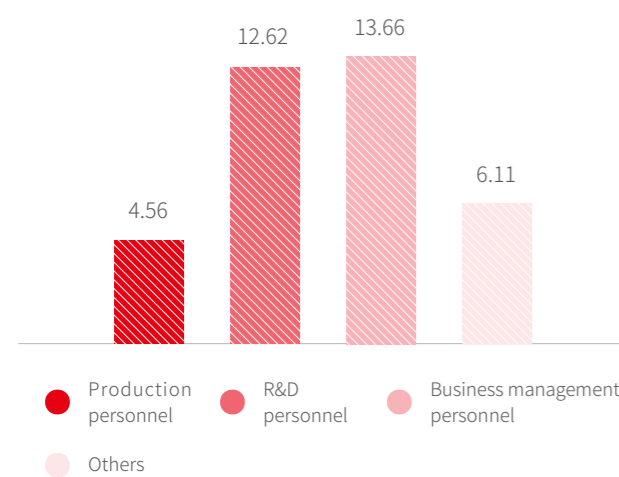
Employee turnover rate by gender (%)



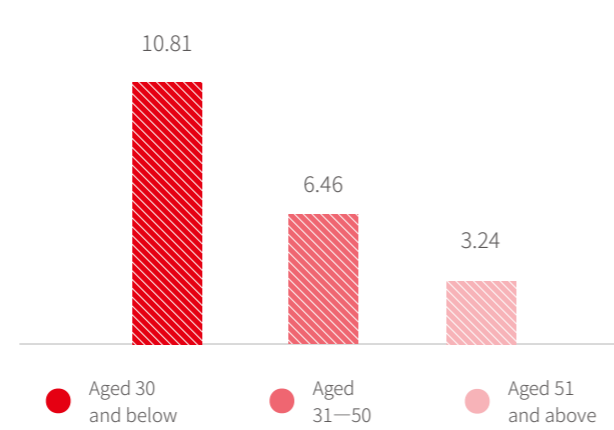
Employee turnover rate by job level (%)



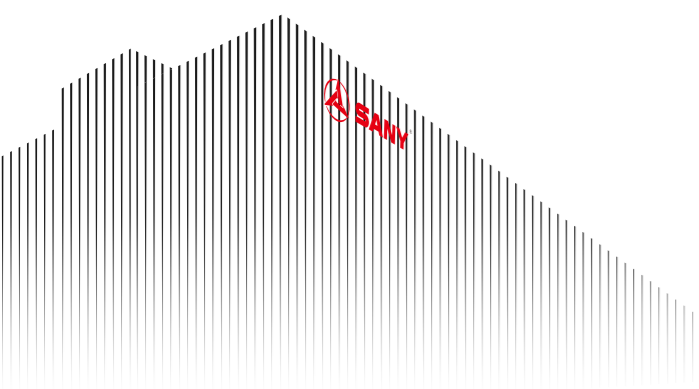
Employee turnover rate by role type (%)



Employee turnover rate by age (%)



Employee turnover rate by region (%)



## Talent Development

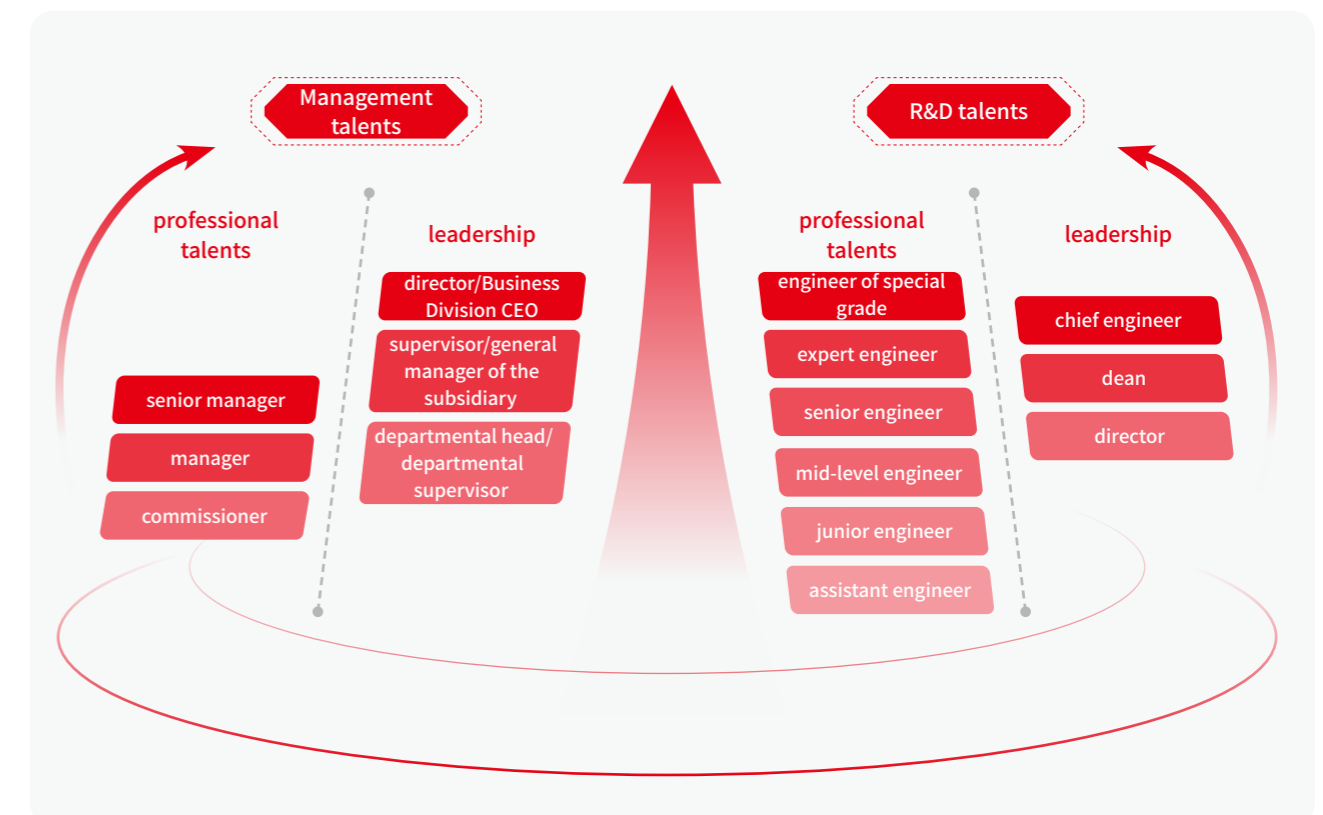
SANY Heavy Industry regards talent as a core driver of enterprise development. By building a systematic training system, fair promotion mechanisms, diversified compensation and benefits, and efficient performance assessments, the Company fully unlocks employees' potential and supports employees in achieving their individual career development.

### Employee Promotion

SANY Heavy Industry adheres to fair and impartial promotion principles, adopts a performance- and capability-oriented approach, and is committed to providing each employee with a broad development platform and equal promotion opportunities to support the achievement of their career goals.

The Company has formulated and continuously improved a series of management protocols, including the *Management Personnel Rank Management System*, the *Cadre Management System*, *The Policy of SANY Heavy Industry Career Promotion Channels*, the *Promotion Management Standards*, and the *Provisional Rules for the Talent Development Committee*, thereby establishing a talent development mechanism covering all levels and sequences. In 2025, the Company further promoted the Phase II Talent Management Transformation project, with a focus on advancing the global deployment of the talent development committee, optimizing succession planning and the specialist management system, and completing succession review and talent backup for more than 1,100 cadre positions.

#### SANY Heavy Industry Career Promotion Channels



## Compensation and Benefits

SANY Heavy Industry is committed to establishing a fair, equitable, and market-competitive compensation and benefits incentive system and, through diversified incentive methods, fully stimulating employees' enthusiasm and creativity to achieve mutual success and shared progress for employees and the enterprise.

The Company continues to optimize its compensation incentive mechanisms, building a tiered compensation system covering all employees and creating a floating incentive model that combines short-term performance incentives plus medium-to-long-term equity binding. Based on job grade and performance assessment results, we differentiate the design of annual performance bonuses and implement medium- to long- term incentive plans equivalent to annual bonuses for key technical positions, core R&D personnel, business management talents, and core international business personnel. In addition, the Company implements a preferential salary adjustment policy for outstanding graduates from previous years and promotes high-performing heads of frontline production and technology units to the cadre level, enabling them to enjoy corresponding remuneration packages and further motivating key grassroots personnel.

### 2025 Employee Stock Ownership Plan

Adhering to the philosophy of long-termism, SANY Heavy Industry has steadily advanced the employee stock ownership plan to share development achievements with employees.

In 2025, the Company granted a total incentive amount of approximately

**RMB 523 million**  
to 5,382 employees

In accordance with the established vesting arrangements, the Company carried out phased vesting of medium- and long-term incentives granted in previous years, with the cumulative vested amount<sup>14</sup> for the year reaching

**RMB 332 million**

## Performance Assessments

SANY Heavy Industry adheres to the orientation of "high performance, high standards and high demands" and continues to promote a dual-dimensional performance management system centered on results and process. The Company has formulated and improved the *Performance Management System*, implemented differentiated assessments by tier and category, established a four-tier standard for position-based performance bonuses, and innovatively applied the "Dual Flywheel"<sup>15</sup> assessment approach for management employees engaged in business management.

In 2025, the Company optimized the performance management system by setting clear performance targets for all managers and incorporating ESG-related indicators into the assessments of the management. Their performance achievement directly determines the annual appraisal rating and is linked to compensation, effectively advancing the implementation of sustainable development targets.

The Company has established a performance management system for employees in different positions and at different levels, and has set tiered standards for annual performance bonuses based on differences in position level and value contributions. At present, performance assessments cover all employees. In addition, the Company has established special incentive plans for pivotal roles in domestic business, overseas operations, R&D, commerce, and manufacturing, including incremental profit sharing, innovation achievement awards, and cost reduction commissions, so as to fully unleash employees' potential and promote the coordinated development of organizational strategy and individual performance.

<sup>14</sup> The unlocking has been implemented in accordance with the 50% ratio stipulated in the equity-salary system, excluding the portion not distributed due to employee resignation or personal integrity issues.

<sup>15</sup> Dual Flywheel: The performance appraisal program implemented for management includes the performance flywheel and the long-term capability flywheel.

## Training and Development

SANY Heavy Industry has always regarded employee development as a core pillar supporting the development of the enterprise, and continuously improves its training and development system to build a systematic and professional growth platform for employees. The Company has formulated and implemented a series of foundational management protocols, including the *Training Management System*, the *Curriculum Development Management Measures*, and the *Training Points Management Regulations*. In 2025, the Company optimized and updated the *Administrative Measures for Induction Training* and the *Curriculum Development Management Measures*, and formulated the *Administrative Measures for Sponsoring Outstanding Employees for Further Study*, providing more comprehensive institutional safeguards for employees' career development.

The Company's training system covers all full-time employees. For part-time employees and contract workers, the Company provides necessary onboarding training, safety protocols, and skills training based on the nature of their positions, ensuring that they are qualified for their roles and comply with the Company's standards. The coverage rate of the training system reached 100%.

Building on the foundation of systematic institutional development, the Company has systematically established a differentiated development system covering domestic, overseas, and key core positions based on the development needs of critical talents. In 2025, it carried out multi-level specialized training programs focused on core business processes transformation, cadre pipeline development, professional skills enhancement, and the cultivation of emerging talent, covering more than 13,000 person-times throughout the year and continually enhancing the professional capabilities and leadership capabilities of talent at all levels.

### SANY Heavy Industry's Talent Training System

#### Domestic Training

Guided by manager appointment and talent assessment, the Company has built a holistic, product-focused training approach covering business management, R&D, marketing, processes, manufacturing, quality assurance, commerce, finance, and HR, systematically improving employees' general and specialized skills.

#### Overseas Training

Based on expatriation assessment and follow-up support, the Company provides comprehensive training for five categories of critical talents across dimensions such as basic knowledge training, risk management, language proficiency, and professional development, so as to enhance their overseas business expansion capabilities and front-line operational skills.

#### Key and Core Position Training

Through differentiated development arranged by level domestically and by role overseas, the Company strengthens core job skills, understanding of business processes, and cross-cultural leadership capabilities to support strategy execution and enhance organizational capabilities.

### 2025 SANY Heavy Industry Employee Training Performance

In 2025

Professional skills training courses conducted

**4,841 sessions**

Number of employees trained

**26,932 persons**

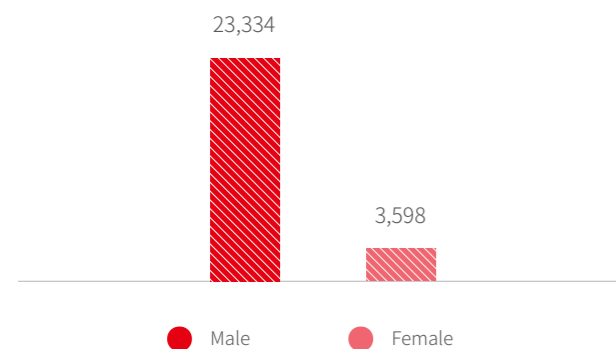
Training participation reached

**31,717 person-times**

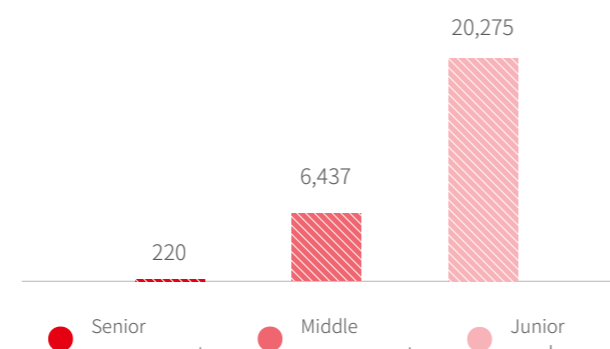
### 2025 SANY Heavy Industry Employee Training Performance



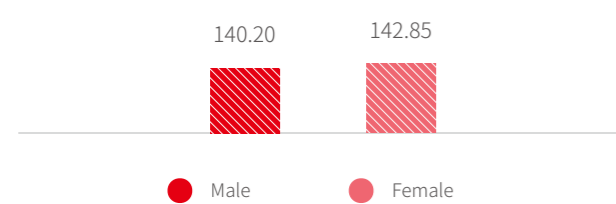
Number of employees trained by gender



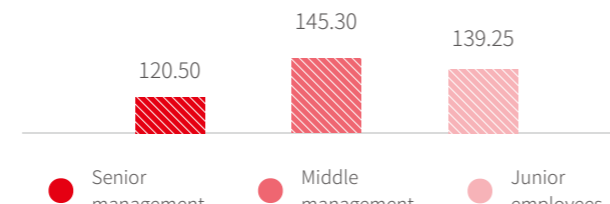
Number of employees trained by job level



Number of hours of training per employee by gender



Number of hours of training per employee by job level



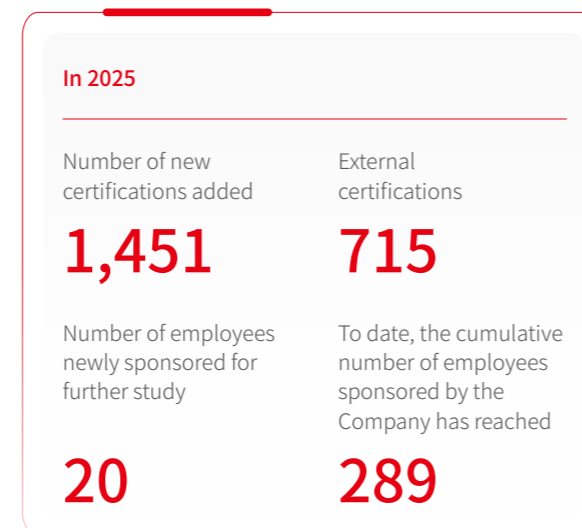
### Education Degree Support

To comprehensively enhance employees' professional competence and professionalism, and to align with authoritative professional certifications recognized by the industry, the nation, and even globally, the Company has formulated and continuously improved the *Professional Certification Management Measures* to guide employees in enhancing their professional capabilities through self-directed learning and certification examinations, nurture a learning organization, and reimburse exam fees for employees who obtain professional certifications. This policy applies to all full-time permanent employees.

By the end of 2025, about 6,200 employees had external certification-related needs over the preceding three years, among which a total of 4,772 employees obtained certification. Among those certified, 3,267 achieved their credentials while actively employed by the company, of whom 2,384 received examination fee reimbursement, representing a reimbursement rate of approximately 73%.

The Company has formulated the *Administrative Measures for Sponsoring Outstanding Employees for Further Study* to support outstanding employees in pursuing further studies at higher education institutions and obtaining higher-level academic degrees, so as to enhance job competence and development potential.

### Highlights



## Employee Benefits

SANY Heavy Industry is committed to building a comprehensive and competitive employee benefits system. On the basis of strict compliance with national laws and regulations and full contribution to the mandatory five social insurance and one housing fund, the Company continues to enrich non-salary benefits and has formulated the *Employee Benefits Management System*, systematically providing diversified benefits centered on health care and life support to effectively enhance employees' sense of well-being and organizational identity, strengthen corporate cohesion, and reinforce the driving force for sustainable development.

### SANY Heavy Industry Employee Benefits System in 2025<sup>16</sup>

Benefits Category	Specific Content
Major life affair benefits	When major personal events occur, such as birthdays, marriage, childbirth, funerals, or serious illnesses involving the employee or the employee's immediate family members, the employee may independently apply for congratulatory or condolence payments.
Paid leave on March 1st	In addition to providing paid annual leave, the Company grants employees one extra day of paid leave on March 1 each year.
Festival gifts	In accordance with the <i>Festival Materials Distribution Standards</i> , the Company distributes holiday gifts to employees ahead of traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival.
Meal subsidies or free restaurant	In accordance with the <i>High Position Restaurant Dining Management Measures</i> , the Company provides free dining services to eligible employees and a monthly meal subsidy to all employees each month. It also pays attention to ethnic minority employees by providing halal food.
Allowances	The Company provides allowances for business travel and expatriate employees, including overseas allowances, expatriate allowances, and travel subsidies.
Health care safeguard	The Company has established emergency channels with multiple hospitals, equipped the industrial parks with AEDs and other devices, and partnered with International SOS to provide global rescue.
Support through specialized facilities	The industrial parks are equipped with nursing rooms and employee lounges. Nap areas, professional work attire, and necessary protective equipment are provided for frontline positions, and convenient facilities such as electric vehicle charging stations are also available within the industrial parks.
Convenient life services	The Company partners with hundreds of merchants to provide exclusive discounts and assists employees in addressing their children's school enrollment needs.
Accommodation and commuting	In accordance with the <i>Employee Housing Management Measures</i> , the Company provides fully furnished employee apartments in multiple locations that are ready for immediate occupancy. The Company provides shuttle services for commuting to industrial parks, special vehicles for returning home during the Spring Festival, a platform for business travel transportation, and wedding vehicle services.
Family-friendly support	The Company provides paid parental leave for employees with young children. For children under the age of three, employees are entitled to 5 to 10 days of fully paid parental leave per year, in accordance with the applicable policies of their respective regions. In addition to statutory parental leave required by national law, the Company provides more flexible support for handling family matters, pilots flexible working hours and part-time work models, regularly organizes parent-child activities, and helps employees balance work and family.
Clothing and material benefits	In accordance with the <i>Work Clothing Management Measures</i> , the Company provides all employees with free work attire and custom suits. High-quality necessary protective equipment is regularly distributed to frontline employees, and a variety of welfare materials are made available for purchase through an internal platform.

<sup>16</sup> Note: Except for employee housing, which is subject to application based on the employee's work location, all other benefits are available to all employees, including full-time staff and long-term outsourced personnel.

## Employee Care

SANY Heavy Industry has established a normalized employee care mechanism that includes support for employees in need and recreational activities, to enhance employees' sense of belonging and organizational cohesion. In 2025, the Company conducted a cumulative total of 139 employee care initiatives, with a total investment of over RMB 10.59 million.

### Support for employees in need

The Company has established a sound employee support mechanism. In 2025, the Company provided assistance to a cumulative total of 407 employees facing hardship, distributing RMB 550,000 in relief funds to help them address practical difficulties in their daily lives. In addition, the company collaborated with internal CPC Party-affiliated public welfare organizations, trade unions, and the Communist Youth League to establish a one-stop employee services platform, continuously improving the effectiveness and responsiveness of employee support.

### Featured cultural activities

In 2025, the Company organized 902 cultural and sports activities in a rich variety of forms throughout the year, covering holiday celebrations, parent-child activities, cultural and sports competitions, free traditional Chinese medicine consultations, employee wedding banquets, and singles networking events. At the same time, the Company regularly conducted mental health lectures and workplace stress management activities to help employees balance work and life.

#### Case | "Little Migratory Birds" Employee Parent-Child Activity

In 2025, the Company organized the "Little Migratory Birds" parent-child activity for employees, a program that brought together a Peking University alumni experience-sharing session with a series of hands-on social practice activities. Through role-model guidance and interactive experiences, the initiative broadened the horizons of employees' children, enriched their summer lives, and reflected the company's genuine care and support for the families and next-generation development of its workforce.



Group photo from the 2025 "Little Migratory Birds" Employee Parent-Child Activity

#### Case | Employee Sports League

The Company hosted an employee sports league featuring a range of competitive events including basketball and tug-of-war. The league drew enthusiastic participation from 18 teams and hundreds of employees across the group's various business divisions, functional headquarters, and subsidiaries. Through the spirit of athletic competition, the event strengthened team cohesion and fostered a healthy, vibrant, and positive corporate culture.



Group photo from the 2025 Employee Sports League

## Employee Communication

SANY Heavy Industry has established a sound system of workers and staff congress and labor unions to effectively uphold workers' rights to information, participation, expression, and supervision, while continuously safeguarding employees' rights and interests in collective consultation. The Company attaches great importance to communication and exchanges with employees and has established multiple management protocols, including the *Rationalization Proposal Management Standard* and the *Chairman's Mailbox Complaint Management System*. It has also set up a working team for internal coordinated governance, built a coordination platform, and established the Chairman's Mailbox and Drip Mailbox to systematically carry out the management of employee suggestions and opinions. Meanwhile, the Company has formulated the *Suggestion/Complaint Management Measures for Overseas Employees*, further improving the communication mechanism for employees under globalization.

### 2025 Employee Communication Measures

Scope of Coverage	Specific Measures
All employees	<ul style="list-style-type: none"> <li>Regularly organize employee symposiums, continuously operate online platforms such as the "Voice Community," respond promptly to employee needs through multiple channels, and safeguard employees' legitimate rights and interests in accordance with the law.</li> <li>Conduct monthly service satisfaction questionnaire surveys covering six major modules: dining, accommodation, office environment, shuttle services, administrative digital systems, and administrative activities.</li> </ul>
Overseas business	<ul style="list-style-type: none"> <li>By organizing regular meetings, annual conferences, cultural workshops, and other activities, the Company systematically carries out cross-cultural communication and team building to promote understanding, mutual trust, and efficient collaboration among employees from different cultural backgrounds globally.</li> </ul>

SANY Heavy Industry attaches great importance to employees' experience and perceptions in both work and life. Each year, the Company conducts a comprehensive survey centered on employees' service experience, covering four major modules: accommodation, dining, office environment, and security and access, with the aim of providing employees with higher-quality and more people-oriented service support. In 2025, the overall score for the employee service satisfaction assessment was 95.75. This survey adopted a multi-dimensional coverage mechanism, collecting over 60,000<sup>17</sup> valid evaluations and achieving full coverage of all current employees.



<sup>17</sup> The company conducts multiple questionnaire surveys throughout the year.

# Health and Safety

SANY Heavy Industry consistently adheres to the occupational health and safety policy of putting people first, putting prevention first, prioritizes the health and safety of employees, suppliers, and other stakeholders, and, through systematic initiatives such as strengthening safety risk management, improving the health monitoring mechanism, providing adequate safety protection equipment, and enhancing safety training and education, comprehensively builds and continues to optimize the occupational health and safety management system, thereby laying a solid safety foundation for the Company's sustainable operations.

## Health and Safety Management

SANY Heavy Industry strictly complies with the *Law of the People's Republic of China on Work Safety* and other relevant laws, regulations, and international conventions, and has established a health and safety management system centered on the *HSE Management Manual*, the *HSE<sup>18</sup> Reward and Punishment System*, and the *Occupational Disease Prevention and Control Management System*. This system and related management protocols and policies cover all of the Company's operational scope and business units, ensuring that all manufacturing bases, R&D centers, and office locations globally follow unified and standardized health and safety management standards.

In 2025, the Company revised and issued a series of manuals and management processes covering team safety, necessary protective equipment, HSE rewards and penalties, and HSE and 6S<sup>18</sup> management, comprehensively standardizing the management of special equipment, confined space operations, and on-site production standards, and systematically enhancing safety levels in work areas and capabilities in risk prevention.

### Highlights

**In 2025**

Among SANY Heavy Industry's 22 main machine and parts manufacturing subsidiaries, a total of

**10 subsidiaries**

passed external reviews and obtained the ISO 45001 occupational health and safety management system certification

In addition, nine businesses, including Ningxiang Heavy Lifting, Huzhou Heavy Lifting, SOTE Drive, Huzhou Loader, Zhongxing, Shaoyang Commercial Vehicle, Lingang Heavy Machinery, and Kunshan Heavy Machinery, passed the annual third-party surveillance audits for ISO 45001/14001.

Representing a certification coverage rate of

**45.45%**

The Company has established a health and safety governance structure with clearly defined powers and responsibilities. The Sustainability Committee under the Board is responsible for overseeing the overall H&S strategy and performance, the general manager assumes ultimate management responsibility, and the intelligent manufacturing management department (with HSE functions) has been designated as the dedicated execution body responsible for the implementation and supervision of daily management.

To ensure the effective implementation of the above strategy, the Company has systematically established a management system for health and safety performance objectives. This system covers key indicators such as the thousand-person injury rate and the incidence rate of occupational diseases, and also incorporates contractors' performance. Coordinated by the Intelligent Manufacturing Headquarters-HSE Management Office, the system is implemented on the front line of operations by the HSE offices of each business unit. Performance results are directly linked to the compensation of responsible persons at all levels, including senior executives, and accountability is further strengthened through a regular review mechanism.

<sup>18</sup> HSE Management System: Refer to Section 3.2 Environmental Management in Chapter 3 of this report.

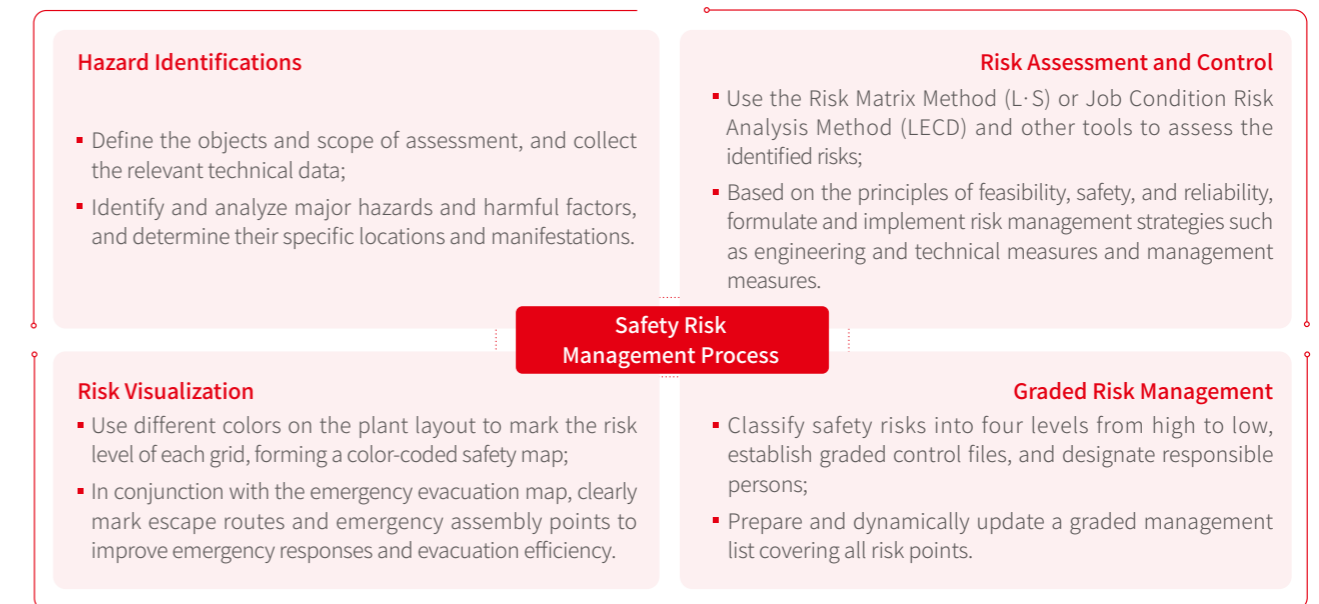
### Health and Safety Targets and Performance

Indicator	Targets	Target Performance
Thousand-person injury rate <sup>19</sup>	< 1.53‰	1.33‰
Completion rate of three-level safety education training	100%	100%
The number of occupational disease cases	/	0
Occupational health examination compliance	/	100%

### Health and Safety Performance in 2023-2025

	Unit	2023	2024	2025
Occupational health and safety incidents	case	32	69	37
Occupational health and safety incident rate	%	0.12	0.29	0.13
Occupational disease	case	0	0	0
Thousand-person injury rate	‰	2	1.78	1.33

SANY Heavy Industry has established a systematic safety risk management system. In accordance with the *Safety Risk Identification and Graded Control System*, the Company has built an organizational structure centered on the safety leadership team, clarifying the rating standards and control requirements from low risks to major risks, with a focus on strengthening the identification, assessment, and dynamic control of major risks. By implementing a whole-process management mechanism covering hazard identifications, risk assessments and control, graded risk management, and risk visualization, the Company continuously strengthens its capacity to prevent production safety risks.



In stakeholder safety management, the Company has established the *Stakeholder Safety Management System* to regulate the conduct of stakeholders within the Company's operating areas. By signing the *5S+ Safety Management Agreement*, stakeholders are required to comply with health, safety, and environmental standards in order to reduce potential risks during operations. The Company implements whole-process safety management for stakeholders, including pre-entry basic safety training, regular inspections and hazard identifications by business units, on-site supervision of high-risk operations, and regular safety coordination meetings. In addition, the Company has innovatively applied a digital information platform to record and track stakeholders' safety data throughout the entire process, thereby systematically managing the safety risks of the supply chain.

<sup>19</sup> Thousand-Person Injury Rate (‰): Calculated as (Number of work-related injury cases / Total number of employees) × 1,000. The number of work-related injury cases refers to the sum of minor injuries, severe injuries, and fatalities caused by work.

## Stakeholder Health and Safety Assurance Measures



### Employees

- Ensure that all short-term contract workers, temporary staff, and interns sign employment contracts and complete tiered safety training;
- Personnel engaged in specialized tasks and operators of special equipment must hold valid appropriate certifications before onboarding.



### Suppliers

- Require suppliers to provide safety education to their operational personnel and provide necessary labor protection supplies;
- Clarify suppliers' safety responsibilities and enter into the *5S+ Safety Management Agreement and Assessment Rules*, with a signing rate of 100%.



### Project Contractors

- Conduct qualification reviews to ensure that certified operators for specialized tasks and equipment are mandatory;
- Require strict compliance with the Company's safety, environmental protection, and fire safety protocols, and participation in corresponding health and safety training.



### Leasing Units

- Verify all necessary qualifications;
- Inform them of potential hazards on the leased premises and the Company's safety, environmental protection, and fire safety management protocols.



### Permanent Stakeholders

- Incorporate them into the Company's unified safety management system and regularly carry out safety education and periodic safety audits.



### Official/ Government Personnel

- The corresponding reception department is responsible for providing safety briefings and necessary training.

## Occupational Health

SANY Heavy Industry has established a comprehensive occupational health safeguard system covering occupational disease prevention, standardized operations, risk identifications, safe workplace development, labor protection, and health surveillance, effectively preventing occupational health risks. In 2025, all affiliated businesses strictly complied with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and the *Provisions on Occupational Health Management in the Workplace*, carried out monitoring of occupational hazards, and arranged for employees in frontline positions exposed to occupational hazards to undergo occupational health examinations before onboarding, during employment, and upon departure in accordance with regulations. Throughout the year, no excessive occupational hazards or occupational contraindications were identified. Meanwhile, the Company also paid close attention to employees' mental health by providing free psychological support to all employees, helping them properly cope with pressures and emotional challenges in work and life, and comprehensively safeguarding employees' physical and mental health.

## Occupational Health and Safety Assurance Measures

### Occupational Disease Prevention

For new, altered, or expanded projects, the Company strictly implements the occupational health "simultaneous consideration"<sup>20</sup> protocols and carries out the design, assessment, and acceptance of occupational disease protection facilities.

### Standard Operational Protocols

Employees are required to strictly observe labor discipline, safety regulations, and safety operating procedures.

### Health and Safety Risk Assessments

Risk assessments are conducted by trained specialized teams, with employees or their representatives participating in the assessment process, and it is explicitly stipulated that employees have the right to refuse work that endangers life or health.

### Provision of a Safe Environment

The Company provides employees with a healthy and safe workplace and living environment, ensuring that drinking water, sanitation, fire protection, lighting, and ventilation at the workplace meet legal standards, and continuously reducing environmental risks on the basis of compliance.

### Safety Equipment Provision

Based on job characteristics and working conditions, the Company provides employees with labor protection supplies that meet national standards.

### Health Screenings

The Company regularly organizes health screenings, provides employees exposed to occupational hazards with occupational health examinations before, during, and after employment, and establishes individual health records for each person.

### Psychological Support

The Company implements the Employee Assistance Program (EAP) and engages specialized institutions to provide employees with psychological consultation and counseling services.

<sup>20</sup> Three Simultaneities: Occupational health protection measures shall be designed, constructed, and put into production and use simultaneously.

## Safety Culture Development

SANY Heavy Industry regards employees' safety awareness and skills as the core process for safeguarding safe production, continually improves its training system, and continually enhances the entire workforce's safety competence and risk prevention capabilities through a combination of assessment and incentive mechanisms, thereby effectively strengthening the defense for safe production.

### Emergency Drills

In accordance with the *Emergency Preparedness and Response Management System*, the Company has systematically established an emergency management mechanism covering risk identifications, territorial management, integrated coordination, and dynamic management. In light of different types of accidents and the characteristics of various workplaces, the Company has formulated corresponding special emergency plans and on-site response plans to ensure that emergency responses are scientific and efficient. At the same time, the Company continues to strengthen emergency supply reserves and building teams, and regularly organizes emergency drills, including one comprehensive plan drill and one special drill each year, as well as one on-site response plan drill every six months, effectively enhancing the emergency capabilities of all employees and preventing, mitigating, and controlling the harm caused by unexpected incidents to the greatest extent possible.

#### Case | Fire Emergency Evacuation Drill

In 2025, SANY Heavy Industry actively carried out themed safety awareness initiatives such as "Work Safety Month" and "Fire Safety Day," while organizing extensive emergency drills across its business units. Among them, SANY Pump & Road Machinery Lianyuan Company conducted a fire emergency evacuation drill that simulated real-life fire scenarios, systematically testing the effectiveness of emergency response plans, the responsiveness of emergency teams, and employees' evacuation and self-rescue capabilities. Throughout the year, the Company conducted a total of 44 emergency drills for various safety incidents. These initiatives not only enhanced employees' emergency preparedness and safety awareness, but also received recognition from local government authorities.



On-Site Fire Emergency Evacuation Drill at Hunan Sanyi Huayuan Machinery Co., Ltd. in 2025

#### Case | "Work Safety Month" Campaign

During the 24th National "Work Safety Month," the Chairman personally directed and deployed the initiative, with the requirements of "enhanced planning, high-standard execution, and comprehensive coverage." All 35 industrial parks across the Group actively responded to the national call and organized a themed campaign — "Everyone Talks Safety, Everyone Knows Emergency Response: Identifying Safety Hazards Around Us." A series of activities covering the entire value chain were carried out, including diversified training sessions, emergency drills, and safety awareness programs. A total of 107 sub-venues nationwide simultaneously launched the "Safety Commitment Wall," further strengthening safety awareness among all employees and reinforcing a solid safety foundation for the Company's high-quality development.



"Work Safety Month" Campaign

## Safety Training

In 2025, the Company continued to optimize its safety training system and carried out health and safety training in various forms, including three-level safety training, HSE special training, pre-shift safety meetings, safety training on the "Four New" (new processes, technologies, equipment, and materials), and safety training for work resumption and job transfer. During the year, it organized 202,837 participants in health and safety-related training, with cumulative training hours reaching 365,478 hours<sup>21</sup>. At the same time, the Company organized work safety responsibility exams, reaching 25,000 participants, with a passing rate of 100%; all personnel who did not pass were arranged for retraining and supplementary exams until they qualified.

### 2025 SANY Heavy Industry Safety Training

#### Internal

##### Onboarding Training

All employees must complete no less than 4 hours of onboarding safety special training and pass an exam.

##### Three-Level Safety Training

Across the Company, workshop, and team training levels, safety education totaling no less than 24 hours was carried out.

##### On-The-Job Safety Training

Annual safety training plans are formulated, and theme training is conducted every month, covering mechanical injuries, electrical safety, confined spaces, fire prevention, occupational health, and other topics.

#### External

##### Certification Training

Relying on the HSE digital platform, the Company has established and dynamically maintained a certification list to ensure that 100% of relevant personnel complete external training and obtain certification.

##### Expert Training

External experts, including local administrative law enforcement departments and members of safety expert pools, are invited to carry out safety and health topic training in diverse forms and with rich content.

<sup>21</sup> As the statistical criteria were adjusted and training implementation efforts were intensified this year, the relevant data has changed significantly compared to previous years.

# 05

## Giving Back to Society to Make First-Class Contributions

SANY Heavy Industry upholds the philosophy that national responsibility takes precedence over corporate profits, proactively assuming responsibility in areas such as philanthropy, rural revitalization, and social rescue, and conveying corporate warmth through diversified initiatives to demonstrate its sense of responsibility.

- Philanthropy
- Rural Revitalization
- Social Rescue



# Philanthropy

We have built a public welfare practices system guided by "scientific public welfare," transforming care into concrete social action and creating a positive cycle in which the Company and employees jointly promote social harmony and progress.

## Public Welfare Events

SANY Heavy Industry focuses on topics such as green, low-carbon initiatives and community co-development. Through a combination of cash donations and material donations, it maintains long-term cooperation with professional nonprofit organizations, with a focus on promoting flagship projects with broad impact, such as Tinker Education, venture philanthropy, and technical rescue. We have established employee volunteer mechanisms and carried out activities such as book donations for education and disability assistance through both online and offline platforms, continually enhancing employees' cohesion and the culture of public welfare. In 2025, the Company further promoted its public welfare initiatives toward diversified, specialized, and international development.

### Highlights

In 2025			
The Company donated approximately	Total over the years to more than	Organized a total of	Cumulative total of
<b>RMB 22.36 million</b> to various social welfare and public interest funds	<b>RMB 360 million</b>	<b>129 public welfare activities</b>	<b>5,964 volunteer hours</b>

The Company actively carried out ecological initiatives such as afforestation and wetland protection, and promoted daily environmental protection awareness campaigns such as "low-carbon step donations" and "idle markets." In 2025, the Company continued to organize parent-child nature education activities such as "SANY Nature Weekend." By integrating the distinctive features of industrial parks in different regions, it combined environmental protection education with family interaction to expand the impact of public welfare.

### Case | "Walk Together" Sports Charity Campaign

In September 2025, SANY Heavy Industry joined hands with WeChat Sports to launch the "Walk Together" sports charity campaign, bringing together 60 running groups nationwide, 3,200 employees, and members of the public to participate and practice a low-carbon philosophy through a healthy lifestyle. During the event, a cumulative total of 300 million steps was donated, which was converted into RMB 30,000 in public welfare funds and fully matched as a donation to the red cross society of China's "disaster preparedness, disaster relief, hardship relief" program. Through concrete actions, the company conveyed the value of green public welfare and demonstrated its corporate social responsibility.

Employees participated	During the event, a cumulative total of	Converted into
<b>3,200</b>	<b>300 million steps</b> was donated	<b>RMB 30,000</b> in public welfare funds




"Walk Together" Public Welfare Event

The Company actively fulfills its social responsibility and strives to improve the accessibility of primary-level medical care and health services. In 2025, the Company continued to support the development of an integrated online and offline community health support system, promoted housing safety renovations for families in need, and funded the construction of community public welfare canteens, thereby giving back to society in tangible ways through health support, living environments, and basic livelihood protection.

### Case | Establishing a Medical and Elderly Care Service Center for Seniors

The SANY Foundation's rural revitalization initiative addresses the aging population in Daotong Village by continuously advancing an integrated elderly care model that combines "social work + caregiving + smart healthcare." Leveraging the established medical and elderly care service center, the project has created health records for more than 600 elderly residents and delivered over 20,000 instances of services throughout the year, including health management and daytime care. To further enhance elderly care services, the project developed and implemented the *Home-Based Elderly Care Service Center Operations Manual* and the *Village Resident Daily Care Guidelines*, forming a systematic and standardized rural elderly care solution.



Daotong Village Medical and Elderly Care Service Center

## Volunteer Activities

Adhering to the philosophy of "Scientific Public Welfare," SANY Heavy Industry has built the "SANY Public Welfare" digitalized platform and established a standardized volunteer service system, providing employees with easy access to volunteering. The platform supports employees in registering online, participating in events flexibly, and recording hours of public welfare service, effectively stimulating enthusiasm for participation.

- As of December 31, 2025, the "SANY Public Welfare" platform had **28,658** registered volunteers, established **62** volunteer teams, conducted **129** public welfare events in **23** cities nationwide, and recorded a cumulative **11,205.7** hours of volunteer service.
- During the reporting period, our employee volunteer engagements reached **1,860** participant, with beneficiaries reaching **2,926** person.

# Rural Revitalization

SANY Heavy Industry actively responds to the nation's rural revitalization strategy, focusing on people's livelihood, governance, talent, and industrial development, and explores effective pathways for public welfare to support sustainable rural development.

## Cultural Revitalization

SANY Heavy Industry takes cultural revitalization as a key priority. By supporting rural cultural activities, it promotes traditional culture and enhances the cohesion and creativity of rural communities. At the same time, the Company adheres to the philosophy of sports-tourism integration, uses sports to empower rural areas, promotes the coordinated development of culture, sports, and tourism, injects new vitality into rural areas, and strengthens cultural confidence.

### Case | Sports-Tourism Integration Supports a New Rural Outlook

In 2025, SANY Heavy Industry supported the hosting of the "Village Ba" championship finals for the Hunan division at the Meijiang national scenic area in Lianyuan city, Hunan province, China, blending the excitement of sports with natural wonders. The event attracted more than 100,000 on-site participants, and online attention across the internet exceeded 300 million views, significantly enhancing the influence of local culture and strengthening community cohesion and cultural confidence.



"Village Ba" championship



# Industrial Revitalization

We leverage local resource advantages, explore innovative industrial development models, and stimulate rural economic vitality. Through targeted measures, we promote industrial transformation and upgrading and provide strong support for sustainable rural development.

### Case | Supporting Innovation in Ecological Agriculture

SANY Heavy Industry's rural revitalization initiatives advanced ecological agriculture innovation by improving 158 mu of abandoned farmland through cultivation methods that use zero chemicals, and successfully delivered high-value agricultural products such as five-color brown rice and white strawberry varieties. This not only expanded market space, but also helped more than 40 low-income households achieve steady income growth. The project has cumulatively created 64 jobs, effectively unlocking the economic potential of dormant rural land and providing a replicable practical model for the sustainable development of rural industries.

## Educational Revitalization

The Company takes educational facilities, teaching staff, and curriculum systems as focal points to build a multidimensional education support system and promote the extension of high-quality resources to rural areas.

### Case | Inspiring Children's Engineering Thinking

In 2025, SANY Heavy Industry continued promoting the "Wala Wala explorer education" project and deepened the building of the engineering enlightenment curriculum system. Throughout the year, the spring and autumn courses and summer camp attracted a total of 600 teacher applications to offer classes, cumulatively reaching more than 24,700 students. The average course assessment score reached 9.06, teacher training satisfaction reached 9.30, and the student course completion rate reached 93.90%, effectively supporting the cultivation of scientific literacy and engineering thinking among rural children.



Children's Engineering Thinking Course Site

In 2025

Throughout the year, the spring and autumn courses and summer camp attracted a total of

**600**

teacher applications to offer classes

Cumulatively reaching more than

**24,700** students

# Social Rescue

SANY Heavy Industry actively engages in social rescue initiatives. Leveraging its technology strengths, it has innovatively developed a "human-machine collaboration" rescue mechanism and seeks to establish a professional and efficient emergency rescue system. The Company is participating in the formulation of engineering machinery rescue standards, supports building teams for grassroots rescue teams, and actively participates in rescue operations for disasters domestically and internationally, in order to enhance the industry's rescue capabilities and the standardization process. Through these practices, SANY Heavy Industry's "Engineering Machinery Public Welfare Rescue Response" Project was honored with the title of "Annual Standout Project" at the 2025 charity gala of *China Philanthropist*.

## Highlights

### In 2025

SANY Heavy Industry's annual length of disaster response operations totaled

**51** days

Engineering machinery mobilized

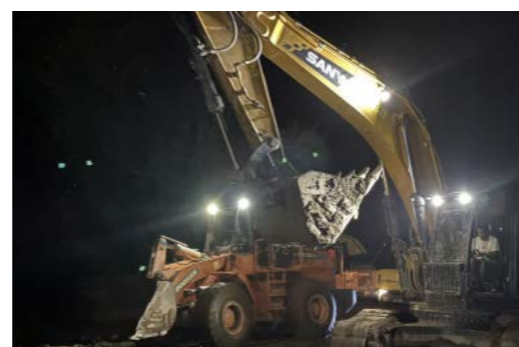
**32** pieces

Participant deployments

**72**

## Case | Actively Organizing Flood Relief

During the 2025 flood season, in the face of flooding disasters across east China, north China, and northeast China, we responded swiftly and, in coordination with the local government and China Aneng group, dispatched five team members and five units of equipment to participate in emergency rescue operations, completing desilting, supply transport, and resident evacuation tasks, and assisting in the evacuation of 35 people. After the disaster, we went to Fengjiayu town, Miyun district, to carry out epidemic prevention and disinfection work, covering an area of more than 8,000 square meters. The operation received letters of appreciation from partners and commemorative banners from the local government.



### 中国安能集团第二工程局有限公司

#### 感谢信

7月下旬以来，北京地区连续强降雨引发严重汛情，天津中法及滨海新区等地，多处出现内涝、积水、房屋倒塌等险情，急需救援。中国安能集团第一时间启动应急响应，迅速调集救援力量，第一时间赶赴现场，第一时间投入抢险救灾。中国安能集团第二工程局第一时间调集救援力量，第一时间赶赴现场，第一时间投入抢险救灾。中国安能集团第二工程局第一时间调集救援力量，第一时间赶赴现场，第一时间投入抢险救灾。中国安能集团第二工程局第一时间调集救援力量，第一时间赶赴现场，第一时间投入抢险救灾。



Letter of Appreciation and Commemorative Banner

Flood Relief Rescue Site

## Case | Rescue Operations for the Typhoon Disaster in Zhanjiang

In October 2025, a typhoon disaster struck Zhanjiang. Immediately after the typhoon passed through, the Company's rescue team rushed to the site at the earliest possible moment and, relying on professional equipment, carried out road clearance, power emergency repairs, and other tasks, while coordinating with multiple parties to build an efficient collaboration network. In recognition of the rapid response and remarkable results, the team received a letter of appreciation from the CPC Zhanjiang municipal committee and the office of the Guangdong provincial headquarters for flood, drought, and typhoon control.



Rescue Site for the Zhanjiang Typhoon

### 中共湛江市委

#### 感谢信

湛江市应急管理综合行政执法队：10月3日，强台风“艾格妮”正面袭击雷州半岛，强度之大，影响之广，破坏之重近年罕见，给湛江人民生活带来了严重影响。风雨无情，人间有爱。危难之际，你们闻“汛”而动，向“险”而行，迅速集结精锐救援力量，火速驰援抢险救灾一线。在道路清理、群众救助、应急抢险等方面作出了突出贡献，展现了英勇顽强、连续作战的过硬作风，诠释了同舟共济、守望相助的大爱精神。这份深情厚谊，湛江人民永远铭记，感怀于心！在此，湛江市委、市政府谨代表全市人民，向你们致以最诚挚的感谢和最崇高的敬意！风雨之后，众志成城。当前，灾后重建工作正在加快推进，我们坚信，在以习近平总书记为核心的党中央亲切关怀下，在省委、省政府的坚强领导下，有社会各界的广泛参与、鼎力支持，有全市广大干部群众万众一心、顽强奋斗，我们一定能战胜一切艰难险阻，夺取灾后重建的全面胜利，加快湛江跨越式发展，高质量振兴！



### 广东省防汛防旱防风总指挥部办公室

#### 感谢信

三一汽车重型机械救援队：在今年第21号超强台风“艾格妮”防御应对过程中，你们根据省委三防办调度指令，紧急调派专业救援队伍25人、装备28台（套）开展救援工作，充分发挥机械车辆等特种设备优势，参与防汛、抢险及救灾等重点地区应急救援工作，连续奋战28小时，转运倒树150车，道路清理8公里，为快速恢复灾区人民群众的生产生活秩序作出重要贡献。灾情无情人间有爱，你们专业高效的应急救援能力、严谨务实的工作作风和无私奉献的精神风范，充分体现了“一方有难，八方支援”的团结协作精神。在此，谨向你们及全体救援队员表示衷心感谢并致以崇高敬意！当前我省极端天气引发灾害的风险依然存在，希望你们一如既往支持我省防灾减灾救灾工作，继续发挥专业优势和技术特长，继续为守护人民群众生命财产安全作出新贡献。



Letters of Appreciation From the "CPC Zhanjiang Municipal Committee" and the "Office of the Guangdong Provincial Headquarters for Flood, Drought, and Typhoon Control"

## Case | Providing Emergency Assistance for the Fire in Tai Po, Hong Kong

In November 2025, following a fire in a public housing estate in Tai Po, New Territories, Hong Kong, the Company swiftly activated its global disaster response mechanism. Through the SANY Foundation, we promptly donated Hong KongD 10 million to support emergency relief, medical treatment for the injured, and post-disaster reconstruction. At the same time, we mobilized energy storage equipment from our Hong Kong operations to support temporary shelters, ensuring a stable emergency power supply. Through these actions, we demonstrated our deep concern for affected communities and our strong sense of social responsibility and rapid response capability.



Rescue Site for the Tai Po Fire in Hong Kong

**Case | Providing Emergency Assistance to the Earthquake-Stricken Areas in Myanmar, Demonstrating Humanitarian Care**



In 2025, a magnitude 7.9 earthquake struck Mandalay, Myanmar. SANY Heavy Industry responded swiftly by dispatching professional rescue teams and equipment to the epicenter, carrying out critical operations including debris clearance, road restoration, and temporary resettlement support. The response was recognized by more than 20 domestic and international media outlets, including CCTV, and received commendation from the Chinese Embassy in Myanmar, demonstrating the Company's professional rescue capabilities and strong humanitarian commitment.



On-Site Earthquake Rescue Operations in Myanmar



Letter of Appreciation From the Chinese Embassy in Myanmar

**Case | Providing Emergency Assistance for Flood Relief in Indonesia, Demonstrating China's Strength**



In November 2025, severe flooding struck North Sumatra, Indonesia. SANY swiftly mobilized 13 units of equipment to support emergency response efforts. The rescue team worked continuously for more than two weeks, carrying out operations across 21 villages and completing critical tasks such as river dredging and widening, dam repair, and the clearance of public infrastructure. These efforts directly benefited 541,693 people and helped ensure the accessibility of vital transport routes. The operation was covered by nearly 30 international media outlets, generating approximately 4.5 million impressions. It received strong recognition from local authorities and the Red Cross, further enhancing the company's global brand influence and public trust.



SANY Heavy Industry's Flood Relief Operations in Indonesia

# Quantitative Performance Table

## Environmental<sup>22</sup>

Indicator	Unit	2025	2024
ISO 14001 environmental management system certification coverage rate	%	54.50	54.50
of major environmental pollution incidents	/	0	0
<b>Air pollutants</b>			
Total waste gas emissions	cubic meter	18,417,283,923.48	14,044,956,884.64
SO <sub>2</sub> emissions	tonnes	2.44	2.10
NO <sub>x</sub> emissions	tonnes	39.60	33.28
VOCs (volatile organic compounds) emissions	tonnes	145.20	114.66
Total soot emissions	tonnes	83.52	89.10
<b>Water pollutants</b>			
Total water discharge	tonnes	507,953.48	405,179.10
Biochemical oxygen demand (BOD)	kg	5,293.52	4,681.51
Chemical oxygen demand (COD)	kg	35,892.56	27,149.82
Suspended solids (SS)	kg	8,941.17	6,970.66
Ammonia nitrogen (NH <sub>3</sub> )	kg	4,545.77	3,793.42
<b>Solid waste</b>			
Total hazardous waste discharge	kg	5,904,310.00	5,123,021.10
Total general industrial solid waste discharge	tonnes	256,734.58	156,955.45
comprehensive hazardous waste discharge density	kg / RMB 1,000,000	66.17	65.87
comprehensive general industrial solid waste density	tonnes / RMB 1,000,000	2.88	2.02
<b>Energy/resource consumption</b>			
Purchased electricity	kWh	506,772,250.19	474,043,760.50
Gas	cubic meter	33,255,165.20	31,045,971.00
Gasoline	Liter	4,582.00	3,450.00
Clean energy (photovoltaic power generation)	kWh	77,365,601.75	76,072,306.10
Diesel	Liter	1,598,820.94	998,699.00

<sup>22</sup> This report updates certain 2024 data mainly due to adjustments to the statistical scope and data corrections.

Indicator	Unit	2025	2024
total energy consumption	tce	108,461.82	101,035.83
comprehensive energy consumption density	tce / RMB 1,000,000	1.21	1.30
Municipal water supply volume	tonnes	3,946,162.73	3,103,037.00
Municipal water supply volume density	tonnes / RMB1,000,000	44.2	39.9
<b>GHG emissions</b>			
Scope 1: Direct GHG emissions	tCO <sub>2</sub> e	76,112.84	69,757.62
Scope 2: Indirect GHG emissions	tCO <sub>2</sub> e	268,893.36	254,371.88
Scope 3: Other Indirect GHG emissions	tCO <sub>2</sub> e	60,005.99	/
Category 3 – Fuel- and Energy-Related Activities	tCO <sub>2</sub> e	51,742.15	/
Category 7 – Employee Commuting	tCO <sub>2</sub> e	8,263.84	/
Total GHG emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	345,006.20	324,129.50
GHG emissions intensity (Scope 1 + Scope 2)	tCO <sub>2</sub> e / RMB million	3.87	4.17
<b>Packaging material consumption</b>			
Packaging material usage	tonnes	86,998.54	58,690.80
Packaging material usage density	tonnes / RMB million	1.0	0.8

## Social

Indicator	Unit	2025	2024
<b>Employee overview</b>			
Total number of employees	person	28,469	23,832
<b>Number of employees by gender</b>			
Male	person	24,665	20,731
Female	person	3,804	3,101
<b>Number of employees by job level</b>			
Senior management	person	224	203
Middle management	person	6,805	12,270
Junior employees	person	21,440	11,359
<b>Number of employees by role type</b>			
Production personnel	person	9,395	9,125
Sales personnel	person	8,851	5,210
Technical personnel	person	5,720	5,867
Finance personnel	person	684	523
Administrative personnel	person	771	524

Indicator	Unit	2025	2024
Service personnel	person	830	576
Management personnel	person	2,218	2,007
<b>Number of employees by age</b>			
Aged 30 and below	person	7,750	5,838
Aged 31—50	person	19,390	17,041
Aged 51 and above	person	1,329	1,004
<b>Number of employees by region</b>			
Chinese mainland	person	21,890	19,149
Employees from Hong Kong, Macao and Taiwan of China	person	4	3
Overseas employees	person	6,575	4,580
Representation percentage of women in the executive team	%	14.3	12
<b>Employee turnover rate</b>			
<b>Employee turnover rate by gender</b>			
Male	%	7.25	/
Female	%	9.04	/
<b>Employee turnover rate by job level</b>			
Senior management	%	5.36	/
Middle management	%	8.52	/
Junior employees	%	7.19	/
<b>Employee turnover rate by employee type</b>			
Production personnel	%	4.56	/
R&D personnel	%	12.62	/
Business management personnel	%	13.66	/
Others	%	6.11	/
<b>Employee turnover rate by age</b>			
Aged 30 and below	%	10.81	/
Aged 31-50	%	6.46	/
Aged 51 and above	%	3.24	/
<b>Employee turnover rate by region</b>			
Chinese mainland	%	8.53	/
Employees from Hong Kong, Macao, and Taiwan of China	%	0.00	/
Overseas	%	4.03	/

Indicator	Unit	2025	2024
<b>Development and training</b>			
Number of employees trained	person	26,932	27,658
<b>Number of employees trained by gender</b>			
Male	person	23,334	24,213
Female	person	3,598	3,445
<b>Number of employees trained by job level</b>			
Senior management	person	220	227
Middle management	person	6,437	14,407
Junior employees	person	20,275	13,024
<b>Number of hours of training per employee</b>			
Number of hours of training per employee by gender			
Male	hour	140.20	119.00
Female	hour	142.85	117.00
<b>Number of hours of training per employee by job level</b>			
Senior management	hour	120.50	78.00
Middle management	hour	145.30	135.00
Junior employees	hour	139.25	117.00
<b>Health and safety</b>			
ISO 45001 occupational health and safety management system certification coverage	%	45.45	45.45
Number of occupational health and safety incidents	/	37	69
Occupational health check-up coverage rate for job positions	%	100	100
Number of cumulative participants in health and safety training	person	486,516	176,441
Total health and safety training hours	hour	876,438	187,076
<b>Supply chain management</b>			
Total number of suppliers	/	5,875	3,901
<b>Number of suppliers by region</b>			
Chinese mainland	/	5,838	/
Hong Kong, Macao, and Taiwan of China	/	4	/
Overseas regions	/	33	/
<b>Number of suppliers by procurement category</b>			
Number of production suppliers (procurement of raw and auxiliary materials)	/	2,679	1,831

Indicator	Unit	2025	2024
Number of non-production suppliers (project procurement)	/	3,196	2,036
Production suppliers by category <sup>23</sup>			
Number of suppliers of general products	/	1,280	978
Number of suppliers of specialized products	/	1,979	1,247
Quality management			
ISO 9001 or IATF 16949 quality management system certification coverage	%	100	100
Research and development (R&D) innovation			
Investment in research and development (R&D) innovation	RMB 100 million	51.69	54.88
Number of patent applications during the year	/	596	1,047
Number of invention patents filed in the year	/	303	623
Number of patents granted during the year	/	820	691
Total number of patents granted domestically and internationally	/	9,517	8,977
Product and services			
Customer satisfaction	%	93.0	87.8
Number of complaints for products and services	/	1,052	810
Complaint resolution rate for products and services	%	98.4	100
Social welfare			
Investment in public welfare	RMB 10,000	2,236	1,816

## Governance

Indicator	Unit	2025	2024
Number of risk management training sessions	/	33	29
Number of participants in risk management training	/	2,046	1,944
Number of participants in integrity and compliance exams	per thousand people	3	3
Number of participants in anti-corruption training	per thousand people	3	3
Percentage of directors trained in business ethics and anti-corruption	%	100	100
Percentage of management trained in business ethics and anti-corruption	%	100	100
Percentage of general employees trained in business ethics and anti-corruption	%	100	100
Signing rate of supplier integrity cooperation agreements/undertakings	%	100	100

<sup>23</sup> There may be overlaps in the number of production suppliers across different categories. Therefore, the total number of production suppliers is not equal to the sum of production suppliers counted by category.

## SSE Guidelines Index

Dimension	Number	Topic	Chapter Index
Environment	1	Climate change tackling	3.1 Climate change response
	2	Pollutant discharge	3.3 Ecological protection
	3	Waste disposal	3.3 Ecological protection
	4	Ecosystem and biodiversity protection	3.3 Ecological protection
	5	Environmental compliance management	3.2 Environmental management
	6	Energy usage	3.4 Green development
	7	Usage of water resource	3.4 Green development
	8	Circular economy	3.3 Ecological protection 3.4 Green development
Society	9	Rural revitalization	5.2 Rural revitalization
	10	Contributions to the society	5.1 Philanthropy 5.3 Social rescue
	11	Innovation-driven	2.1 Innovation-driven development
	12	Ethics of science and technology	As the Company's business does not involve scientific research, technology development, or other activities in technology ethics-sensitive fields such as life sciences and AI, the Company did not respond to this material topic.
	13	Supply chain security	2.3 Sustainable supply chain
	14	Equal treatment to small and medium-sized enterprises	2.3 Sustainable supply chain
	15	Safety and quality of products and services	2.2 Superior quality
	16	Data security and customer privacy protection	2.2 Superior quality
	17	Employees	4.1 Compliant employment 4.2 Talent development 4.3 Employee benefits 4.4 Health and safety
Sustainability-related governance	18	Due diligence	1.2 Risk management 1.3 Business ethics
	19	Communications with stakeholders	Communications with stakeholders
	20	Anti-commercial bribery and anti-corruption	1.3 Business ethics
	21	Anti-unfair competition	1.3 Business ethics

# HKEX Guidelines Index

Indicators	Details	Section Index
Mandatory disclosure	Board statement	Board statement
	Materiality	About this report
	Quantitative	About this report
	Balance	About this report
	Consistency	About this report
	Reporting scope	About this report
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	3.3 Ecological protection
A1.1	The types of emissions and respective emissions data	3.3 Ecological protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	3.3 Ecological protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	3.3 Ecological protection
A1.5	Description of emission target(s) set and steps taken to achieve them	3.3 Ecological protection
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	3.3 Ecological protection
Aspect A2: Use of Resources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	3.4 Green development
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)	3.4 Green development
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	3.4 Green development
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	3.4 Green development
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	3.4 Green development
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	3.4 Green development
Aspect A3: The Environment and Natural Resources		
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	3.2 Environmental management 3.3 Ecological protection 3.4 Green development
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	3.2 Environmental management 3.3 Ecological protection 3.4 Green development

Indicators	Details	Section Index
B. Social		
Aspect B1: Employment		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	4.1 Compliant employment
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	4.1 Compliant employment
B1.2	Employee turnover rate by gender, age group and geographical region	4.1 Compliant employment
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	4.4 Health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	4.4 Health and safety
B2.2	Lost days due to work injury	4.4 Health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	4.4 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	4.2 Talent development
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	4.2 Talent development
B3.2	The average training hours completed per employee by gender and employee category	4.2 Talent development
Aspect B4: Labor Standards		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	4.1 Compliant employment
B4.1	Description of measures to review employment practices to avoid child and forced labor	4.1 Compliant employment
B4.2	Description of steps taken to eliminate such practices when discovered	4.1 Compliant employment
Aspect B5: Supply Chain Management		
General disclosure	Policies on managing environmental and social risks of the supply chain	2.3 Sustainable supply chain
B5.1	Number of suppliers by geographical region	2.3 Sustainable supply chain
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	2.3 Sustainable supply chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	2.3 Sustainable supply chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	2.3 Sustainable supply chain

Indicators	Details	Section 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.	2.2 Superior quality
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	During the reporting period, the Company had no such incidents
B6.2	Number of products and service related complaints received and how they are dealt with	2.2 Superior quality
B6.3	Description of practices relating to observing and protecting intellectual property rights	2.1 Innovation-driven development
B6.4	Description of quality assurance process and recall procedures	2.2 Superior quality
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	2.2 Superior quality
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.	1.3 Business ethics
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	1.3 Business ethics
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	1.3 Business ethics
B7.3	Description of anti-corruption training provided to directors and staff	1.3 Business ethics
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	5.1 Philanthropy
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	5.1 Philanthropy
B8.2	Resources contributed (e.g. money or time) to the focus area	5.1 Philanthropy
D: Climate-related Disclosures		
Governance	Governance	3.1 Climate change response
Strategy	Climate-related risks and opportunities	3.1 Climate change response
	Business model & value chain	3.1 Climate change response
	Strategies and decisions	3.1 Climate change response
	Financial position, financial performance and cash flows	3.1 Climate change response

Indicators	Details	Section Index
Strategy	Climate resilience	3.1 Climate change response
	Financial impact of climate-related risks and opportunities	3.1 Climate change response
Risk Management	Risk management	3.1 Climate change response
Metrics and Targets	Greenhouse gas emissions	3.1 Climate change response
	Climate-related transition risks	3.1 Climate change response
	Climate-related physical risks	3.1 Climate change response
	Climate-related opportunities	3.1 Climate change response
	Capital operation	3.1 Climate change response
	Internal carbon pricing <sup>24</sup>	3.1 Climate change response
	Compensation	3.1 Climate change response
	Industry indicators	3.1 Climate change response
	Climate-related goals	3.1 Climate change response
	Cross-industry indicators and applicability of industry indicators	3.1 Climate change response

<sup>24</sup>The Company currently does not apply an internal carbon pricing mechanism in its decision-making.

# GRI Index

Indicators	Section Index
GRI 102	
102-1	Organization name About this report
102-2	Activities, brands, products, and services About this report
102-3	Headquarters location Company profile
102-4	Business location Company profile
102-5	Ownership and legal form About this report
102-6	Markets served Company profile
102-7	Organizational scale Company profile
102-8	Information on employees and other workers 4.1 Compliant employment
102-9	Supply chain 2.3 Sustainable supply chain
102-10	Significant changes in the organization and its supply chain About this report
102-11	Precautionary principle/approach About this report
102-12	External initiatives About this report
102-13	Association membership Company profile
102-14	Statements from senior decision-makers Board statement
102-16	Values, principles, standards, and codes of conduct Company profile
102-18	Governance structure 1.1 Corporate governance
102-40	List of stakeholder groups Stakeholder communication
102-41	Collective bargaining agreement /
102-42	Identification and selection of stakeholders Impact materiality assessment
102-43	Stakeholder engagement policy Impact materiality assessment
102-44	Key topics and concerns raised Stakeholder communication
102-45	Entities included in the consolidated financial statements About this report
102-46	Defining report content and topic boundaries About this report
102-47	List of material topics Material topic identification
102-48	Restatements of information About this report
102-49	Changes in reporting About this report

Indicators	Section Index
102-50	Reporting period About this report
102-51	Date of most recent report About this report
102-52	Reporting cycle About this report
102-53	Contact information for questions regarding the report About this report
102-54	Statement of use of the GRI Standards About this report
102-55	GRI content index GRI index
102-56	External assurance /
GRI 201: Economic Performance	
	Management approach disclosure Sustainability management
201-1	Direct economic value generated and distributed Sustainability management
201-2	Financial implications and other risks and opportunities due to climate change 3.1 Climate change response
GRI 203: Indirect Economic Impacts	
	Management approach disclosure Sustainability management
203-1	Infrastructure investments and services supported Sustainability management
203-2	Significant indirect economic impacts Sustainability management
GRI 204: Procurement Practices	
	Management approach disclosure 2.3 Sustainable supply chain
204-1	Proportion of spending on local suppliers /
GRI 205: Anti-Corruption	
205-1	Operations assessed for risks related to corruption 1.3 Business ethics
205-2	Communication and training about anti-corruption policies and procedures 1.3 Business ethics
205-3	Confirmed incidents of corruption and actions taken 1.3 Business ethics
GRI 302: Energy	
	Management approach disclosure 3.4 Green development
302-1	Energy consumption within the organization 3.4 Green development
302-2	Energy consumption outside of the organization 3.4 Green development
302-3	Energy intensity 3.4 Green development
303-4	Reduction of energy consumption 3.4 Green development
303-5	Reductions in energy requirements of products and services 3.4 Green development
GRI 305: Emissions	
	Management approach disclosure 3.3 Ecological protection

Indicators		Section Index
305-1	Direct (Scope 1) GHG emissions	3.4 Green development
305-2	Energy indirect (Scope 2) GHG emissions	3.4 Green development
305-4	GHG emissions intensity	3.4 Green development
305-6	Emissions of ozone-depleting substances (ODS)	3.4 Green development
305-7	Emissions of nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	3.3 Ecological protection
GRI 306: Effluents and Waste		
	Management approach disclosure	3.3 Ecological protection
306-1	Total water discharge by quality and destination	3.3 Ecological protection
306-2	Total waste by type and disposal method	3.3 Ecological protection
306-3	Major leaks	Not applicable
306-4	Transportation of hazardous waste	3.3 Ecological protection
306-5	Water bodies affected by discharges and/or runoff	Not applicable
GRI 307: Environmental Compliance		
	Management approach disclosure	3.2 Environmental management
307-1	Non-compliance with environmental laws and regulations	3.2 Environmental management
GRI 401: Employment		
	Management approach disclosure	4.1 Compliant employment
401-1	New employee hires and employee turnover rate	4.1 Compliant employment
GRI 403: Occupational Health and Safety		
	Management approach disclosure	4.4 Health and safety
403-1	Worker representatives in joint labor-management health and safety committee	4.4 Health and safety
403-2	Categories of work-related injuries, injury rates, occupational diseases, lost workdays, absenteeism, and other related ratios	Health and safety, quantitative performance table
403-3	Workers engaged in occupations with high incidence or high risk of occupational diseases	4.4 Health and safety
403-4	Health and safety issues in formal union agreements	/
GRI 404 Training and Education		
	Management approach disclosure	4.2 Talent development
404-1	Average hours of training per employee per year	4.2 Talent development
404-2	Employee skills improvement and transition assistance programs	4.2 Talent development
GRI 405 Employee Diversity and Equal Opportunity		
	Management approach disclosure	4.1 Compliant employment
405-1	Diversity of management and employees	4.1 Compliant employment

Indicators		Section Index
GRI 413: Local Communities		
	Management approach disclosure	
413-2	Operational sites with actual or potential significant adverse impacts on local communities	During the reporting period, the Company recorded no such incidents.
GRI 416 Customer Health and Safety		
	Management approach disclosure	2.2 Superior quality
416-1	Assessment of health and safety impacts of product and service categories	/
416-2	Incidents of non-compliance with health and safety impacts of products and services	During the reporting period, the Company recorded no such incidents.

