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SANY RENEWABLE ENERGY

2023

Environmental, Social and Governance Report

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About This Report

Overview

This report is the second Environmental, Social and Governance (ESG) report released by SANY Renewable Energy Co., Ltd., which discloses its ESG-related actions and achievements in 2023 to stakeholders.

This report reviews the ESG performance of SANY Renewable Energy Co., Ltd. in 2023 (covering the period from January 1, 2023, to December 31, 2023). In addition, some information beyond the above timeframe is provided to ensure the completeness and continuity of the ESG performance disclosure.

Reporting Scope

This report covers SANY Renewable Energy Co., Ltd. (hereinafter "SANY Renewable Energy", "we", or "the Company") and the holding subsidiaries of SANY Renewable Energy. The scope of this report is consistent with the Companys annual report, except for organizations otherwise specified.

Basis of Preparation

This report is prepared in accordance with the guidelines on information disclosure, including the Guidelines No. 1 of the Shanghai Stock Exchange for the Self-regulation of Listed Companies on the STAR Market—Standard Operation, the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), and the United Nations Sustainable Development Goals (UN SDGs).

Data Sources

This report contains financial data in the Company's annual report, data from the Company's other public filings or reports based on internal statistics, and data audited by third parties. All amounts are in CNY unless otherwise stated.

Access to This Report

You can view the report online or download it from various sources, including the Shanghai Stock Exchange website, the official website of SANY Renewable Energy, and the WeChat Official Account.

Message from the Chairman

2023 is the fifteenth year since SANY Renewable Energy started the journey in wind power. As a witness and participant of the prosperous wind power development in China in the past fifteen years, SANY Renewable Energy has grown into a trustworthy partner and indispensable innovative force of the wind power industry culture in China along with the rapid development of the industry.

This year, we sought innovation and transformation, fully launched the construction of the ESG (Environmental, Social and Governance) system, and actively responded to the United Nations Sustainable Development Goals (SDGs). In addition, we were honored to join the United Nations Global Compact (UNGC), committed to supporting UNGC's ten principles relating to the four areas: i.e. human rights, labor,environment and anti-corruption. Accordingly, we have formulated a sustainable strategy under the four pillars of "green development, talent cultivation, excellent quality and business integrity" to inject a new impetus into the development of the Company.

Green Development

SANY Renewable Energy is committed to becoming the global leader in the field of clean energy equipment supply and services. In 2023, we overcame challenges and technology barriers in the construction of China's highest-altitude wind power project in Comai, Tibet, which was successfully connected to the grid. In addition, we will continuously pay attention to climate change response and the circular economy, with the aim to improve our performance in green development in various aspects, including strategic planning, risk management, and performance monitoring.

Talent Cultivation

SANY Renewable Energy believes in the value of hard work and perseverance in achieving success and is committed to nurturing employees through a supportive work environment and development opportunities. We value the rights and interests of employees and strive to create a healthy, safe, equal, diverse and inclusive workplace for our employees and those of our stakeholders. In 2023, we released policies, organized training, improved the remuneration and benefits system and conducted human rights assessments to create a supportive environment and attract a diverse group of outstanding talents. As we expand our international footprint, we will promote employee engagement initiatives to achieve joint development with our employees.

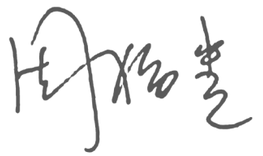
Excellent Quality

Upholding the philosophy of "Quality Changes the World", SANY Renewable Energy facilitates the intelligent and digital upgrade to empower research and development as well as supply chain management. In 2023, SANY Renewable Energy once again took a leading position in China's onshore large megawatt wind turbine manufacturing, relying on the pioneering "Digital Platform" and highly integrated digital manufacturing lines. Meanwhile, we are vigorously promoting the construction of a green and sustainable supply chain to guarantee product quality and sustainability at the source.

Business Integrity

SANY Renewable Energy attaches great importance to business ethics and compliance management to create a culture of integrity. In 2023, we improved the policies for business ethics and information security management, laying the foundation for building honest and reliable teams and fully complying with business ethics standards in our global journey.

Born from the "wind", SANY Renewable Energy has been dedicated to the wind power industry for 15 years and constantly explores the way to utilize the wind to create a better world. Adhering to sustainable development, SANY Renewable Energy will continue to work with industry partners to turn wind into energy and light up every corner of the world with high-quality clean energy in the future.



Zhou Fugui

Chairman of SANY Renewable Energy Co., Ltd.

About SANY Renewable Energy

Company Profile

SANY Renewable Energy Co., Ltd. was founded in 2008 and is committed to becoming the global leader in the field of clean energy equipment supply and services. The Company was officially listed and traded on STAR Market of Shanghai Stock Exchange on June 22, 2022 (stock name: SANY Renewable Energy; stock code: 688349). SANY Renewable Energy is among the Global Top 500 New Energy Companies and recognized by the Ministry of Industry and Information Technology of the People's Republic of China as the Benchmark Enterprise for Intelligent Manufacturing. SANY Renewable Energy's market share has increased significantly and ranked as the 7th largest wind turbine manufacturer in the world and Top 5 wind turbine manufacturers in China.

The main business of SANY Renewable Energy includes the R&D, manufacturing and sales of wind turbines, and the designing, construction, and operation & management of wind farms. By integrating the world's top research and technology resources, SANY Renewable Energy continues to create wind turbine platforms with competitive advantages, and has the ability to independently design, construct and operate wind farms. SANY Renewable Energy has developed the comprehensive wind energy solutions including digital top-level design, intelligent manufacturing, complete integration system, core components manufacturing, wind farm design, EPC, and wind farm operation and maintenance.

Business Highlights

Annual sold of wind turbine in 2023 **1,301**

Annual capacity sold in 2023
7,242.55 MW

By the end of December 31, 2023, SANY Renewable Energy's wind turbine has contributed to a cumulative of **84.2** billion kWh of power generation, which is equivalent to a reduction of **48.02** million tons of CO_2 emissions and saving approximately **10.35** million tons of standard coal consumption.

Awards

Awards in 2023

12	10	5	4
Honorary Awards	Ranking Awards	Product Awards	Project Awards

Honorary Awards

The 25th Golden Bull Award for Listed Companies – the Golden Trust and Disclosure Award
Awarded by: China Securities Journal
Recipient of the award: SANY Renewable Energy

2023 IR Team of the Year Award for Best Innovation Practices
Awarded by: Comein Finance
Recipient of the award: SANY Renewable Energy

Innovative Publicity and Planning Cases
Awarded by: China Energy Media Group Co., Ltd.
Winning case: The Manufacturing of the World's Largest Onshore Wind Turbine

Outstanding Supplier Award
Awarded by: Hubei Branch of State Power Investment Corporation Limited
Recipient of the award: SANY Renewable Energy

Leading Pioneer Award
Awarded by: Chinese Wind Energy Association
Recipient of the award: Beidaqiao Seventh Wind Farm, Ningxiang Donghutang Wind Farm

Note: Not all awards are displayed here.

Ranking Awards

Top 10 among China Top 100 Electrical Enterprises
Awarded by: China Electrical Equipment Industry Association
Recipient of the award: SANY Renewable Energy

Top 500 China Machinery in 2023
Awarded by: China Machinery Enterprise Management Association
Recipient of the award: SANY Renewable Energy

Top 500 Energy Enterprises in China
Awarded by: China Energy News
Recipient of the award: SANY Renewable Energy

Global Top 500 New Energy Companies
Awarded by: China Energy News
Recipient of the award: SANY Renewable Energy

Top 500 China Machinery
Awarded by: China Machinery Enterprise Management Association
Recipient of the award: SANY Renewable Energy

World First-Class Machinery Enterprise
Awarded by: China Machinery Enterprise Management Association
Recipient of the award: SANY Renewable Energy

No. 60 among Beijing Top 100 Enterprises
Awarded by: Beijing Enterprise Association, Beijing Entrepreneurs Association
Recipient of the award: SANY Renewable Energy

No. 18 among Beijing Top 100 Manufacturing Enterprises
Awarded by: Beijing Enterprise Association, Beijing Entrepreneurs Association
Recipient of the award: SANY Renewable Energy

Top 10 New Energy Companies with Global Innovation Competitiveness on the STAR Market
Awarded by: National Business Daily
Recipient of the award: SANY Renewable Energy

Top 50 Rising Brands on the Brand Value List of Chinese Listed Companies
Awarded by: National Business Daily, Chinese Enterprise Research Center of the School of Economics and Management, Tsinghua University
Recipient of the award: SANY Renewable Energy

Awards (con't)

Product Awards

Wind Power Leader – Best Onshore Wind Turbines Award

Awarded by

China Wind News

Recipient of the award

SANY Renewable Energy

Wind Power Leader – Best Innovative Product of the Year

Awarded by

China Wind News

Recipient of the award

SANY Renewable Energy

Wind Power Leader – Best Service Award

Awarded by

China Wind News

Recipient of the award

SANY Renewable Energy

TOP 10 Best Onshore Wind Turbines (Above 5.6 MW)

Awarded by

Wind Power Monthly

Recipient of the award

SANY Renewable Energy

Project Awards

China Electric Power Quality Projects 2023

Awarded by

China Electric Power Construction Association

Recipient of the award

Huaneng Tongyu 2 Million kW Wind Power Parity on Grid Project (Phase I and II)

"5G+Industrial Internet" Demonstration Factory

Awarded by

Industry and Information Technology Department of Hunan Province

Recipient of the award

SANY (Shaoshan) Wind Power 5G+ Industrial Internet Project

Outstanding Wind Farms (Class 3A – Class 5A Wind Farms)

Awarded by

China Electricity Council

Recipient of the award

20 outstanding wind farms

Optimal Turbine Manufacturers for Maximum Unit Availability

Awarded by

China Electricity Council

Recipient of the award

5 turbine manufacturers

Note: Not all awards are displayed here.

01

Sustainable Development Management

To bear the weight of the times and empower the nation, SANY Renewable Energy has integrated the sustainable development concept into strategies and operation management, and formed an ESG strategy system. In addition, the Company established a sustainable development governance structure in alignment with the current management system to achieve synergy between business and sustainable development strategies.

13 Sustainable Development Strategies and Goals

16 Sustainable Development Governance Structure

17 Materiality Analysis

Sustainable Development Strategies and Goals

Sustainable Development Strategies

Motivated by the mission "Intelligent Manufacturing Leads the Future" and the vision "To Promote Efficient Utilization of Clean Energy", SANY Renewable Energy is committed to becoming the global leader in the field of clean energy equipment supply and services. In this way, SANY Renewable Energy is doing its part in helping China achieve goals of "carbon peak and carbon neutrality" and contributing to the global transition to clean energy. SANY Renewable Energy promotes the corporate values of "Patriotism, Integrity, Struggle, Innovation, Adherence to Long-Termism, Keep Customer Satisfaction as the Top Priority", which guide the Company's long-term sustainable development.

Our mission

Quality Changes the World, Intelligent Manufacturing Leads the Future

Our vision

To Promote Efficient Utilization of Clean Energy

Our value

Patriotism, Integrity, Struggle, Innovation, Adherence to Long-Termism,Keep Customer Satisfaction as the Top Priority

1 Vision

Vision: To Promote Efficient Utilization of Clean Energy

ESG Driving Force

Becoming the global leader in the field of clean energy equipment supply and services,contributing to China's "Carbon Peak and Carbon Neutrality" and the world's clean energy transition

2 Sustainable Development Strategy System

Strategic Pillars	Green Development	Talent Cultivation	Excellent Quality	Business Integrity
Strategic Goals	Taking decarbonization as a core strategy, continuously reducing the overall environmental impact of the Company's operation and products, to create an environment friendly enterprise.	Adhering to the talent concept of "hard work and perseverance in achieving success", we attract high-quality talents by continuously enhancing the training system and improving employee benefits.	Increasing investment in R&D to manufacture intelligent wind turbines that "can sense, decide and execute" and build intelligent wind farms that "can achieve ultimate safety,excellent energy performance, and optimal operation and maintenance".	Regarding honesty as the basic principle, we continuously improve business ethics rules and regulations to realize sound management.

3 Material Issues

Response to climate change	Occupational health and safety	R&D and innovation	Business ethics
Toxic emissions and waste	Labor management and rights	Supply chain management	Data security and privacy protection
Circular economy	Employee development and training	Customer services	
Environmental management throughout product lifecycle			

To achieve high-quality results for the corporate strategies of "Globalization", "Digitalization" and "Decarbonization", SANY Renewable Energy has launched the construction of an ESG system in 2023. As a result, SANY Renewable Energy has built a sustainable development strategy system driven by "becoming the global leader in the field of clean energy equipment supply and services, contributing to China's 'Carbon Peak and Carbon Neutrality' and the world's clean energy transition" and supported by the four pillars of "green development, talent cultivation, excellent quality and business integrity". Furthermore, SANY Renewable Energy has developed strategic goals and action plans for material issues.

In December 2023, the Company joined the United Nations Global Compact (UNGC), committing to supporting UNGC's ten principles relating to human rights, labor, environment and anti-corruption. We strive to continuously integrate sustainable development into our business strategies and operations, create ESG value with our partners, and advance the UN SDGs.

UN GLOBAL COMPACT United Nations Global Compact

Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) of the United Nations are the blueprint to achieve a better and more sustainable future for all, and provide a strategic framework for sustainable practices of enterprises. In 2023, in the process of joining the UNGC, the Company clarified the priorities for each material issue under the four pillars of the sustainable development strategy system, and decomposed them into management goals. In addition, SANY Renewable Energy gradually developed and implemented action plans internally to track and improve performance, advancing the UN SDGs with practical actions.

Pillars	Topics	Sustainable Development Goals	United Nations Sustainable Development Goals
Green Development	Response to climate change	» Developing a carbon strategy to progressively manage and reduce our Scope 1, 2, and 3 greenhouse gas (GHG) emissions	13, 12, 15
	Toxic emissions and waste		
	Circular economy	» General and hazardous waste disposal is 100% in compliance with standards	
	Environmental impact throughout product lifecycle	» Having products certified for their environmental impact and reducing the carbon footprint of the unit product over its lifecycle	
Talent Cultivation for Business Prosperity	Occupational health and safety	» Zero incident in practice » Employee satisfaction over 90%	3, 5, 8, 10
	Labor management and rights	» "Zero tolerance and zero violation" in labor rights and interests	
	Employee development and training	» Career guidance for all employees	
Excellent Quality	R&D and innovation	» Continuously promoting research on offshore wind turbines and onshore large megawatt technologies to popularize the use of clean energy	9, 7, 17
	Supply chain management	» By 2024, 100% of suppliers will have signed the Supplier Code of Conduct	
	Customer services	» Maintaining high level of customer satisfaction	
Business Integrity	Business ethics	» The coverage rate of business ethics training reaches 100%	16
	Data security and privacy protection	» 100% of employees have signed the Business Ethics Commitment Letter » Creating an atmosphere of integrity in business, and strengthening supervision, control and restraint mechanisms	

Sustainable Development Governance Structure

A sound governance structure for sustainable development is critical to the implementation of sustainable development strategies. In 2023, SANY Renewable Energy established a formal sustainability governance structure to drive the sustainable development strategy at three levels: governance, management and execution.

SANY Renewable Energy's Sustainable Development Governance Structure

Governance	Board of Directors	As the highest responsible body for sustainable development at SANY Renewable Energy, the Board of Directors reviews the Company's ESG strategies, objectives and risk management status.
Management	ESG Steering Group	The ESG Steering Group is responsible for developing ESG strategies and goals, reviewing ESG plans and major ESG projects, promoting cross-functional ESG collaboration, and reporting to the Board. The ESG Steering Group is composed of the Company's Chairman and management assuming key ESG management responsibilities, with Chairman Zhou Fugui as the group leader.
	ESG Working Group	The ESG Working Group is responsible for formulating the Company's ESG implementation plans, driving the implementation of strategies and gathering information from ESG-related departments on a regular basis. The working group is also responsible for monitoring the implementation of the plans to advance the goals, and regularly reporting the work progress to the ESG Steering Group.
Execution	Representatives from ESG-Related Departments	The representatives regularly participate in ESG meetings to understand relevant department objectives and formulate work plans. They also coordinate the resource allocation, and report the work progress to ESG Working Group on a regular basis.

Materiality Analysis

Stakeholder Identification and Communication

SANY Renewable Energy values the opinions and suggestions of stakeholders and regularly communicates with them through various channels. This enables the Company to understand stakeholders' expectations and suggestions for the sustainable development of the Company and to continuously improve ESG management.

Stakeholders	Expectations and Requirements	Communication Channels
Customers & Business Partners	» Integrity and compliance » Product and service quality » Product innovation » Sustainable operation	» Contractual performance » Customers feedback mechanism » Market research » Daily liaison » Executives meeting
Shareholders and Investors	» Corporate performance » Return on investment » Risk control and corporate governance » Authenticity, accuracy, timeliness and completeness of information disclosure » Sustainability of corporate development	» Annual and other periodic reports » Investor relations website » Shareholders' meeting » Board meeting » Correspondence » Visitor reception
Government and Regulators	» Compliant operations » Tax compliance » Value preservation and increment of the state-owned assets » Contributing to local economic development » Response to climate change	» Response to national policies » Special meetings and reports » Work report » Visits, supervision, inspection and assessment
Employees	» Employees' rights and interests » Occupational health and safety » Career development plans » Remuneration and benefits	» Daily communication » Grievance mechanism » Staff seminars » Employee satisfaction survey
Suppliers	» Mutual benefits and integrity in contractual performance » Long-term cooperation » Supplier assistance and empowerment » Building green supply chains	» Contract negotiation » Bidding meetings » Supplier assessment and audit » Supplier communication and training
Communities and NGOs	» Ecological protection » Promoting economic development and employment » Charity events and donations	» Organizing charity events » Voluntary services and community visits » Open Day » Public media coverage

Materiality Matrix

To identify sustainable development issues closely related to the Company's operations and stakeholders, we conducted a materiality assessment in 2023, which identified 21 material ESG issues.

Our process for identifying material issues is as follows:

Step 1

» Conducted research on macro policies and development trends of the industry

» Prepared a list of extensive issues with reference to major domestic and international sustainability initiatives, disclosure guidelines, rating standards, and the requirements of major stakeholders

» Benchmarked domestic and international industry practices, and considered the Company's business characteristics and development strategies to sort out extensive issues, with 21 material ESG issues identified

Step 2

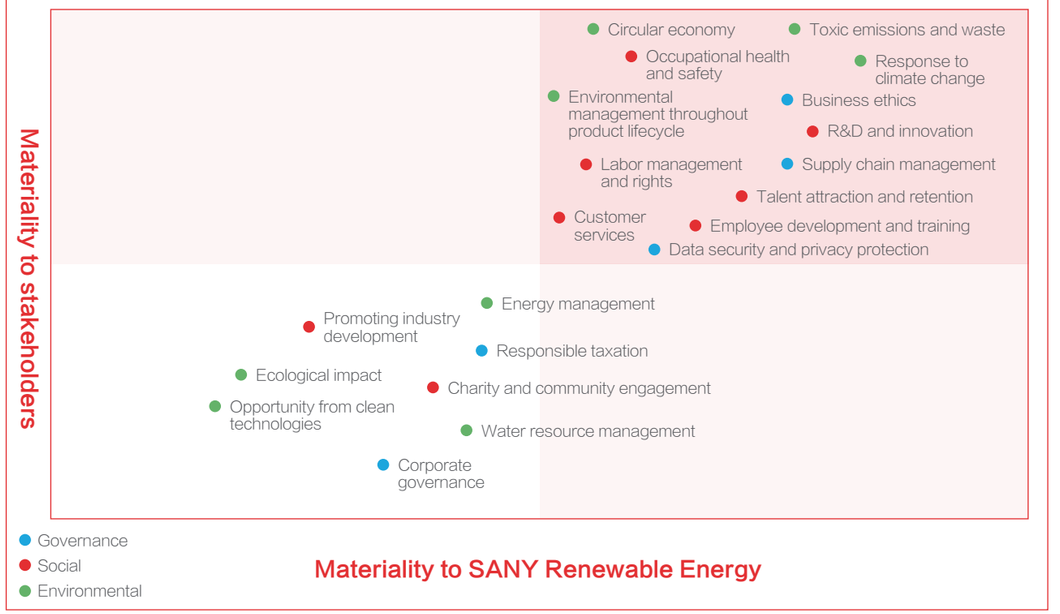
» Conducted research on the materiality of the issues to the internal and external stakeholders through interviews and questionnaires. We also conducted 21 management interviews and distributed **821** questionnaires to major stakeholders

» Based on the research, issues were ranked and categorized by their materiality to internal and external stakeholders

Step 3

» Finalized the materiality matrix based on the ranking by materiality, reflecting the materiality of each issue to the internal and external stakeholders

The materiality matrix is important for setting the direction of sustainable development strategies.



02

Green Development

Relying on innovative technologies and optimized management, SANY Renewable Energy strives to reduce environmental footprint, improve energy efficiency and ensure environmental friendliness throughout the product lifecycle. We demonstrate our strong commitment to green development through actions on climate change response, green operations and lifecycle management.

21 Response to Climate Change

24 Green Operation

29 Environmental Management Throughout Product Lifecycle

Response to Climate Change

In the context of global energy transition, wind power, as a major type of clean energy, plays a crucial role in addressing climate change. As a leading wind turbine manufacturer, SANY Renewable Energy is well aware of its responsibility in driving the green energy revolution. We are committed to making our wind turbines more efficient and reliable, as well as driving the low-carbon transition of our manufacture and operations, to progressively manage and reduce our Scope 1, 2 and 3 greenhouse gas (GHG) emissions.

SANY Renewable Energy recognizes the need and urgency to participate in global climate governance and contribute to the realization of the "carbon peak and carbon neutrality" goals, and actively takes actions to tackle climate change. We have progressively strengthened our climate change risk management and made climate change as a material issue in our sustainability strategy and integrated it into our sustainability governance structure. We keep improving the performance and power generation efficiency of wind turbines, and increase investment in green and intelligent manufacturing, with practical actions to accelerate the low-carbon transition of our businesses and the whole society.

GHG Emissions

To capture the Company's GHG emissions and provide sufficient data for future carbon reduction and decarbonization, the Company engages third-party organizations to conduct a GHG inventory of the entire value chain.

Key Performance: GHG Emissions in 2023 (tCO_2e)	
Scope 1	21,489
Scope 2 (based on market)	44,109
Scope 2 (based on region)	46,279
Scope 3	3,112,226

Decarbonization in Operational Emissions: Enhancing Energy Management

Upholding the principle of "energy conservation and energy efficiency improvement" and considering the actual manufacture of the Company, SANY Renewable Energy has formulated the Energy Management Policy in accordance with the national energy policies and management standards. We strictly control our energy consumption and carbon emissions by increasing the energy efficiency and the use of renewable energy.

We step up efforts to promote various measures to save energy and reduce consumption, including the use of electric pallet trucks, electric forklifts, LED lights, and motion sensor lights in all factories. At the same time, we are accelerating the development and use of renewable energy. We have completed the construction of rooftop photovoltaics at Nankou Industrial Park, Shaoshan Blade Factory and Chenzhou Industrial Park. The total coverage of installed photovoltaics amounted to 111,331 square meter with installed capacity of 15.28 MW. In addition, the Company is actively engaged in green electricity trading and the Nankou Industrial Park purchased a total of 3,804.58 MWh of green electricity in 2023.

The total coverage of installed photovoltaics amounted to **111,331** m^2

With installed capacity of **15.28** MW

The Nankou Industrial Park purchased a total of **3,804.58** MWh of green electricity in 2023.

Driving Value Chain Decarbonization: Technological Innovation

In 2023, SANY Renewable Energy continued to overcome the environmental limitations on wind turbines. The Company participated in the construction of China's highest-altitude wind power project in Comai, Tibet, which was successfully connected to the grid in November 2023. The successful completion of this project demonstrates that the large-scale centralized wind farms at higher altitudes can be developed along with supporting bases. In addition, China's first desert wind power project of over 6 MW implemented by the Company at Beidaqiao of Gansu has passed the test of continuous operation for more than one year. In 2023, the two projects, Beidaqiao A and B, generated a total of 706.08 million kWh of electricity, which resulted in a CO_2 emissions reduction of approximately 402.8 thousand tonnes.

Key Performance: Consumption of Major Categories of Energy in 2023	
Natural Gas	4.15 million m^3
Gasoline	1,934.22 Tonnes
Diesel Oil	429.66 Tonnes
Anthracite	14.29 Tonnes
Liquefied Natural Gas	3.93 Tonnes
Liquefied Petroleum Gas	3.34 Tonnes
Steam	369.70 GJ
Total Direct Energy Consumption	87,215.68 MWh
Total Indirect Energy Consumption	179,608.84 MWh
Renewable Energy Generated	13,666.68 MWh
Renewable Energy Consumed	12,942.10 MWh

Case: Creating an Exemplary Factory in Green and Low-Carbon Practice

The micro-grid system established by Shaoshan Blade Factory consists of solar power generation, wind power generation, diesel power generation (for backup), energy storage system and energy management system. The micro-grid system enables the self-control and self-management of grid-connected micro-grid and maximizes the use of distributed power and renewable energy to ensure that the energy system of the factory is operated in a stable, efficient, economical and intelligent manner. Currently, the micro-grid at Shaoshan Blade Factory can generate an average of 16,975 kWh of electricity per day, with self-consumption accounting for 66.4%. Shaoshan Blade Factory has obtained ISO 50001 energy management system certification and has been selected as one of the green manufacturing demonstration enterprises in Hunan Province.

Developing a green and low-carbon flagship factory

Green Operation

SANY Renewable Energy, as a clean energy equipment manufacturer, is always committed to promoting environmental protection management through the application of appropriate technologies, processes and systems. In doing so, the Company aims to mitigate and reduce the negative caused by manufacture and operation on the environment. We strive to reduce the negative impact of our activities on the environment and prevent various environmental accidents. To this end, we keep improving the organizational structure and the mechanism for environmental management, carrying out regular investigations into environmental risks and monitoring the environmental performance in all aspects.

Environmental Management System

SANY Renewable Energy strictly abides by various regulations and laws concerning environmental management that are applicable to the manufacture and operation of the Company, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, and the Law of the People's Republic of China on Promotion of Cleaner Manufacture. In addition, the Company continuously improves environment management system in accordance with the requirements of ISO 14001 system.

During the reporting period, the Company formulated and released the Environmental Policy, which defines the principles and methods for the management of environmental issues that are closely related to the Company's business and manufacture. Such environmental issues include, but not limited to, response to climate change, energy consumption, water resource management, raw material and waste management, and environmental impacts of product use and end-of-life products. In addition, the Environmental Policy involves and focuses on the environmental impacts of the activities of the Company's stakeholders (including suppliers, customers, and partners), with the aim of strengthening their environmental management and environmental awareness, and joining hands with stakeholders to promote the green transition of the industry. By the end of the reporting period, the Company's 5 manufacture and operation sites (Nankou, Huilongguan, Tongyu, Zhangjiakou and Shaoshan), which were put into manufacture and under stable operation for over a year, had all obtained the ISO 14001 Environmental Management System certification. Meanwhile, Hunan SANY Smart New Energy Design Co., Ltd., a major developer of wind farms, had passed the certification as well.

100% had all obtained the ISO 14001 Environmental Management System certification

Environmental Governance

The Company practices the principle of "taking environmental protection as a must in manufacturing management" and implements the system of "ultimate responsibility undertaken by chief responsible person". The Board of Directors and the Safety Committee of the Company ensure that the environmental policies and management system are carried out in a coordinated manner. In the meantime, the CEO office, the Manufacturing Department, the R&D Institute, the Process Institute, the Administrative Services Department and functional departments ensure that various direct impacts on the environment caused by the manufacture and operation are effectively managed.

Environmental Risks Identification and Control

To further strengthen the identification and control of environmental risks, we identify, evaluate and control the environmental factors including wastewater discharge, exhaust gas emission, general solid waste disposal, hazardous waste disposal, chemical leakage and noise emission during wind turbines' lifecycle processes such as designing and development, procurement and sales, manufacturing and processing, storage and transportation, services, external construction and services. Based on the identification of environmental risks, we specify the management responsibilities for the control of key environmental factors and require relevant employees to receive special training and pass relevant examinations. Meanwhile, we have also formulated the Management Policy for the Operation of Environmental Equipment to standardize the management of the use, inspection and maintenance of various environmental facilities used for the treatment of exhaust gas, wastewater, solid waste and noise. By doing so, we ensure that all types of pollutants are discharged in compliance with relevant laws.

During the reporting period, the Company conducted environmental risk assessments on all workplaces. By the end of the reporting period, all environmental monitoring indicators, including the rate of classified collection and disposal of hazardous and general solid waste, exhaust gas emissions, wastewater discharges and noise control, had met the compliance standards. Meanwhile, the Company had committed no environmental breaches.

Building Environmental Protection Capabilities

We also attach importance to enhancing employees' capabilities of environmental protection. We conduct environmental protection training for all employees. Through such training, we interpret in depth the energy-saving and emission reduction measures, various environmental protection knowledge, environmental laws and regulations, and the application of the circular economy. By doing so, we help employees develop an environmental mindset and strengthen their awareness of responsibilities for daily environmental protection. Meanwhile, we have developed the Contingency Plan for Environmental Emergencies, which regulates key matters such as the emergency organization system, prevention mechanisms, reporting process, treatment methods, emergency preparedness, publicity and drills. During the reporting period, all manufacturing units of the Company carried out annual emergency drills for environmental incidents as planned.

Environmental emergency drills

Management of Water Resource and Wastewater

Despite the weak dependence of the manufacture and operations on water resources, we emphasize the conservation of water resources and the control of wastewater discharges. To save water, we have installed water-saving and storage devices such as sensor faucets, sensor toilet flushing devices and rainwater collection systems in all the operational facilities, and are promoting tips of water conservation among employees. We have taken specific measures to treat domestic sewage in strict compliance with various wastewater treatment standards. To ensure treatment effectiveness, we implement strict monitoring over the wastewater treatment stations and regularly inspect and evaluate their treatment capacity to maintain a continuous and stable operation.

In 2023, the Company built a new domestic sewage treatment station, along with the existing wastewater treatment station, to enhance the capacity of wastewater treatment and water recycling of the Nankou Industrial Park. The new station adopts the technology of reclaimed water reusing and the treated domestic wastewater will be used for greening and toilet flushing. This station is expected to produce approximately 154.4 thousand tonnes of reclaimed water every year, saving approximately 1,389.6 thousand CNY.

Key Performance: Water Consumption and Wastewater Discharge (Tonnes)

Total Water Consumption	504,252.32
Total Wastewater (All Domestic Wastewater)	297,156.52

Exhaust Gas Management

We attach importance to the management of exhaust gas emission during manufacture and operations. For the construction of manufacturing bases, we require simultaneous designing, construction and initial operation of the air pollution prevention and control facilities and the main part project. For the manufacture, the Process Department engaged in the treatment of air pollutants is responsible for developing the operating procedures for exhaust gas treatment facilities and conducting relevant employee training. The departments using such facilities are responsible for the maintenance of the facilities and the management of ledgers. To ensure compliant exhaust gas emission, the Company commissions qualified third-party environmental monitoring organizations to monitor the emissions.

Key Performance: Exhaust Gas Generated in 2023 (Tonnes)

Sulfur Dioxide	0.20
Nitrogen Oxides	0.51
Particulate Matters	36.11
Benzene	0.0002
Methylbenzene	0.44
Xylene	0.57
Volatile Organic Compound	20,732.40

Waste Management and Circular Economy

We are committed to reducing the impact of pollution and waste on the environment and local communities. We continue to strengthen our capacity to treat pollutants and waste, and take mitigation measures to handle potential pollutant discharge and waste.

We have the Management Policy for Solid Waste in place, which specifies the management and treatment of different types of solid waste that may be generated during manufacture and operation, such as domestic garbage, industrial solid waste, hazardous waste and construction waste. During the reporting period, we continued to strengthen the management of hazardous waste, remained cooperative with legally qualified organizations engaged in hazardous waste treatment, and signed contracts of hazardous waste transfer. By doing so, we ensure that all procedures from collection, warehousing, storage to transfer are rigorously monitored and recorded based on accurate statistics, so as to ensure that 100% of hazardous waste are handled in a compliant manner.

We are committed to practicing the concept of circular economy throughout our manufacture and waste management and actively promote resource recycling during manufacture through waste reduction, waste reusing, waste recycling and other approaches. During the reporting period, we focused on the recycling of packaging materials through such measures as encouraging suppliers to adopt recyclable packaging materials and upgrading and reusing packaging materials.

Case: Achieving Green Manufacture by Promoting the Reuse of Packaging Materials

The Manufacturing Department keeps promoting the program of reusing waste wooden crates to fulfil the Company's commitment to environmental protection. We upgraded the wooden crates of the raw materials for manufacture to replace traditional self-made ones and these upgraded crates are used for the packaging of structural components during transit transportation. In 2023, The Manufacturing Department reused a total of 354 wooden crates, saving approximately 5 tonnes of wood.

The Manufacturing Department also promoted the project of upgrading old transport tooling, saving a total of approximately 280 tonnes of steel by upgrading 150 sets of transport tooling of old model that were no longer in use to match them with products of new model.

Tonnes of steel by upgrading **150** sets of transport tooling of old model that were no longer in use to match them with products of new model

Saving a total of approximately **280** tonnes of steel

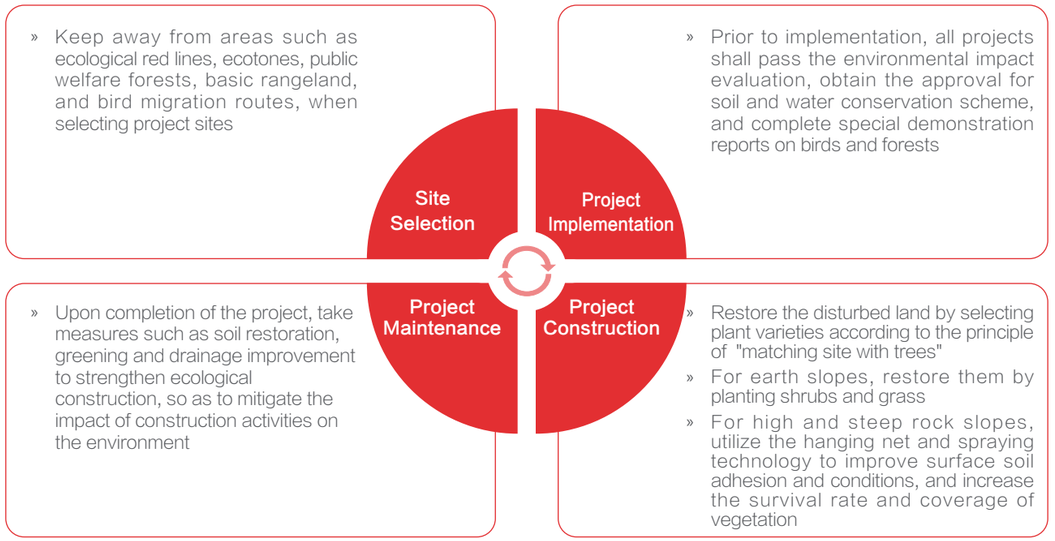
Key Performance: Waste Generated in 2023 (Tonnes)

Total Hazardous Waste	**1,171.15**
Total Non-Hazardous Waste	**18,250.96**

Biodiversity Management

We respond to the Convention on Biological Diversity of the United Nations by incorporating biodiversity conservation into the corporate management. The Company has formulated the Biodiversity Conservation Policy and the Management Measures for Biodiversity Conservation. With these policies, the Company is committed to the scientific ecological restoration. To be specific, the Company promotes the ecological restoration that observes natural processes and planting of local green plants, and practices the ecological protection concept throughout the manufacture of wind turbines and the construction and operation of wind farms. During the reporting period, none of the Company's newly established wind farms was located in or adjacent to biodiversity sensitive areas or had any significant impact on the surrounding biodiversity.

Project Lifecycle Biodiversity Management for Wind Farm Construction



Case: New Practice of Ecological Restoration of Fangyuan Wind Farm in Guiyang, Hunan Province

During the construction, the Company made full use of the waste generated from the construction to carry out ecological restoration. To be specific, the Company used engineering rubble to build up planting grooves as a blockade to improve greening effects, and built a water barrier out of engineering mounds of soil to protect slopes from the erosion by confluent flows. In addition, our construction team paved the temporary roadway with mudstones to divert the confluent flows and mitigate soil erosion. In the post-construction period, we actively carried out ecological restoration and beautification. To be specific, we covered slopes with grasses, planted trees and shrubs, and used the hanging net and spraying technology to restore the vegetation in the field as quick as possible. During the project period, our hanging net and spraying work covered a total of 8.61 hectares of land. We planted grasses of 14.50 hectares and 4,700 trees and shrubs. In addition, we constructed the slag-retaining wall of 190 m, the water barrier of 3.5 km as well as planting grooves of 1.2 km, and paved mudstone of 9.16 hectares, which effectively restored the ecological environment around the wind farms and prevented soil erosion and other harmful impacts.

Environmental Management Throughout Product Lifecycle

SANY Renewable Energy is committed to developing environmentally friendly wind turbines. We have incorporated the reduction of environmental impacts brought by the use of products as well as the end-of-life products into the environmental policy. In this way, we have established the environmental impact control over product's lifecycle processes including design and development, manufacture, construction and operation, and decommissioning and scrapping. Through these efforts, we promote the recycling of materials and reduce the consumption of materials and the waste.

At the stage of product design and development, we actively explore the solutions to enhance the environmental strengths and sustainability of products while ensuring the product quality and performance. The solutions include the use of green materials with low environmental impacts, lightweight design with lower consumption of raw materials, and noise control in operations. We have carried out many practices of green design. For instance, we applied QT700 ductile cast iron to main shafts, main frames and bearing housing, which improves the strength of the structural parts of wind turbines while reducing the weight. In addition, we discussed with our suppliers about the solutions to replacing the fluorine-containing gases in the switchgear with environmentally friendly gases. In the past three years, SANY Renewable Energy has obtained a total of 429 patents, of which 139 are green patents.

SANY Renewable Energy has obtained a total of **429** patents

of which **139** are green patents

Breakdown of SANY Renewable Energy's Green Patents between 2021 to 2023

Optimizing Blade Manufacturing

67 (16%)

Increasing Power Generation Capacity

27 (6%)

Recycling of Grease and Carbon Dust

18 (4%)

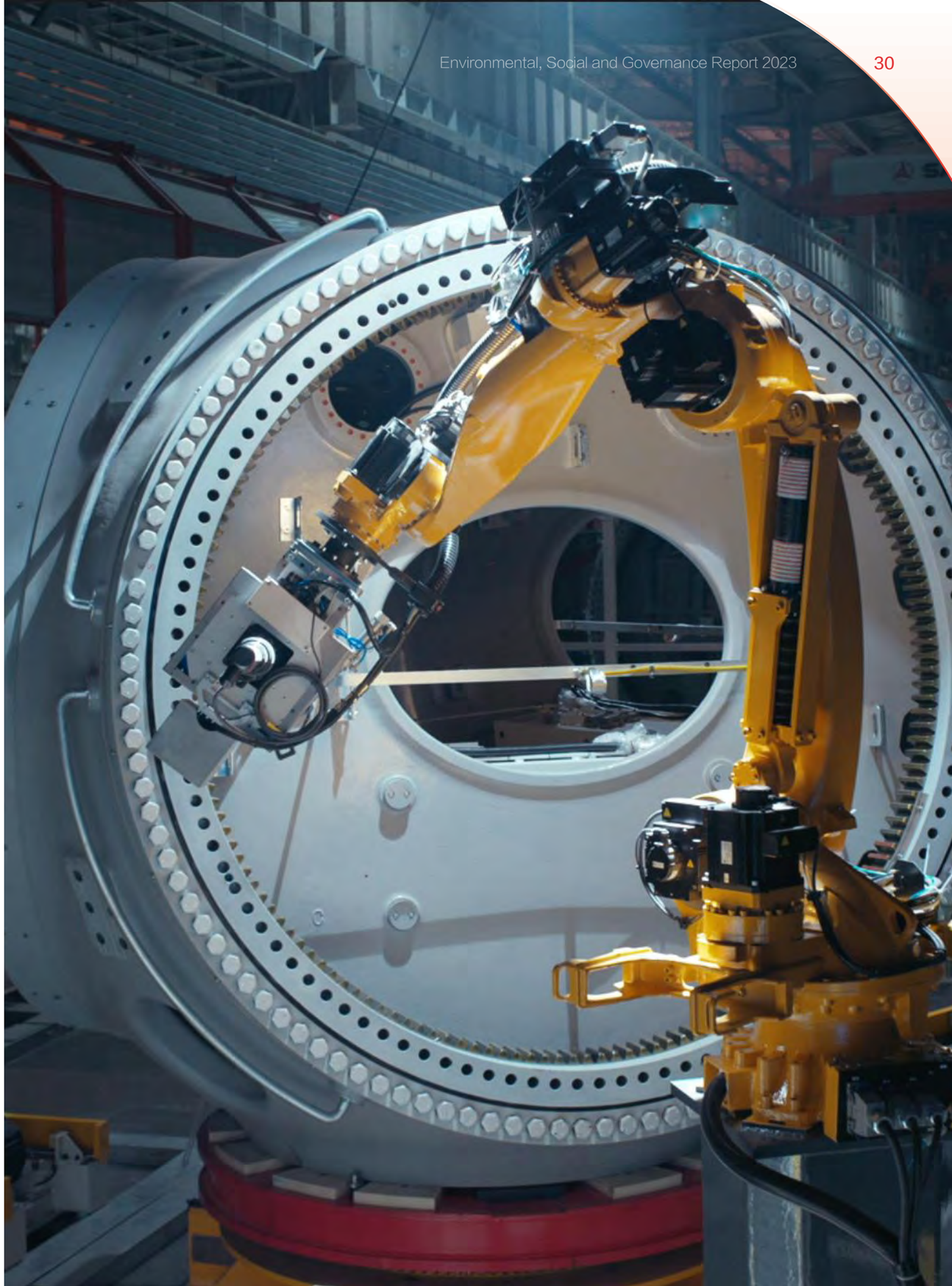
Application of Lightweight Materials

17 (4%)

Noise Reduction

10 (2%)

For the end of life of products, we are gradually improving the decommissioning plan of wind turbines through such measures as precise dismantling, classified recycling, and ecological restoration. To minimize the environmental impact of wind turbines at the end of their life, we are also actively exploring solutions to the reuse of decommissioned blades and keeping abreast of the R&D and innovations of the application of recyclable or biodegradable materials to wind turbine blades.



03

Talent Cultivation for Business Prosperity

SANY Renewable Energy is deeply aware that talents are valuable assets of an enterprise and the core driving force that promotes the sustainable development of the enterprise. Therefore, we are committed to improving the employment management and the protection of employee rights and interests. In addition, we provide employees with great room for career development and create a working environment that attracts, cultivates and retains outstanding talents. Moreover, we pay attention to the health and safety of employees.

33 Labor Management and Rights

39 Training and Development

42 Occupational Health and Safety

Labor Management and Rights

SANY Renewable Energy believes in the value of "hard work and perseverance in achieving success" and is committed to nurturing employees through a supportive work environment and development opportunities. In addition, the Company is committed to creating a fair and inclusive working environment of mutual assistance and practices the principle of "zero tolerance and zero violation" to protect labor rights and interests. The Company also ensures that the rights and interests of employees are fully respected and protected through effective labor management to improve employee satisfaction. Meanwhile, we continuously invest in talent acquisition and recruit global professionals with diverse backgrounds to actively promote cross-cultural communication and integration, and strive to create a talent team that embraces diversity.

Human Rights Protection

We abide by labor laws, regulations and standards that are applicable to the locations where we operate, including the Labor Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, and the Law of the People's Republic of China on the Protection of Rights and Interests of Women.

As we became a signatory to the UNGC during the reporting period, we have formulated the Policy for Human Rights and Labor Management out of the respect for internationally recognized policies regarding human rights, such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, so as to convey our human rights policy to our employees, suppliers, contractors and partners. The policy advocates the protection of the rights and interests of female employees, strictly prohibits forced labor and child labor in any form, and rejects workplace harassment and discrimination in any form. Besides, the policy specifies key management actions such as whistleblowing, whistleblower protection, grievance, dispute mediation, as well as remedies and compensation. We have conducted human rights training for all employees to help them learn about their rights and interests as well as the essence of the Policy for Human Rights and Labor Management.

During the reporting period, the Human Resources Department of the Company conducted the first company-wide internal assessment of human rights and labor management. During the assessment, no reports or complaints of harassment or discrimination were received, and no incidents in violation of laws and regulations or internationally accepted standards regarding labor human rights (such as child labor, human trafficking and forced labor) were found.

Practice of Diversity and Equity

With the development of business and globalization of SANY Renewable Energy, the Company actively recruits talents of different gender, ethnicity, nationality, education background and cultural background. In addition, the Company strives to create a diverse working environment in which different opinions and views are respected to promote innovation and teamwork. We have integrated the concept of diversity into the management of human resources. During the reporting period, we formulated the Guidance on Care for Minorities and Disadvantaged Employees, the Guidance on the Protection of Fundamental Rights and Interests and Career Development of Employees with Disabilities, the Guidance on the Protection of Fundamental Rights and Interests and Career Development of Female Employees and other guidance manuals for different groups in order to promote the protection of their rights and interests. Besides, we encourage their active participation in the work and development of the Company by establishing a diversified incentive mechanism and caring for their life, development, communication, etc.

In addition, we focus on eliminating discriminatory conducts in employment and at work, to create an equal and fair workplace. We have developed the Code of Conduct for Employee in Recruitment Positions to eliminate discrimination relating to gender, age, race, nationality, religion, or other social and personal factors, thus providing all candidates with equal rights to work. It is stipulated in our Cadre Management Policy that for the evaluation, selection and promotion of cadres, fair and objective evaluation criteria should be adopted, employees should be entitled to fair selection opportunities, diversity and inclusiveness should be taken into consideration, and any form of discrimination should be prohibited. By doing so, we strive to create a fair career promotion channel for employees.

Case: Promoting Diversity and Integration – Foreign Employees Training at the Headquarters

In August and October 2023, 29 newly-joined foreign employees (88% of the total newly-joined foreign employees) were organized by the Overseas Marketing Department and the Human Resources Department to participate in the "2023 Foreign Employees Training Program of SANY Renewable Energy". By doing so, we enhanced foreign employees' sense of identity and belonging toward the corporate culture and helped them know about the development strategy, products and technologies, policies and systems, and business of the Company while also enhancing the communication and mutual trust between the foreign employees and employees at the headquarters, thus forming a good teamwork spirit. The training was carried out in such forms as centralized lectures, wind power salons, exchange lectures, wind power exhibitions and factory visits. The training satisfaction was rated as 4.82 out of 5.

Foreign employees visiting the factory of SANY Renewable Energy

Key Performance:

Foreign Employees	160
Employees of Minority Groups and/or Disadvantaged Employees	532
Employees with Disabilities	46
Female Employees	540

Remuneration and Benefits

SANY Renewable Energy offers employees highly competitive remuneration. We have established a comprehensive remuneration and benefits system for employees in accordance with national laws and regulations as well as those of the overseas regions where we operate. The remuneration and benefits include, but not limited to, overtime compensation, statutory public holidays, paid annual leave, maternity leave, paternity leave, and remote working. During the reporting period, the Company signed labor contracts with 100% of employees in accordance with the law and offer social insurance to 100% of the regular employees.

The Company keeps improving the remuneration management system to stimulate the potential and motivation of employees and encourage them to create values. Our remuneration consists of basic salary, performance bonuses, allowances and subsidies, etc. We offer different remuneration package based on the job value and develop tailored remuneration strategies for all employees. In addition, the Human Resources Department regularly monitors and evaluates the remuneration of all departments and positions to ensure that the remuneration offered by the Company is reasonable and attractive to talents.

Remuneration System

For All Employees

Basic Salary	Determined by job value, personal ability, and skill level
Performance Bonuses	Short-term incentives determined by performance results
Allowances and Subsidies	Based on job characteristics or geographical location

For Specific Employees

Incremental Sales Award	For R&D team: Designed for incremental gross profit sharing of R&D products
Equity Incentives	Equity incentive plans targeting senior managers in key positions, R&D core positions, and core management positions (By the end of the reporting period, two periods of exercise registration had been completed as planned)
Employee Stock Ownership	Targeting directors (excluding independent directors), supervisors, senior management, middle management, staff in key positions, and core business (technical) staff. The Company formulated, considered and approved the Employee Stock Ownership Plan in 2023, involving 631 employees.
Incentives for Achieving Challenging Targets	Incentives are devised based on challenging target agreements that are tied to key performance indicators, such as business revenue and profits. Upon achieving challenging targets, personnel will receive corresponding cash incentives.

We pay employees in full and on time and provide payroll details to ensure transparency and fairness. In addition, we stick to the principle of equal employment and equal pay for equal work to ensure that all employees are treated fairly and enjoy favorable conditions at work. During the reporting period, our unadjusted remuneration for male employees were 5.59% higher than those for female employees.

The Company is committed to providing all employees with more considerate services and protection and creating working conditions that help them balance work and life. In addition, the Company has formulated the Management Rules for Employee Benefits to regulate the distribution of benefits

Employee Benefits System

Insurance Benefits

» The Company provides all employees with pensions, medical, work-related injury, maternity, and unemployment insurances, as well as housing provident fund. In addition, the Company offers group accident insurance and personal accident insurance to contractors, employer liability insurance to interns, expert health insurance to international experts, and overseas personnel accident insurance to staff on international assignments.

Material Benefits

» The Company provides employees with meals, commuting, housing, holiday and birthday benefits. In addition, when employees experience major personal and family events such as marriage, funeral, childbirth and critical illness, the Company will provide employees with allowances for congratulation or condolence.

Healthcare Benefits

» The Company provides annual physical examinations for employees every year. Employees can attend the physical examinations at the contracted medical institutions.

Lifestyle Benefits

» The Company has a variety of staff activity rooms, reading rooms, gyms, ball fields, activity centers, parks and other facilities for staff recreation and learning.

Children Education Benefits

» The Company is committed to solving the problem of schooling, from nursery to compulsory junior high school, for the children of employees in need.

Leisure sports activity in Nankou Industrial Park

Mountain climbing organized by SANY Renewable Energy Blade Company

Care activity for employees' families

Spring Festival activity

Employee Communication and Satisfaction

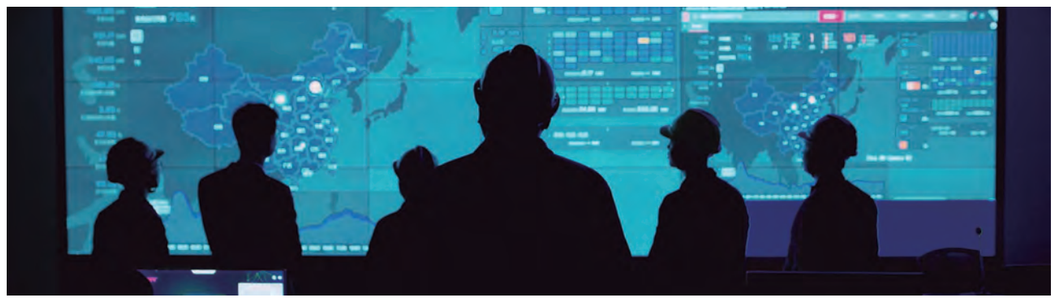
Democratic Management

We respect employees' freedom of association and the right of collective bargaining, gradually improve the policy for democratic communication and steadily promote the democratic management mainly in the form of staff councils and labor unions. During the reporting period, the Company promoted the establishment of the labor union and set up the first Labor Union Committee, the Financial Review Committee, the Committee of Female Employees and other organizations. In the future, we will actively carry out negotiations on important matters concerning the immediate interests of employees and the revision of major policies through the labor union. Besides, we will promote the signing of collective agreements on occupational health and safety, training and career management, anti-harassment and anti-discrimination and other issues, so as to effectively safeguard the rights and interests of employees. During the reporting period, the Company convened a staff council to deliberate and approve the Management Scheme for 2023 Employee Stock Ownership Plan. By doing so, the Company improved the benefit-sharing mechanism between the Company and employees to enhance the cohesion among employees and the competitiveness of the Company.

Proactive Communication

During the reporting period, the Company continued to implement the management process for handling employee complaint via email, internet platforms, mobile apps, and other channels. The Company adopted a hierarchical management approach with feedback verification at each level, ensuring effective and timely resolution of issues raised by both domestic and overseas employees across all levels. Monthly employee representative symposiums were conducted to help employees keep updated with our developments and to address their demands regarding office arrangements, accommodations, cafeteria services, transportation, and other services. During the reporting period, the Company received a total of 259 complaints and suggestions from employees regarding property management, cafeteria services, fleet management, security management, reception management, etc. In response, we organized specialized symposiums and assigned dedicated personnel to provide explanations and address concerns, achieving a timely response rate of 100%.

Achieving a timely response rate of **100%**



Case: Proactive Human Resource Services for the Benefits of Employees

In June 2023, the Human Resources Department organized a "Human Resources Service Day" event to enhance employees' understanding of human resources policies and procedures. Through on-site Q&A sessions and the distribution of brochures, employees were informed about social security, housing provident fund, and certificate issuance procedures. With extensive participation by employees, this event served to address the concerns of employees and effectively communicate human resource policies to them.

Human Resources Service Day

Employee Grievance Flowchart

- All grievances will be handled in an appropriate manner
- The Company requires that the details such as names of those involved in the grievance be kept strictly confidential
- The Company prohibits any form of retaliation against anyone involved in a grievance

Employees may exercise the right of grievance, indictment, or reporting when they believe their rights and interests have been violated

An employee raises a grievance to his/her immediate supervisor

Initial grievance: Investigations and interviews are conducted by the Human Resources Department and the handling recommendations will be provided within 14 days of the completion of the investigation

Final grievance: Investigations and interviews are conducted based on new evidence and reasons by the Human Resources Department and final handling recommendations will be provided within 14 days of the completion of the investigation

If the grievance is not resolved, the preliminary grievance will be initiated

If the employee is not satisfied with the decision of the initial state and provides detailed and reasonable reasons for further grievance, the final grievance will be initiated

Employee Satisfaction Survey

The Company conducts an Employee Satisfaction Survey every year to track employee satisfaction from various aspects of daily operations, driving management optimization and organizational efficiency. During the reporting period, all employees participated in the satisfaction survey. The final scores reached 4.02 out of 5, maintaining a consistently high level.

The final scores reached **4.02** out of 5, maintaining a consistently high level.

Training and Development

Employee Training System

The Company is dedicated to meeting the increasingly diverse personal and occupational development needs of employees, aiming to enhance their professional skills and overall competencies. Efforts are focused on providing career guidance for all employees, effectively advancing talent development in alignment with the Company's strategic goals. We advocate for the concept of "integrated training" and have established a training system that covers all employees and spans their entire careers. Our aim is to inspire proactive learning and progress among employees. During the reporting period, we continued to optimize the training system, revising 26 relevant policies and processes regarding training management, demands analysis, effectiveness evaluation, and course development. We are committed to developing a portfolio of high-quality training programs for talents. The efforts we made include optimizing a range of key initiatives such as the Mentor-Mentee Program, Supervision Program, internal training courses, talent sponsorship for further education, and professional certification.

Training for All Staff

- In 2023, we held company-level centralized learning and assessment activities such as Project Management and Digital Transformation, covering 4,045 employees.
- We conducted 19 orientation training sessions for newly recruited experienced employees and 89 pre-service training sessions for workers, with a 100% coverage for both types of training.

Talent Cultivation

- The Company has formulated the Management Measures for Sending Outstanding Employees for Further Education to provide the talents with opportunities for further education, and to help them meet requirements for higher-level positions.

School-Enterprise Collaboration

- The Company has deepened partnership with famous universities such as University of International Business and Economics and Beijing University of Technology to strengthen school-enterprise collaboration. Meanwhile, the Company has provided high-quality career guidance and internship opportunities for university students and worked with universities to create training bases.

Key Performance:

Participants (person)	5,721
Coverage (%)	100%
Training hours (hour)	600,191
Average training hours among employees (hour)	104.9
Training investment (million CNY)	2.45

Employee Career Development

During the reporting period, we established a goal-centered performance evaluation system for all employees. Diverse methods were applied based on job levels and positions, ensuring the comprehensiveness and objectivity of the performance evaluation.

We have established two career development paths in professional and management roles, spanning 15 categories such as R&D technology, IT, and human resources. This initiative aims to align employees' career progress with the Company's strategic objectives, thereby achieving a win-win situation for both employees and the enterprise.

Career Advancement Path for Management Staff

	Job Promotion	Rank Promotion
Job classification / Job ranks	Director, Staff	Employee → Manager → Senior manager → Top management
Evaluation criteria	Work performance, job requirements, and talent development; Performance appraisal results	Performance appraisal results and current job levels
Promotion opportunities	Those who meet the job requirements are eligible for promotion; Offer one promotion opportunity every 6 months	Offer the promotion opportunity every 6 months/1 year/2 years

Career Advancement Path for Technical Staff

Target audience	R&D personnel and technicians
Job ranks	New hires → Junior staff → Middle-level staff → Senior staff → Expert → Senior expert
Promotion opportunities	The technical staff are evaluated every year based on their level of professionalism. If their level of professionalism increases, their remuneration and benefits will also increase accordingly

We attach great importance to the nurturing and utilization of innovative and technical talents. Flexible and diverse methods have been adopted to select and promote R&D innovators as well as outstanding young talents. We continue to enhance our premium talent development programs such as the Mentor-Mentee Program, Supervision Program, Triple-Wind Program, Torch Program, and professional certification. We have nurtured a batch of young leaders through incentives such as the R&D project incentive and special incentive. This has significantly improved the innovation drive and expanded the talent reserve of the Company. The "Craftsman" technician assessment program, targeted at operators, aims to cultivate a group of technicians with a solid theoretical foundation and outstanding professional skills in the wind power field.

During the reporting period, a total of 151 operators assessments and 12 senior technician assessments were completed. In addition, we are committed to creating favorable conditions for internal job transfers and talent mobility across departments to cultivate versatile talents in the wind power industry. During the reporting period, a total of 220 employees were transferred within the Company. By the end of the reporting period, the core technician turnover rate of the Company was only 6.61%.

Case: "New Wind Plan" Cultivates Future Core Talents

The "New Wind Plan" is a training program tailored for fresh graduates, focusing on nurturing future core business talents. This program aims to select young talents who embrace the Company's culture, possess professional capabilities, and demonstrate high potential, and to help them enhance their comprehensive abilities. In 2023, a total of 319 fresh graduates participated in the "New Wind Plan". Through a series of training and selection activities, including CEO meetings, mentorship guidance, and off-the-job training, 93 fresh graduates entered the talent pool, laying a solid foundation for the Company's long-term development.

The "New Wind Plan" i

Occupational Health and Safety

SANY Renewable Energy upholds the management philosophy of "people-oriented, safety first". With risk management at the core, we continue to optimize our occupational health and safety management systems and improve our capabilities to respond to risk incidents. We are committed to providing a zero-incident work environment that promotes health and safety for all employees, including regular employees, outsourced workers, and interns.

SANY Renewable Energy strictly abides by the laws and regulations on occupational health and safety, including the Work Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and the Control of Occupational Diseases, and the Fire Protection Law of the People's Republic of China. The Company regularly reviews the compliance calendar, identifies non-compliant management practices, equipment, and facilities, formulates rectification plans, and ensures the compliance of the work safety management.

Occupational Health and Safety Management System

SANY Renewable Energy follows the requirements of the ISO 45001 occupational health and safety management system to carry out management work. The Company has formulated the Employee Health and Safety Management Manual as a mapping document for managing the occupational health and safety of all employees, including regular employees, outsourced worker, and interns. We continuously refine and solidify the management responsibilities of each department and position, requiring top-down safety commitments and bottom-up signing of safety responsibility letters. We strive to promote the compliant and orderly operation of the occupational health and safety management system. The Company has 5 manufacturing and operation sites (Nankou, Huilongguan, Tongyu, Zhangjiakou and Shaoshan) that were accepted and under stable operation for over a year. All the 5 sites have also obtained the ISO 45001 Occupational Health and Safety Management System certification. And Hunan SANY Smart New Energy Design Co., Ltd., a major developer of wind farms, has obtained the certification as well.

100% obtained the ISO 45001 Occupational Health and Safety Management System certification

Top-Down Safety Commitments

Chairman of the Company

The first person responsible for the overall HSE work in the Company

Work Safety, Occupational Health, Fire Safety, and Environmental Protection Committee (with the General Manager of the Company as the Director)

- Review and approve work objectives and development plans
- Develop policies, rules and processes
- Build a sound responsibility system to monitor the performance of main responsibility

HSE Management Department

- Organize the formulation of policies, operating procedures and emergency relief plans
- Conduct comprehensive supervision and management of work safety
- Formulate work safety plans of the Company and assess the work safety responsibility of all departments
- Organize the Company's emergency drills and safety education and training

Heads of Departments, Branches and Subsidiaries

- Following the requirements of "the person in charge takes the responsibility" and upholding the principle of "making safety management an integral part of the management of the industry, business, and manufacture and operations", the heads incorporate work safety into the priorities of the departments, and are directly responsible for the management of work safety within their departments respectively

HSE Management Responsibilities of Each Department

Manufacturing Department

- Organize regular or irregular safety inspections within the department
- Conduct hazard identification and risk assessment on a regular basis
- Strengthen the safety management of the department, and give full play to the role of workshop and team leaders and security personnel
- ...

Digitalization Department

- Formulate HSE risk assessment and control mechanisms for new technologies, materials, processes, and equipment
- Develop safe operating procedures for equipment and tooling and measures for handling hazards in equipment and tooling operation
- ...

Service Company

- Implement safety management of wind farm maintenance
- ...

Human Resources Department

- Provide factory-level safety training in the three-level training system for new employees
- Monitor and inspect labor safety and occupational disease hazards associated with each position of departments
- Implement policies and standards for work-related injury insurance
- ...

R&D Institute

- Prepare safety precautions for new projects and conduct relevant publicity work
- Implement safety management during prototype testing
- ...

.....

Bottom-Up Signing of Safety Responsibility Letter

Work Safety

During the reporting period, the HSE Management Department of the Company issued 21 documents and guidelines, including the Policy on Safety Risk Identification and Graded Control, the Policy on Safety Management of Electrical Tools, and the Guidance on Noise Control Management, in response to changes in business and manufacture. The HSE Management Department also organized the revision of 16 documents such as the Policy on Emergency Management of Workplace Safety, the Policy on Hazardous Chemicals Management, and the Policy on Safety Education and Training Management, further solidifying the system of work safety.

Safety Risk Identification and Management

In addition to weekly safety inspections, routine inspections, and cross-team inspections, the Company also utilized the HSE digital platform for information management, including hazard rectification and accident reporting. For safety issues identified, a hazard management record was created to document key information such as the content, location, responsible department, and person in charge, to ensure the timely rectification of hazards. In accordance with the Hazardous Sources Identification and Risks Assessment Control Procedure, the Company regularly conducts identification and assessment of potential hazards. Based on the results, the Company adopts graded control measures, focusing on the control of high-risk areas and manufacturing workplaces and leveraging all relevant technical devices such as video monitors, smoke alarms, and temperature-sensitive alarm systems. The Company also conducts regular inspections and special checks, and realizes the integration of human, devices, and technologies as three lines of defense. In addition, we conduct regular safety inspections of devices and keep thorough records to ensure their safe operation.

A clear graded reporting and investigation process for incidents has been established to facilitate ongoing optimization of incident handling procedures. As of the reporting period, the HSE Management Department and Safety Committee had conducted a total of 80 safety inspections and patrols across all parks, factories, and wind farms, identifying and rectifying a total of 739 hazards. Through self-inspections, units and departments discovered and rectified a total of 14,566 hazards, including 340 high-risk hazards of class A.

On-site inspections of work safety

Case: HSE Information Management of SANY Renewable Energy – Three Present Platform

As a modern smart manufacturing factory, SANY Renewable Energy utilizes the camera vision recognition technology to monitor the "6S", personnel safety and attendance as well as the material usage and storage relating to manufacture. The data is uploaded to the cloud for smart analysis, achieving online and timely safety monitoring. During the reporting period, the HSE Management Department conducted online safety monitoring through the three present platform.

Management of Relevant Parties

We apply the same safety standards to contractors, outsourced workers, interns, and other relevant parties as those we place on our regular employees. In 2023, the Company revised the Management Policy for Relevant Parties to strengthen control over relevant parties and external personnel, standardize safety notification procedures and content, and conduct advance qualification review of operating units. We strictly implement the management requirements and sign the Agreement on the Management of Occupational Health and Safety and Environmental Protection with relevant parties to define the responsibilities of work safety management and necessary safety measures. We require relevant parties to provide safety and environmental protection related construction plans and conduct strict review and archival. New employees are required to take training and exams before working on site. Furthermore, we require temporary entrants to the factory, such as visitors and personnel from contractors, sign the safety notification forms. This aims to ensure that external individuals understand our safety management regulations and the risk issues.

Case: Promoting Work Safety and Conducting Safety Training for Relevant Parties

In 2023, the HSE Management Department of the Company organized a total of 245 safety training sessions for relevant parties across various industrial parks, with a total of 5,773 participants. During the training, the Company popularized the knowledge of manufacturing characteristics, safety red lines, and emergency safety management to partners. Additionally, the Company distributed materials such as the collection of typical safety hazards and the chart of one hundred work safety pitfalls to help employees effectively recognize and avoid risks.

Work safety training for relevant parties

Hazardous Material Management

To regulate the handling of hazardous chemicals and avoid potential harm to employees, we have formulated the Policy on Hazardous Chemicals Management. Our objective is to prevent and control leaks, fires, poisonings, and explosions during the transportation, storage, use and disposal of hazardous chemicals, and to regulate the scrapping and disposal of hazardous chemicals. Furthermore, the Company provides regular training for employees who handle hazardous chemicals in spray booths or manage hazardous chemical waste to ensure their compliance with operational standards. During the reporting period, no safety accidents related to hazardous materials occurred.

Safety Awareness Promotion and Training

We consider the building of a culture of workplace safety and the cultivation of safety awareness among employees as the priority in our safety management. According to the Company's Policy on Safety Education and Training Management, we provide safety training for all employees, including outsourced workers, interns, and temporary workers. We also conduct special training for new employees when adopting new processes, technologies, materials, or equipment. During the reporting period, we required each business unit to conduct monthly safety training and each manufacturing unit to conduct weekly special safety training. This aimed to enhance the frequency and relevance of safety training. Additionally, all chief safety officers and safety leaders are required to attend special safety training and obtain certification upon assessment.

Furthermore, we continuously update our Collection of Typical Safety Hazards to help employees understand and identify potential safety hazards in the workplace. By the end of the reporting period, we had organized 19 company-wide safety training sessions, with a total of 544 trainees. In addition, we held 12 special monthly safety training sessions with around 28,867 participants, averaging 24 hours of safety training per individual. Furthermore, we administered 12 safety knowledge and skills exams, with a total of 27,892 participants.

We organized **19** company-wide safety training sessions with a total of **544** trainees and held **12** special monthly safety training sessions with around **28,867** participants.

The average number of hours of safety training per person reached **24** hours.

We also administered **12** safety knowledge and skills exams with a total of **27,892** participants.

Emergency Drills for Safety Accidents

Adhering to the principle of "thinking ahead for complete safety", we have formulated the Policy on Emergency Management of Workplace Safety and emergency response procedures for safety accidents. We have established emergency response teams, stocked emergency supplies, and conducted emergency drills as required by the policy. In addition, each subsidiary and department has developed emergency drill plans and conducts drills on different themes every two months to improve emergency response capabilities and handling proficiency. During the reporting period, the HSE Management Department, considering the actual manufacture of the Company, organized a total of 11 emergency response drills for poisoning and asphyxiation in confined spaces, fires, environmental accidents, and lifting and hoisting accidents.



Emergency drills for work safety

Fire Safety Management

The Company continues to optimize the Fire Safety Management system and implement fire control measures by regularly inspecting fire equipment and organizing irregular special spot checks. Meanwhile, the Company cultivates the practical fire safety abilities of all employees through professional training and regular fire drills. In this way, employees can effectively use fire extinguishers and hydrants in real-life scenarios. During the reporting period, the Company organized a total of 4 special training sessions and 7 emergency drills on fire safety. The Company also conducted the "Fire Safety Skills Competition" during the Fire Safety Month in November 2023.

Fire Safety Month event with the theme of "Prevention First, Life First"

Safety Performance Assessment

The Company has established the Policy on Safety Rewards, Punishments & Evaluations to specify the responsibilities and requirements for work safety. By implementing reward and punishment measures, we aim to motivate all employees to actively participate in work safety activities, thereby enhancing safety awareness and skills. During the reporting period, the Company continued to promote HSE portrait management, assessing and rating safety performance of departments at all levels by workplace injury incidents, hazard rectification rates, safety education training and exams, and customized tasks. This approach quantitatively evaluates safety performance to incentivize employees at all levels to fulfill their work safety responsibilities.

Key Performance:

Lost time incident rate of direct labor	23.71%
Lost time serious incident rate of direct labor	3.19%
Lost time incident rate of contractors	80%
Lost time serious incident rate of contractors	10%
Number of work injuries	3
Lost days due to work injury	414
Number of work-related fatalities	0
Annual work-related fatality rate	0

Occupational Disease Prevention

Legally obliged to monitor the health condition of employees exposed to occupational disease hazards, the Company has formulated the Regulations on Warning and Notification of Occupational Disease Hazards and the Regulations on Occupational Health Monitoring and File Management to standardize the management of occupational health monitoring. Employees exposed to occupational disease hazards are required to undergo pre-job, on-the-job, and off-the-job physical examinations. We adhere to the "one employee, one record" requirement to track the occupational health conditions of employees. We prioritize occupational health training for all employees. During the reporting period, we conducted online training to educate employees on occupational disease prevention, hazards identification, and proper use of protective equipment, in order to enhance their awareness of occupational health protection.

In addition, the Company has entrusted third-party organizations to identify occupational disease hazards every year and assess the current occupational disease hazards every three years. This initiative ensures the effective identification and control of occupational hazards. For risks identified, we post notification cards for occupational disease hazards to ensure that employees are aware of the hazards at their posts and take protective measures as required. Furthermore, we distribute labor protection supplies and ensure their correct usage based on the assessment result of current occupational hazards. We keep records of the distribution and usage of the supplies, and regularly inspect their quality. By the end of the reporting period, the Company had no new cases of occupational diseases.

Protection of Employee's Mental Health

The mental health of employees is crucial for the Company's development and the personal growth of employees. Therefore, we consider it as a key aspect of safeguarding employee's health. During the reporting period, we released the Guidance on the Protection of Employee's Mental Health. This guidance aims to educate employees on basic mental health knowledge and to assist managers at all levels in mastering basic methods of managing employee mental health.

04

Excellent Quality

SANY Renewable Energy firmly believes that quality changes the world. Therefore, we are committed to improving our R&D capabilities and product quality management, strengthening the construction of sustainable supply chain, optimizing customer service, and working with value chain partners to jointly promote the high-quality development of the wind power industry. Our goal is to better meet customer needs with superior products and services and to promote the efficient use of clean energy.

51 R&D Innovation

55 Intelligent Manufacturing

57 Supply Chain Management

61 Customer Services

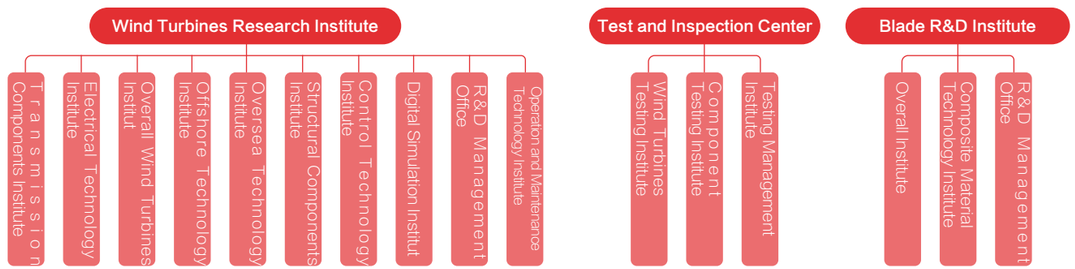
R&D Innovation

R&D Management System

SANY Renewable Energy upholds the concept of "every bit of achievements originates from innovation". We continuously increase investment in technological R&D and introduce international high-end talents. We have established an international, specialized and diversified R&D platform covering the Wind Turbine Research Institute, Testing and Inspection Center, and Blade R&D Institute. Additionally, we have set up the R&D Management Office and multiple R&D institutes responsible for the R&D of products and technologies. By the end of the reporting period, the Company had a total of 853 R&D personnel, accounting for 14.91% of all employees.

The Company had a total of **853** R&D personnel, accounting for **14.91 %** of all employees

Structure of the R&D platforms of SANY Renewable Energy



In 2023, our investment in R&D reached **872** million CNY, with an increase of **13.45%** compared to the previous year, accounting for **5.83%** of our revenue.

Product R&D and Innovation

The Company focuses on the R&D of offshore wind turbines and onshore large-megawatt wind turbines, and continues to promote the technological innovation. During the reporting period, our platform 919 completed the development, trial manufacture, hoisting and grid connection of four onshore prototypes. Besides, our platform 922 released the world's largest onshore wind turbine. The Company also completed the construction of the SANY Renewable Energy Testing Center, which is capable of verifying the reliability of key components such as large-megawatt blades and generators.

Product Quality Management

We have restructured the quality management system and incentivized employees to improve product quality through multi-dimensional quality improvement activities. These efforts align with our globalization strategy and aim to meet the increasing demands for product quality from domestic and international customers. In 2023, our outstanding QC project won the Gold Award at the Annual Meeting of the China Association for Quality and the 2nd Global Pursuit of Excellence Conference.

The Company has formulated and strictly implemented quality assurance policies and processes such as the SANY Renewable Energy Management Manual, the Quality Award and Punishment Management System and the Supplier Quality Manual to ensure the quality and safety of products throughout their life cycle. We have established the quality management system up to the ISO 9001 standard and obtained the certification. Continual improvement has been achieved through regular inspections and benchmarking of our manufacturing bases and wind farms. By the end of the reporting period, the manufacturing bases that have obtained ISO 9001 certification include SANY Renewable Energy Nankou Nacelle Company, Chenzhou Nacelle Company, Tongyu Nacelle Company, Beijing Nacelle Company, Shaoshan Blade Company, Zhangjiakou Blade Company and Tongyu Blade Company.

The Company also continues to promote digitalization in quality management. During the reporting period, the Company launched a total of 8 modules and 176 demands in the digital quality management system. The online rate of the quality management process increased from 77.62% in 2022 to 83.67% in 2023.

An excellent quality management system provides a solid guarantee for SANY Renewable Energy to produce high-quality wind turbine products. During the reporting period, the Company obtained the certificate of Mode A type approval for 14 domestic wind turbine models, 3 international wind turbine models, and 5 wind turbine blade models. This demonstrated our robust quality assurance capabilities in mass manufacture.

The Company launched a total of **8** modules and **176** demands in the digital quality management system. The online rate of the quality management process increased from **77.62%** in 2022 to **83.67%** in 2023.

Wind turbines and blades obtaining the certificate of Mode A type approval

- SI-19367H110 CQC Certification
- SI-17250H105 CQC Certification
- SI-18350H105 CQC Certification
- SI-19350H110 CQC Certification
- SI-17267H100 CQC Certification
- SI-18365H105 CQC Certification
- SI-17265H100 CQC Certification
- SI-183625H105 CQC Certification
- SI-193625H110 CQC Certification
- FB82050 Enhanced Blades CQC Certification
- SI-193455H110 CQC Certification
- SI-16840 UL Certification
- SI-16848/16850 UL Certification

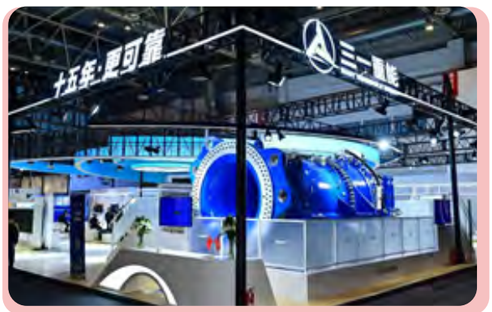
Industry-University-Research Activities

SANY Renewable Energy actively engages in industry-university-research cooperation activities. Every year, we conduct extensive patent analysis projects with partner universities, focusing on key products and technologies. We also combine industry trends and patent distribution to provide guidance and support for the R&D innovation of products and technologies. This effort contributes to the identification of R&D opportunities and offers insight into our R&D innovation and patent layout direction.

Case: Comprehensive Survey and Analysis of Offshore Machine Patents in Collaboration with Hunan University of Science and Technology

In 2023, the Company collaborated with Hunan University of Science and Technology to conduct the "Comprehensive Survey and Analysis of Offshore Machine Patents" project. We conducted a comprehensive survey and analysis of patents regarding the transportation, installation, and operation and maintenance of offshore wind turbines. This provides guidance for our on-site technical research and patent layout for offshore wind turbines.

In 2023, the Company attended multiple well-known wind power related activities at home and abroad, such as the HUSUM Wind 2023 in Germany, the China Wind Power 2023 and the China (Jiangsu) Wind Power Industry Development Summit Forum (Offshore Wind Power Sub-Forum). In these activities, we discussed industry development trends with government agencies, industry peers and industry experts, and shared our practical experience in R&D and innovation with other participants.



SANY Renewable Energy attended the China Wind Power 2023

SANY Renewable Energy attended HUSUM Wind 2023 in Germany

The Company also actively assumes the role as a leading global provider of clean energy equipment and services. During the reporting period, the Company participated in the formulation and revision of 5 national or industrial standards and 1 group standard. The Company has participated in the formulation and revision of 21 national or industrial standards and 6 group standards in total.

Intellectual Property Management

To stimulate the potential of R&D personnel in innovation, the Company continuously improves innovation incentive measures and intellectual property management. In addition, the Company has formulated and strictly implemented a series of rules such as the R&D Patent Work and Management Regulations, the Management Regulations on Internal Title Appraisal of R&D Department and the Measures for Incentive Management of R&D Projects. By the end of the reporting period, the Company had obtained a total of 796 patents, including 207 invention patents (covering 3 Spanish invention patents), 584 utility model patents and 5 design patents. In addition, the Company has obtained a total of 215 software copyrights.

The Company is committed to strengthening the ability in the digital management of intellectual property rights. To realize online and standardized management of business processes on intellectual property rights, the Company has implemented an intellectual property rights management strategy that is "standardized, online, automated and intelligent". The Company has achieved 100% lifecycle online management on software copyrights. The digital system can be used for downloading application documents, uploading compiled documents for approval, searching for archived documents and other relevant matters.

Performance on Intellectual Property Rights in 2023

Patents in total
796

Including design patents
5

Including invention patents
207

Including utility model patents
584

New patents in 2023
158

Software copyrights
215

Intelligent Manufacturing

Adhering to the development philosophy of "high quality, high efficiency, high flexibility and competitive cost" in wind turbine manufacturing, SANY Renewable Energy aims to become a benchmark enterprise for intelligent manufacturing in the wind power industry. Through automation, lean operation and digitalization, the Company has taken a leading role in intelligent manufacturing in the industry.

Increasing product quality

In 2023, we invested an intelligent manufacturing line on hubs in the turbine manufacturing factory, increasing the overall manufacture efficiency by 14.3% and realizing 100% online quality inspection rate. To increase the consistency of products, we invested an intelligent manufacturing line on coils in the generator factory, achieving an automation rate of over 60% in the working process.

Enhancing manufacturing efficiency

In 2023, the Digital Twin Meta Platform in Shaoshan Blade Factory of the Company was officially launched, aiming to improve the efficiency on equipment operation and maintenance (O&M), monitoring and management. The platform, which includes 8 modules such as the manufacture, storage and energy, can realize 100% three-dimensional modeling of the plant and real-time visualization of the manufacturing status.

Improving manufacturing flexibility

In 2023, we built an intelligent manufacturing 2.0 factory with flexible and intelligent manufacturing lines in Chenzhou Factory. Through the introduction of a highly integrated operating island and a highly compatible automatic positioning system as well as a simulation technology based assembly path, the factory has realized switching between manufacturing equipment of 3-15 MW wind turbines within 10 seconds. Thus, the assembly efficiency of turbines has been increased by 25%.

Optimizing manufacturing cost

In all general assembly factories and generator factories, we have launched the manufacturing and manufacturing platform (MOM system) in an all-round way through the entire process from planning, manufacture and operation, equipment management and quality management to logistics management. In this way, we have realized online and intelligent management from marketing, R&D, manufacturing to services, etc., and reduced wastes and delay in the manufacturing process. Our manufacturing costs have been reduced by about 5%. In addition, the Company has connected the internal global supplier portal system (iGSP system) to the IP address management system (IPAM system), realizing parking reservation management for suppliers making deliveries and pick-ups within the Company's parks. By achieving precise control for parking spots, the use ratio of parking spots within the Company's parks has increased by 20%.

In the future, SANY Renewable Energy will continue to deepen the fusion of digitalization and intelligentization, and promote data integration and technology empowerment. With efforts to building turbine 3.0 "lighthouse" factories, generator 2.0 "lighthouse" factories and blade 2.0 super factories, the Company will provide the industry with mature intelligent manufacturing solutions, so as to enhance the quality and efficiency of the entire manufacturing process.

- Achieving an automation rate of over **60%** in the working process.
- Realizing **100%** three-dimensional modeling of the plant and real-time visualization of the manufacturing status.
- Assembly efficiency of turbines has been increased by **25%**.

Manufacturing line for intelligent manufacturing of turbine 2.0 in Chenzhou Industrial Park of SANY Renewable Energy was officially launched

Journey Towards Intelligent Manufacturing for SANY Renewable Energy

Nankou Industrial Park 1.0

The park has the industry's first 5G fully-connected intelligent factory. which has realized the full connection of Man-Machine-Material-Method-Environment elements as a digital factory. The park has pioneered the automated operation island mode for large parts, realizing the automatic assembly of large parts in key processes such as yaw system pre-assembly and hub pre-assembly. The park is equipped with pulsating flexible manufacturing lines, which realize the mixed line manufacture of a full range of products. The manufacturing and operation management platform (MOM system) enables accurate and automatic distribution of large components. As a result, the automation rate of key processes reaches 40%, the automated logistics distribution rate of large parts reaches 50%, the number of operators in the yaw system and hub pre-assembly stations is reduced by 3, and the per capita output is increased by 58.7%.

Chenzhou Industrial Park 2.0

The park adopts the pulsating flexible intelligent manufacturing lines, realizing the whole-process automation of yaw system pre-assembly and hub pre-assembly. In this way, the assembly efficiency is increased by 25% compared with that of Nankou Industrial Park 1.0, the number of operators is reduced by 5, and the per capita output is increased by 45%. In addition, adopting the MOM system, the park realizes the integrated mobilization of orders, 3D warehouses and AGVs. The overall distribution of the manufacturingline and the delivery of large parts to the line are completed by heavy-duty AGVs. The distribution of small and middle-sized parts is completed by light-duty AGVs. The automated distribution rate is 75%, and the number of logistics personnel is reduced by 25%.

Future Factory 3.0

Based on Industrial Park 2.0, Future Factory 3.0 will add automated production lines for large megawatt transmission chains. This will enable the park to realize such functions as automatic overturning of bearing housings and automatic docking of spindle systems and gearboxes to further enhance the automation and flexibility of the manufacturing lines, facilitating the flexible manufacture of 3-15 MW turbines. In addition, Future Factory 3.0 will innovate the digital twin technology to optimize the assembly process of new turbines, reduce the investment in preliminary R&D tests, shorten the manufacturing development cycle, and further improve efficiency and safety. Furthermore, the application of AI technology will contribute to automatic inspection of product quality and the intelligent dispatch of light- and heavy-duty AGVs, which will speed up the manufacture while reducing resource consumption.

Supply Chain Management

SANY Renewable Energy is fully aware of how a stable and competitive supply chain may positively impact the Company's business. We have established and continuously improved the supply chain lifecycle management system and the procurement management system. A comprehensive and sustainable management system has also been formed in key processes such as category sourcing, supplier acceptance, procurement execution, quality management, cost management and supplier exit. The Company's Procurement and Department and Quality Management Department have specialized teams for new product procurement, mass production procurement, procurement execution and supply chain lifecycle management respectively.

Sustainable Supply Chain Management System

Policies and Commitments

Managing suppliers from multiple dimensions with the Sustainable Procurement Policy as a management guide and the Supplier Code of Conduct as a management principle

Risk Assessment

Requiring existing key suppliers to complete sustainability self-assessment questionnaires so as to confirm their risk levels and take appropriate management actions

Response and Measures

Encouraging suppliers to improve the management process according to their risk levels

Capacity Building

Organizing suppliers to promote sustainability, developing sustainable incentives, and improving supplier sustainability performance

Policies and Commitments

SANY Renewable Energy consistently works to build a sustainable procurement system and highly values environmental, social and business ethics factors throughout the supplier lifecycle management. This helps to increase the sustainability of the supply chain and lower the risk of environmental and social responsibility. We released the Sustainable Procurement Policy in 2023. This policy outlines SANY Renewable Energy's concerns and management principles regarding environmental and social impacts in the supply chain, and empowers suppliers to improve their environmental and social management capabilities in order to work together for a sustainable supply chain.

Material ESG Issues in Sustainable Procurement Policy

Environmental

- Environmental Management System
- Toxic emission and waste discharge
- Resource management

Social

- Labor and human rights
- Health and safety
- Conflict minerals

Governance

- Business ethics

The Company always improves the requirements for sustainable procurement management. In 2022, we required all suppliers to sign a framework contract that includes provisions on occupational health and safety and environmental protection. Based on this, the Company issued the Supplier Code of Conduct during the reporting period, which updates and clarifies the behavioral requirements for suppliers in areas such as human rights, resource conservation, conflict minerals and business ethics. All existing suppliers and potential suppliers are required to sign a procurement framework agreement with us that includes the provisions of the Code. They all have to follow sustainable development requirements. In 2023, the Company achieved a 92% sign-up rate after signing a Supplier Code of Conduct and a procurement framework agreement with suppliers that includes full ESG requirements. By 2024, the Company hopes to achieve and maintain a 100% sign-up rate.

The Company achieved a **92%** sign-up rate. By 2024, the Company hopes to achieve and maintain a **100%** sign-up rate.

Risk Assessment

Through the Supplier Management System, Supplier Quality Management Manual, Quality Agreement Management and Component Development Process, we carry out risk level assessments of suppliers in the areas of new supplier acceptance, new part product development, mass manufacturing process control and continuous improvement. From four perspectives, i.e., quality management, R&D process manufacture, and operation management, suppliers are categorized into five levels: A, B, C, D and E. Among them, A/B/C is a low-risk supplier that can be accepted; D can be accepted if reviewed again to reach A/B/C after a 6-month adjustment period; and E cannot be accepted. Every month, we evaluate and categorize our existing suppliers based on five criteria: incoming material quality, manufacture quality, after-sales quality, quality assurance capability and their integrity. We promptly update their status when they join or leave. We monitor the high-risk suppliers that perform below expectations, and provide them with tailored support plans.

In addition, we further improve the sustainability risk assessment of the supply chain to strengthen its resilience. By distributing and collecting corporate social responsibility questionnaires, the Company requested 80 existing key suppliers to evaluate their environmental and social practices in 2023. The participating suppliers accounted for more than 90% of the total procurement in 2023. The Company is gradually distributing social responsibility self-assessment questionnaires to more suppliers and intends to choose suppliers for on-site social responsibility audits during the annual audit. At the same time, supplier training will be held to raise suppliers' awareness of sustainable development and help them improve their sustainable procurement management system.

The participating suppliers accounted for more than **90%** of the total procurement in 2023

Dimensions of the Supplier Social Responsibility Questionnaire Assessment

ESG Management
- ESG governance structure
- ESG report
- Grievance mechanism

Environmental
- System certification (ISO 14001 and ISO 45001)
- Environmental policies
- Renewable energy use
- Restricted substance management
- Climate change management

Social
- System certification (ISO 45001 and SA 8000)
- Working conditions, human rights, and occupational health and safety policies
- Human rights training
- Sustainable supply chain management
- Conflict minerals

Governance
- Business ethics policies
- Business ethics training

Response and Measures

SANY Renewable Energy views supply chain management as a key aspect of its operations and success, and has developed several control measures and processes to oversee the whole procurement process. To better manage sustainable risks and opportunities in the supply chain, SANY Renewable Energy has incorporated a number of ESG control methods into the procurement process.

Acceptance and Review of Suppliers

- SANY Renewable Energy evaluates new suppliers on a variety of capabilities, including quality, research and development, process, and sustainable development. We also confirm that all their ISO 9001 Quality Management System certification, ISO 14001 Environmental Management System certification and agency certificates are still valid.
- Suppliers are subject to an evaluation process that takes into account their policies on sustainable development, employee health and safety, talent development, climate change response strategy and carbon reduction initiatives. Only those who achieve the required minimum score are accepted as suppliers.
- Suppliers must promise to comply with the Supplier Code of Conduct, fulfill their responsibilities, periodically complete corporate social responsibility self-assessment questionnaires, accept management status evaluations in areas such as environment, labor and human rights, and business ethics management, and report on sustainable management performance.

Cultivation and Development of Suppliers

- Every year, the Company assesses suppliers' quality, delivery and sustainable development both online and offline. Based on the evaluation results, the Company develops action plans and requires suppliers to make corrections and improvements to ensure supply stability, maintain product uniformity, and gradually improve suppliers' sustainable development performance.
- To empower suppliers, we provide centralized training, and on-site quality and capability support for the suppliers, enhancing their ability to produce high-quality and highly sustainable products.
- In 2023, we supported and empowered a total of 15 suppliers, improving the resilience and risk tolerance of our supply chain.

Supplier Encouragement and Exit

- SANY Renewable Energy will keep enhancing supplier incentive mechanisms to recognize suppliers who have excelled in sustainable areas like climate change, occupational health and safety, business ethics. This will help the Company promote and implement sustainable and green supply chain strategy.
- Suppliers will be suspended immediately if they fail to meet the minimum quality and sustainability requirements.
- If there is a legal dispute or breach of laws and regulations between the suppliers and the Company, they will be immediately removed.

Capacity Building

In order to build a sustainable and green supply chain, the Company promoted supplier self-assessment of social responsibility and strengthened sustainable management capacity for both sides in 2023.

The Company places a high value on its procurement staff members' understanding of social responsibility and management skills. Thorough communication and training sessions are conducted regularly by SANY Renewable Energy to guarantee that procurement staff members are aware of ESG best practices. In November 2023, we conducted the "SANY Renewable Energy ESG Capability Training for Business Department" activity in cooperation with third-party professional organizations. The main training modules include an introduction to sustainable procurement systems, methods for assessing and managing suppliers' social responsibility, and techniques for tracking supplier social responsibility performance. Through online training, the Company has provided sustainable procurement training for 100% of our key procurement staff.

Suppliers are a critical part of our value chain. Placing a high value on supplier partnerships, the Company is dedicated to continually strengthening collaboration with suppliers in the areas of research and development, quality and product delivery management. This will help to better meet the needs of the Company's operations and manufacture, as well as to jointly advance the wind power industry's technological upgrading and product optimization.

During the SANY Renewable Energy Annual Supplier Conference in December 2023, the Company deeply expressed to all suppliers the industry trend of decarbonization and our commitment to enhancing the sustainable supply chain system while promoting the concepts of sustainability and green supply chain. To better enable our suppliers to implement sustainable development management, the Company intends to include modules on labor and human rights, the environment, and business ethics into our regular supplier empowerment and training system.

The Company has provided sustainable procurement training for **100%** of our key procurement staff

Customer Services

Development and O&M of Wind Farms

As a leading provider of clean energy equipment and services, SANY Renewable Energy has the capability to realize whole lifecycle management of wind farms from pre-planning, EPC construction to O&M. In addition, the Company conducts intensive and fine management on wind farms by means of digitalization and model innovation, to achieve digital interconnection, intelligent analysis and closed-loop optimization in the intelligent wind farm system. By deeply integrating with the design of the Company's turbine products, the system can make these products give full play to their advantages.

Through the building of a project management collaboration cloud, SANY Renewable Energy has built a quality and scheduling panorama and realized fine management on man-hours, working conditions, men, machines, materials, methods and environment at the project site. By using the turbine health management system and the intelligent O&M platform, the Company can realize online management for the entire O&M process of turbines. Additionally, the Company can achieve automatic early warning of faults and conduct health diagnosis for turbine units, thus ensuring the stable operation of wind farms.

The Company's intelligent O&M platform is capable of monitoring all the turbine units at the wind farm for 7*24 hours. Relying on the big data and intelligent functions, the platform can realize online real-time analysis and prediction on unit data. In addition, through the data screening for all units at the wind farm, the platform can identify non-optimal units for improvement. Finally, the platform will realize the closed-loop management of monitoring-analyzing-forecasting-improving to continuously optimize the operating state of units.

Product After-Sales Management

SANY Renewable Energy adopts an on-site after-sales management model. At each wind farm, the Company will designate one project manager who is responsible for handling product faults, conducting regular inspections and maintenance, and implementing technological transformation together with the after-sales service team at the wind farm. The Company has developed a complete set of workflows for fault handling, regular inspections and technological transformation to ensure that after-sales services are carried out in a standard way.

The Company collects customers' opinions on the improvement of the products and parts through regular inspections and questionnaires. Based on this, the Company develops and implements technological transformation plans. In 2023, the Company launched a total of 192 technical transformation projects to continuously optimize the operating status of products sold.

Customer Satisfaction Management

SANY Renewable Energy adheres to the customer-oriented principle, assumes the main responsibility of "meeting customer needs and creating unique values for customers", and always maintains close contact with customers. Through customer satisfaction surveys, SANY Renewable Energy keeps abreast of customer needs, and continuously improves product quality and service quality, to optimize customer experience.

The Company has formulated and strictly implemented the Customer Satisfaction Management Process. The CEO office takes the lead in conducting a customer satisfaction survey every two months to collect satisfaction scores, opinions and suggestions of customers on request response, maintenance, spare parts, product quality, product safety, etc. The Company will sort out customer requests in a timely manner and prepare a Table for Recording and Tracking Customer Return Visits. Then, the Company will require the department responsible for handling the customer request to make a response and provide solutions, thereby realizing closed-loop management via "request verification - handling - continuous follow-up". In case of failing to promptly solve the request in a closed-loop way, the Company will offer written explanation to the customer.

During the reporting period, the Company collected a total of 49 customer complaints, all of which were solved in a closed-loop way. In 2023, the Company conducted 6 bimonthly satisfaction surveys on all wind farm customers, obtaining an average score of 95.7.

Performance on Customer Services in 2023

Number of incidents regarding product recall or return-to-factory repair due to quality problems	Number of customer complaints	Completion rate on customer complaint handling	Customer satisfaction score
0	49	100%	95.7 (2023) 95.3 (2022)

05

Business Integrity

SANY Renewable Energy believes that integrity in business is the cornerstone of the Company in realizing stable operations. We take business ethics as our foundation in the pursuit of sustainable development. We constantly improve our governance system, and aim to create a culture of integrity. In addition, we enhance the internal control and risk management mechanism, and strengthen information security and privacy protection to help the Company achieve steady and sustained development.

65 Corporate Governance

68 Internal Control and Risk Management

70 Business Ethics

72 Data Security and Privacy Protection

Corporate Governance

Corporate Governance Structure

The Company strictly abides by laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance of Listed Companies, and the Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange. The Company has formulated the Articles of Association and established a corporate governance structure consisting of the shareholders' general meeting, Board of Directors, Board of Supervisors and senior management. The structure has well defined powers and responsibilities, and is operated in a standardized way. Both the Articles of Association and the corporate governance structure provide the Company with systematic guarantee for efficient operation.

The Company convenes and holds shareholders' general meetings in strict accordance with relevant laws, regulations and rules such as the Rules for Shareholders' Meetings of Listed Companies, and the Articles of Association. Through these measures, the Company fully respects and protects the right to know and the right to make inquiries of investors. During the reporting period, the Company held a total of 3 shareholders' general meetings.

The Board of Directors is responsible for the shareholders' general meeting. The Board of Directors consists of 4 committees: Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Strategy and Development Committee. These committees are responsible for providing advice on special matters and assisting the Board in making decisions. The Board of Supervisors is responsible for overseeing the Company's financial status, important matters, the legality and compliance of the directors, managers and other senior management in fulfilling their duties. At present, the Company has 3 supervisors, including 1 employee supervisor.

Basic Information of the Board of SANY Renewable Energy[1]

Name of Director	Independent Director or Not	Gender	Member of the Audit Committee	Member of the Strategy and Development Committee	Member of the Remuneration and Appraisal Committee	Member of the Nomination Committee
Zhou Fugui	No	Male		√		
Xiang Wenbo	No	Male		√		
Li Qiang	No	Male	√		√	√
Guo Ruiguang	No	Male				
Deng Zhonghua	Yes	Male	√ (with an accounting background)		√	√
Yang Min	Yes	Male	√ (with an accounting background)	√	√	√
Cao Jing	Yes	Female				

[1]As of December 31, 2023.

Performance on Corporate Governance in 2023

Shareholders' general meetings
3

Directors in total
7

Percentage of independent directors
43%

Percentage of female directors
14%

Meetings of the Board of Directors:
14

Meetings of the special committees of the Board
12

The Board of Supervisors' meetings
14

Including Audit Committee meetings: 7
Including Nomination Committee meetings:1
Including Remuneration and Appraisal Committee meetings:3
Including Strategy and Development Committee meetings:1

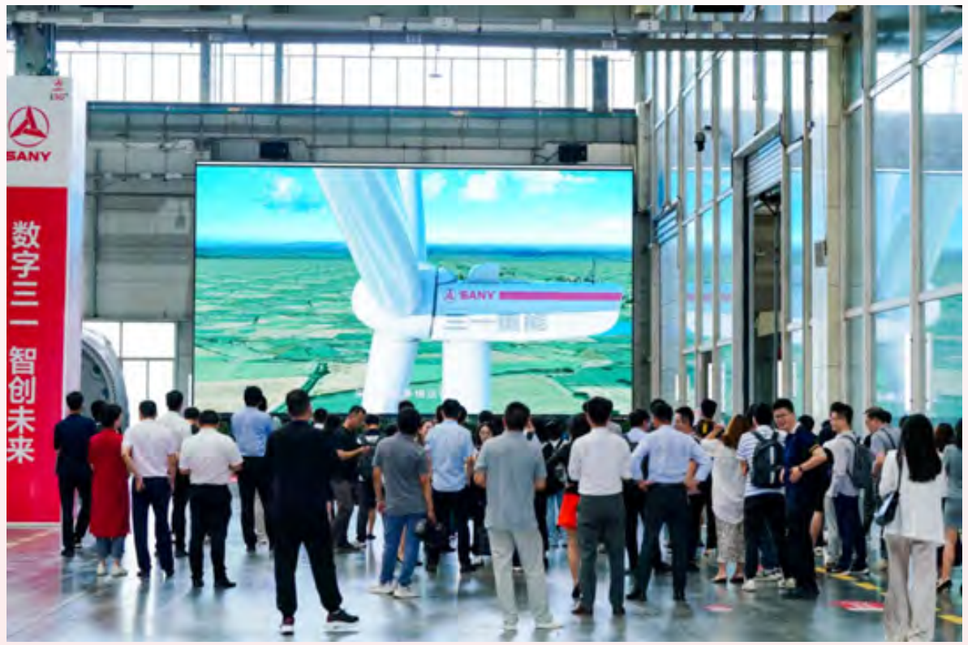
Investor Relations Management

The Company attaches great importance to the management and protection of investor relations, and discloses information in a lawful, compliant, complete and timely manner in accordance with the Articles of Association. In addition, the Company communicates with investors through various forms such as the investor relations email, investor relations hotline, SSE e-interactive platform, investor reception for on-site survey and performance briefings. By actively maintaining good relations with investors, SANY Renewable Energy has been widely recognized by the capital market. The Company won the "2023 IR Team of the Year Award for Best Innovation Practices" issued by Comein Finance.

During the reporting period, the Company held a total of 3 performance briefings, received investors for 19 on-site surveys, and held 55 road shows.

Case: "I Am a Shareholder" Series of Activities – Investors Visited SANY Renewable Energy

The Shanghai Stock Exchange launched "I Am a Shareholder" - Investors' Visit to Listed Companies series of activities. These activities focus on guiding listed companies to enhance investor relations management and to establish a philosophy of rational investment and value investment. In August 2023, investors participating in the "I Am a Shareholder" activities officially visited SANY Renewable Energy for exchanges to have a better understanding of the Company's high-quality and sustainable development.



Investors visited SANY Renewable Energy

Internal Control and Risk Management

Internal Control and Risk Management System

According to the Basic Internal Control Norms for Enterprises and other regulations, SANY Renewable Energy has formulated the Internal Control System and the Risk Management System, which constitute the internal control and risk management system of SANY Renewable Energy together with a series of documents such as the Management System for External Guarantees and the Management Measures for Related Party Transactions.The Board of Directors is the supreme responsible body for the Company's internal control and risk management. The Audit Department and other internal control personnel of the Company assume responsibilities for specific supervision and inspection work.

The Company continually improves the internal control and risk management structure, and has built three lines of defense on compliance management:

The first line of defense:	Each business department or subsidiary is responsible for identifying and controlling risk points involved in its own operations;
The second line of defense:	The Finance Department, Legal Department, etc. assist business departments to control compliance risks in their areas of expertise;
The third line of defense:	The Audit Department audits the main business processes and high-risk business areas of all departments of the Company covering all risk points of the Company every two years. The Audit Department also affixes the responsibility for the identified problems, and works with relevant business departments to develop rectification plans and track their progress.

The Audit Department of the Company will communicate with the heads of relevant business departments. Such communication aims to identify high-risk business processes or key control defects and weaknesses from the main processes in order to select the inspection and evaluation objects. The Audit Department will develop an annual internal control evaluation plan by the end of December each year. High risks identified in the internal control of the previous year will be re-evaluated in the current year.

Compliance Audit

The internal audit on business departments is the third line of defense to ensure that the Company conducts businesses in a compliant manner. Our auditors audit the routine work of each department through attending important business meetings, interviewing personnel at key posts and reviewing working papers to evaluate risks. For the identified risks, the auditors will communicate with the business department and confirm the rectification plan. Then, the auditors will record the risks and the rectification plan into the system to follow up the rectification. In addition, auditors will report significant risks to the chairman and general manager of the Company.

In 2023, the Company conducted 32 internal compliance audits which covered all of the Company's operation locations in Beijing, Shaoshan City in Hunan Province, Zhangjiakou City in Hebei Province, Changsha City in Hunan Province, Chenzhou City in Hunan Province and Tongyu City in Jilin Province. The risks identified were related to anti-corruption, marketing compliance, information security, finance and manufacturing quality. The Audit Department issued the audit report, which listed the identified risks, suggestions for improvement and recommendations for accountability. During the reporting period, a total of 292 risks were identified in the compliance audits, of which 273 risks were rectified and closed, with a rectification rate of 93.5%. The remaining risks will be rectified through the "SANY Smart Supervision and Audit Platform" .

Performance on Compliance Audit in 2023

Compliance audits

32

Proportion of the Company's operation locations covered

100%

Identified risks

292

Rectification rate of risks

93.5%

Business Ethics

Business Ethics Management

Since establishment, SANY Renewable Energy has regarded integrity as a fundamental principle. The Company strictly abides by laws and regulations such as the Criminal Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China and has a zero tolerance attitude towards violations of business ethics such as corruption, bribery, fraud, money laundering and anti-competition. In 2023, we formulated the Business Ethics Policy of SANY Renewable Energy, which serves as a guidance on business ethics for all our employees, customers and partners. The policy can help them correctly understand and deal with related problems, protect the Company's culture of integrity, and enhance customers and partners' trust to the Company. By monitoring risk points on business ethics via irregular compliance audits, the Company ensures that risks are identified and controlled in a timely manner. During the reporting period, the Company had one lawsuit regarding business ethics, and the personnel involved were transferred to the procuratorate.

Anti-Corruption

To create a clean and efficient working atmosphere, the Company has formulated the Anti-Corruption and Anti-Bribery Management Policy and the Conflict of Interest and Clean Management Policy. These policies provide specific code of conduct for employees in various scenarios from which corruption and bribery may arise. As a department mainly responsible for anti-corruption, the Audit Department reviews the Company's compliance with regulations in financial and business activities from time to time.

Prevent Anti-competitive Practice

SANY Renewable Energy has always advocated normal competitions in market activities and formulated the Anti-Unfair Competition Management Policy. The Company requires that neither departments nor employees should seek improper benefits by means of market confusion, false publicity, collusive bidding, etc. This aims to prevent the Company from violating the relevant laws and to maintain a normal competition order in the market.

Whistle-Blowing and Accountability

SANY Renewable Energy has formulated and strictly implemented the Complaints and Reports Policy. Besides, the Company also provides multiple whistle-blowing channels such as the mail box, e-mail, hotline, text messages and WeChat platform. In this way, the Company encourages the employees, suppliers, customers and other stakeholders to report to the Audit Department any behaviors or personnel suspected of violating the relevant regulations of the Company's business ethics, including policies regarding anti-corruption, anti-unfair competition behaviors and information security. The Audit Department has a reports and complaints management specialist who is responsible for receiving report information and arranging acceptance according to the priority of matters. The Company promises to keep the whistleblower's information strictly confidential, and the whistleblower will be protected from retaliation and unfair treatment. Any verified violations will be dealt with seriously in accordance with the Company's Accountability Management Policy.

During the reporting period, there were 6 business ethics related reports received and recorded in the Company's report and complaint account, including matters on bribery, information security and conflict of interest. These reports were thoroughly investigated by the Audit Department. In addition, people involved in such violations were held accountable and made public within the Company in accordance with the regulations to contain risks in a timely manner.

Publicity on Culture of Integrity

The Company conducted 3 training activities on business ethics in 2023, including 2 sessions of honesty and integrity training for business procurement personnel and 1 session of compliance marketing training for marketing personnel. These training sessions covered the areas of business ethics such as anti-corruption, anti-fraud, conflict of interest and anti-unfair competition behaviors.

The main content of the training included elaboration on management policies and red lines, explanation on the culture of integrity and analysis and sharing on violation cases. The Company has worked with law firms and other professional third parties to conduct training, aiming to make the training content more professional and diversified and strengthen the employees' ability to handle relevant issues.

The Company has also included integrity and confidentiality education into the employee induction training system. All newcomers are required to receive special training on integrity, confidentiality, conflict of interest declaration, etc., and sign a Commitment to Integrity upon onboarding. These measures are taken to ensure that employees can learn the Company's culture of integrity and code of conduct in business ethics in a comprehensive way at the beginning of their career, and always maintain an awareness of honesty and integrity in future work.

Performance on Business Ethics in 2023

Business ethics training activities
3

Participants of business ethics training activities
134
(covering 38.5% of procurement and marketing personnel)

Newcomers participating in integrity education in induction training
1,168
(covering all newcomers)

Percentage of participants of business ethics training among all employees
22.4%

Business ethics reports recorded in the report and complaint account
6 (2023)
9 (2022)

Lawsuits on business ethics
1 (2023)
0 (2022)

Data Security and Privacy Protection

Management on Data Security and Privacy Protection

A robust data security and privacy protection system is critical for SANY Renewable Energy to achieve digitalization and intelligentization upgrading. The company strictly abides by laws such as the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China. In 2023, the Company issued the Policy on Privacy Protection and Information Security, while constantly improving the information security management system.

The Company takes the Digitalization Department as the governing body for information security matters. In addition, the Company has also set up key performance indicators (KPIs) for the Digitalization Department and the information security officers within the department, including the number of violations, vulnerabilities and handling efficiency. The Company conducts a monthly assessment based on these KPIs.

The Company has formulated a series of systems such as the Third-Party Personnel Information Security Management System, the System for Information Security Incident Handling and Emergency Management, and the Employee Information Security Management System. These systems have specified the use of the Company's information by our own employees and third-party personnel, third party information processing and record-keeping timeframe, handling of customer privacy, emergency handling, reporting of violations, etc.

During the reporting period, the Company did not have any illegal incident or lawsuit related to information security or privacy protection.

Audit and Training on Data Security

SANY Renewable Energy carries out internal audits on information security on a monthly basis. By scanning network vulnerabilities, tracking the O&M status of the system and monitoring both internal and external network traffic, SANY Renewable Energy assesses the Company's overall cyber risks, and issues the monthly information security briefing and the audit report. In 2023, the Company engaged an external professional third party to conduct a penetration test for the intelligent access system and the FSSC (Financial Shared Service Center) system in the Company's parks. For risk points found by the test, the Company optimized information security management measures based on the professional advice of the third party, such as strengthening scanning and inspection. The Company has formulated rectification plans for problems identified in each internal and external information security audit, specified the rectification period and defined the responsible person. In addition, the Company continuously tracks the progress of the rectification and discloses it in the monthly information security briefing.

Through information security training, we continue to strengthen the awareness of our employees on information security and the professionalism of our information security engineers. During the reporting period, the Company carried out 8 information security training activities. About 600 employees participated in these activities, including all new employees who were fresh graduates. The main content of the training included the interpretation of laws and regulations, the explanation of the Company's information security management systems and the analysis on security incidents

Performance on Information Security in 2023

Information security training sessions
8

Employees participating in the training
600

Percentage of participants of information security training among all employees
10.5%

Lawsuits on information security
0 (2023)
0 (2022)

06

Community Responsibilities

SANY Renewable Energy has always upheld the belief of protecting the environment with clean energy and achieving "zero carbon" with green manufacturing. While ensuring efficient and high-quality operations, the Company is also fulfilling the social responsibility and promoting the sustainable development of the community based on its business characteristics and resource advantages.

75 Community Engagement and Rural Revitalization

76 Charitable Activity Engagement

Community Engagement and Rural Revitalization

As a pioneer in rural revitalization, SANY Renewable Energy takes the initiative to invest in wind farm construction in economically underdeveloped areas. To make full use of local natural resources, we work out customized solutions to ensure that wind power projects are both economical and eco-friendly. This approach to poverty alleviation through new energy provides strong support for building a beautiful and harmonious countryside for live and work.

In 2023, our Shenxianling Wind Farm was rated as class 5A "Outstanding Wind Farm" at the Wind Power Operations Management and Industrial Development Innovation Exchange Seminar & the 17th Industrial Wind Power Operation Index Conference.

In the Shenxianling Wind Farm project, SANY Renewable Energy combines wind farm construction, environmental protection and community engagement, making it the first eco-smart wind farm in China with both ecological and economic benefits.

Environmental Benefits

The Shenxianling Wind Farm has made remarkable progress in ecological restoration. The land consolidation and improvement has covered 49.88 hectares of land, with the disturbed land treatment rate reaching 98.56%. 30 hectares of land has been treated for water and soil erosion, with a treatment rate of 98.57% in total. 30 hectares of land was revegetated, with a vegetation restoration rate of 99.61%.

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30 hectares of land was revegetated, with a vegetation restoration rate of **99.61%**.

Economic Benefits

The Shenxianling Wind Farm has also exerted an extensive economic impact, creating more than 7 million CNY of tax revenue for the local government per year. In addition, as a key player in China's equipment manufacturing industry, SANY Renewable Energy has promoted the development of wind power industry clusters in Ningxiang and even Hunan Province through industrial coordination, by focusing on the integration of industrial chain, innovation chain and value chain.

Charitable Activity Engagement

As a responsible corporate,SANY Renewable Energy actively engages in public welfare undertakings. Upholding the working concept that "responsibility goes before performance", we constantly explore solutions to solve social problems and promote social progress. Accordingly, we are keen on participation in social charitable donations, contributing to community engagement, rural education and public advocacy.

Community Engagement

SANY Renewable Energy attaches great importance to keeping good communication and interaction with local communities, endeavoring to improve both the living environment and the quality of life of residents nearby. In May 2023, SANY Renewable Energy participated in the "First and Countless" social donation activity held in Changping District, Beijing, and donated 60,000 CNY to Changping Charity Association to support people in difficulties in the region under the paired assistance program.

Rural Education

SANY Renewable Energy joins hands with external partners to boost rural education with integrated resources. In May 2023, SANY Renewable Energy carried out a charitable donation activity with external units. In the activity, we donated a batch of computers to rural primary schools in Bazhong, Sichuan Province, to contribute to the development of rural education.

Public welfare donation for rural education by SANY Renewable Energy

In September 2023, SANY Renewable Energy and Professor Qian Yonggang donated 1,000 copies of Listen to the Stories of Qian Xuesen to Minqin No.1 Middle School. In doing so, we hope that students aspire to become the backbone of national construction in the future, and to promote the development of education.

SANY Renewable Energy's book donation activity

Public Advocacy

At SANY Renewable Energy, employees are encouraged to participate in social welfare undertakings to support the building of a better society. The Company has participated in the "Run! Wind Power Man" charity run activity for many years. In the form of running, the activity donates all registration fees and corporate donations to the "Wind Energy Man, Children Soothing Treatment Activity Center" . In October 2023, SANY Renewable Energy once again organized a 31-runner group to participate in the charity running activity to show corporate vitality. We thereby worked with industrial peers to help children with leukemia to relieve the pain, as part of our efforts to give back to the society, thus promoting the development of public welfare undertakings.

SANY Renewable Energy participated in the charity running activity

Disclosure of ESG Indicators

Environmental Performance

Indicator	Unit	2023
GHG Emissions		
Scope 1	tCO_2e	21,489
Scope 2 (based on market)	tCO_2e	44,109
Scope 2 (based on region)	tCO_2e	46,279
Scope 3	tCO_2e	3,112,226
Energy		
Total electricity purchased	MWh	90,583.84
Natural gas	million m^3	4.15
Gasoline	Tonne	1,934.22
Diesel oil	Tonne	429.66
Anthracite	Tonne	14.29
Liquefied natural gas	Tonne	3.93
Liquefied petroleum gas	Tonne	3.34
Steam	GJ	369.70
Total direct energy consumption	MWh	87,215.68
Total indirect energy consumption	MWh	179,608.84
Water Management		
Total water consumption	Tonne	504,252.32
Total wastewater (all domestic wastewater)	Tonne	297,156.52
Waste Gas		
Sulfur dioxide generated	Tonne	0.20
Nitrogen oxides generated	Tonne	0.51
Particulate matter generated	Tonne	36.11
Benzene	Tonne	0.0002
Methylbenzene	Tonne	0.44
Xylene	Tonne	0.57
Volatile organic compound	Tonne	20,732.40
Waste		
Total non-hazardous waste generated	Tonne	18,250.96
Total hazardous waste generated	Tonne	1,171.15
Others		
Confirmed environmental violation	Case	0
Percentage of premises with ISO 14001 certification	%	100
Percentage of workplaces assessed for employee health and safety risk	%	100
Percentage of employees trained (internally or externally) in environmental matters	%	100

Social Performance

Indicator		Unit	2023
Workforce			
Total employees		Person	5,721
Number of employees by gender	Male	Person	5,181
	Female	Person	540
Number of employees by educational background	Associate degree or below	Person	3,526
	Bachelor's degree	Person	1,412
	Master's degree or above	Person	783
Number of employees by region	Domestic employees working abroad	Person	294
	Foreign employees working abroad	Person	76
	Foreign employees	Person	160
	Beijing	Person	684
	Hebei	Person	174
	Hunan	Person	652
	Jilin	Person	202
	Shanghai	Person	34
	Xi'an	Person	6
	Xinjiang	Person	241
	Bayannur	Person	823
	Lingang	Person	2
	Lianyuan	Person	1
	Dongying	Person	1
	Qingyang	Person	1
	Domestic mobile employees	Person	2,370

Indicator		Unit	2023
Number of employees by postion level	Senior management	Person	54
	Middle and junior management	Person	893
	Staff	Person	4,774
Number of employees by job category	Manufacture	Person	2,803
	Sales	Person	1,164
	Technical	Person	853
	Finance	Person	54
	Administration	Person	109
	Others	Person	738
Number of employees by age group	Aged 30 and below	Person	2,403
	Aged 30–50	Person	3,235
	Aged 50 and above	Person	83
Number of new employees	Total number of new employees	Person	2,346
	Domestic	Person	2,270
	Overseas	Person	76
Number of new employees by gender	Male	Person	2,124
	Female	Person	222
Number of new employees by age group	Aged 30 and below	Person	1,224
	Aged 30–50	Person	1,109
	Aged 50 and above	Person	13
Employee Turnover Rate			
Total		%	27.27
Core technical personnel turnover rate		%	6.61

Indicator		Unit	2023
Employee turnover rate by gender	Male	%	24.70
	Female	%	2.57
Employee turnover rate by region	Domestic	%	27.25
	Overseas	%	0.02
Employee turnover rate by age group	Aged 30 and below	%	13.04
	Aged 30-50	%	13.79
	Aged 50 and above	%	0.44
Labor Management and Rights			
Incidents of child labor		Case	0
Incidents of forced labor		Case	0
Labor dispute litigations at home and abroad		Case	14
Harassment incidents		Case	0
Discrimination incidents		Case	0
Percentage of workplaces reviewed for human rights risks or assessed for human rights impact		%	100
Labor contract signing rate		%	100
Social insurance coverage rate		%	100
Diverse Workforce			
Number of employees with disabilities		Person	46
Number of senior managers		Person	54
Number of female senior managers		Person	1
Number of employees from minority groups and/or disadvantaged employees		Person	532
Number of female directors in the Board of Directors		Person	1
Number of minority employees		Person	486
Unadjusted average gender pay gap		%	94.41
Employee Training			
Training coverage		%	100
Training hours		Hour	600,191
Amount spent on training		10 thousand CNY	245.2

Indicator		Unit	2023
Employee training hours by gender	Male	Hour	542,930
	Female	Hour	57,261
Average training hours of employees by gender	Male	Hour	104.8
	Female	Hour	106.0
Employee training hours by post level	Senior management	Hour	5,515
	Middle and junior management	Hour	92,185
	Staff	Hour	502,491
Average training hours of employees by postion level	Senior management	Hour	102.1
	Middle and junior management	Hour	103.2
	Staff	Hour	105.3
Employee Career Development			
Proportion of employees receiving performance evaluation		%	100
Number of internal job transfers		Person	220
Occupational Health and Safety			
Lost time incident rate of direct labor		%	23.71
Lost time serious incident rate of direct labor		%	3.19
Number of work injuries		Time	3
Number of days lost due to work injury		Day	414
Number of work-related fatalities		Person	0
Annual work-related fatality rate		%	0
New occupational diseases		Case	0
Safety training hours per employee		Hour	24
Percentage of workplaces assessed for employee health and safety risk		%	100
Percentage of premises with ISO 45001 certification		%	100
Charitable Activity Engagement			
Total amount of charitable donation		10 thousand CNY	6
Number of public welfare activities		Session	2
Participants of public welfare activities		Person	4

Governance and Economic Performance

Indicator	Unit	2023
Operating Performance		
Total assets	100 million CNY	333.76
Revenue	100 million CNY	149.39
Net profit attributable to the parent company	100 million CNY	20.07
Innovative R&D		
R&D investment	10 thousand CNY	87,166
Proportion of R&D expenditure in revenue	%	5.83
Number of R&D personnel	Person	853
Proportion of R&D personnel	%	14.91
Number of national or industry standardsformulated and revised with our participation	#	21
Number of group standards formulated and revised with our participation	#	6
Total number of patents	Piece	796
Number of innovation patents	Piece	207
Number of utility model patents	Piece	584
Number of design patents	Piece	5
Number of software copyrights	Piece	215
Supply Chain		
Number of existing suppliers	#	255
Percentage of suppliers signing the Code of Conduct for Suppliers	%	92
Percentage of suppliers assessed through the corporate social responsibility questionnaire (based on total purchase amount)	%	>90
Percentage of key procurement staff trained in sustainable procurement	%	100

Indicator	Unit	2023
Product Responsibility		
Number of customer complaints	Case	49
Customer complaint handling rate	%	100
Number of product recalls	Case	0
Customer satisfaction (percentage basis)	%	95.7
Business Ethics		
Number of employees trained in business ethics	Person	1,302
Percentage of employees trained in business ethics	%	22.4
Number of complaints received by the complaint standing book	Case	6
Number of business ethics litigations	Case	1
Number of information security litigations	Case	0
Number of compliance audits	Time	32
Rectification completion rate of risks found in compliance audits	%	93.5
Percentage of premises internally audited/assessed for business ethics issues and risks	%	100
orporate Governance		
Number of directors	Person	7
Number of independent directors	Person	3
Number of female directors	Person	1
Number of shareholders’ general meetings	Time	3
Number of Board of Directors’ meetings	Time	14
Number of board committees’ meetings	Time	12
Number of supervisors	Person	3
Number of Board of Supervisors’ meetings	Time	14

Index for GRI Indicators and UN SDGs

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
GRI 1: Foundation			
GRI 2: General Disclosures			
The Organization and its Reporting Practices			
2-1	Organizational details	About SANY Renewable Energy	
2-2	Entities included in the organization's sustainability reporting	About This Report	
2-3	Reporting period, frequency and contact point	About This Report	
2-4	Restatements of information	About This Report	
2-5	External assurance	\	
Activities and Workers			
2-6	Activities, value chain and other business relations	About SANY Renewable Energy	
2-7	Employees	Human Rights Protection	SDG 10
2-8	Workers who are not employees	Work Safety	SDG 3
Governance			
2-9	Governance structure and composition	Corporate Governance Structure	
2-10	Nomination and selection of the highest governance body	Corporate Governance Structure	
2-11	Chair of the highest governance body	Corporate Governance Structure	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Structure	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Structure	
2-14	Role of the highest governance body in sustainability report	Sustainable Development Governance Structure	
2-15	Conflicts of interest	Business Ethics Management	
2-16	Communication of critical concerns	Materiality Analysis	
2-17	Collective knowledge of the highest governance body	Corporate Governance Structure	
2-18	Evaluation of the performance of the highest governance body	\	
2-19	Remuneration policies	\	
2-20	Process to determine remuneration	\	
2-21	Annual total remuneration ratio	\	
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Sustainable Development Strategy	
2-23	Policy commitments	About This Report	
2-24	Embedding policy commitments	Sustainable Development Strategy	
2-25	Processes to remediate negative impacts	Business Ethics Management	SDG 16
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics Management	SDG 16
2-27	Compliance with laws and regulations	Business Ethics Management	SDG 16
2-28	Membership associations	Industry-University-Research Activities	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Materiality Analysis	
2-30	Collective bargaining agreements	Employee Communication and Satisfaction	
GRI 3: Material Topics			
3-1	Process to determine material topics	Materiality Analysis	
3-2	List of material topics	Materiality Analysis	
3-3	Management of material topics	Materiality Analysis	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	\	
201-2	Financial implications and other risks and opportunities due to climate change	\	
201-3	Defined benefit plan obligations and other retirement plans	Remuneration and Benefits	
201-4	Financial assistance received from government	\	

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
GRI 202: Market Presence			
202-1	Ratio of standard entry level wage by gender compared to local minimum wage	\	
202-2	Proportion of senior management hired from the local community	\	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	About SANY Renewable Energy Climate Action	SDG13
203-2	Significant indirect economic impacts	Community Engagement and Rural Revitalization	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	\	
GRI 205: Anti-Corruption			
3-3	Management of material topics	Business Ethics Management	SDG16
205-1	Operations assessed for risks related to corruption	Compliance Audit	SDG16
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics Management	SDG16
205-3	Confirmed incidents of corruption and actions taken	Business Ethics Management	SDG16
GRI 206: Anti-Competitive Behavior			
3-3	Management of material topics	Business Ethics Management	
206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	Business Ethics Management	
GRI 301: Materials			
3-3	Management of material topics	Waste Management and Circular Economy	
301-1	Materials used by weight or volume	Waste Management and Circular Economy	
301-2	Recycled input materials	Waste Management and Circular Economy	
301-3	Reclaimed products and their packaging materials	Waste Management and Circular Economy	
GRI 302: Energy			
3-3	Management of material topics	Climate Action	SDG 12
302-1	Energy consumption within the organization	Climate Action	SDG 12
302-2	Energy consumption outside of the organization	Climate Action	SDG 12

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
302-3	Energy intensity	Climate Action	SDG 12
302-4	Reduction of energy consumption	Climate Action	SDG 12
302-5	Reductions in energy requirements of products and services	Climate Action	SDG 12
RI 303: Water and Effluents			
3-3	Management of material topics	Management of Water Resource and Wastewater	SDG 6
303-1	Interactions with water as a shared resource	Management of Water Resource and Wastewater	SDG 6
303-2	Management of water discharge-related impacts	Management of Water Resource and Wastewater	SDG 6
303-3	Water withdrawal	Management of Water Resource and Wastewater	SDG 6
303-4	Water discharge	Management of Water Resource and Wastewater	SDG 6
303-5	Water consumption	Management of Water Resource and Wastewater	SDG 6
GRI 304: Biodiversity			
3-3	Management of material topics	Biodiversity Management	SDG15
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Management	SDG15
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Management	SDG15
304-3	Habitats protected or restored	\	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	\	
GRI 305: Emissions			
3-3	Management of material topics	Climate Action	SDG 13
305-1	Direct (Scope 1) GHG Emissions	Climate Action	SDG 13
305-2	Energy Indirect (Scope 2) GHG Emissions	Climate Action	SDG 13
305-3	Other Indirect (Scope 3) GHG Emissions	Climate Action	SDG 13
305-4	GHG Emissions Intensity	Climate Action	SDG 13
305-5	Reduction of GHG Emissions	Climate Action	SDG 13

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
305-6	Emissions of ozone-depleting substances (ODS)	\	
305-7	Nitrogen Oxides (NOX), Sulfur Oxides (SOX), and Other Significant Air Emissions	Exhaust Gas Management	
GRI 306: Waste			
3-3	Management of material topics	Waste Management and Circular Economy	SDG 12
306-1	Waste generation and significant waste-related impacts	Waste Management and Circular Economy	SDG 12
306-2	Management of significant waste-related impacts	Waste Management and Circular Economy	SDG 12
306-3	Waste generated	Waste Management and Circular Economy	SDG 12
306-4	Recycle and disposal methods of waste	Waste Management and Circular Economy	SDG 12
306-5	Final waste disposal	Waste Management and Circular Economy	SDG 12
GRI 308: Supplier Environmental Assessment			
3-3	Management of material topics	Construction of Sustainable Supply Chains	SDG 12
308-1	New Suppliers that were screened using environmental criteria	Construction of Sustainable Supply Chains	SDG 12
308-2	Negative environmental impacts in the supply chain and actions taken	Construction of Sustainable Supply Chains	SDG 12
GRI 401: Employment			
3-3	Management of material topics	Labor Management and Rights	
401-1	New employee hire rate and employee turnover	Disclosure of ESG Indicators	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and Benefits	
401-3	Parental leave	Remuneration and Benefits	
GRI 402: Labor/Management Relations			
3-3	Management of material topics	\	
402-1	Minimum notice periods regarding operational changes	\	
GRI 403: Occupational Health and Safety			
3-3	Management of material topics	Occupational Health and Safety	SDG3

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
403-1	Occupational health and safety management system	Occupational Health and Safety Management System	SDG3
403-2	Hazard identification, risk assessment, and incident investigation	Work Safety	
403-3	Occupational health services	Occupational Disease Prevention	SDG3
403-4	Worker participation, consultation, and communication on occupational health and safety	Work Safety	
403-5	Worker training on occupational health and safety	Work Safety	
403-6	Promotion of worker health	Occupational Disease Prevention	SDG3
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	\	
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management System	SDG3
403-9	Work-related injuries	Work Safety Disclosure of ESG Indicators	
403-10	Disclosure of ESG Indicators	Occupational Disease Prevention	SDG3
GRI 404: Training and Education			
3-3	Management of material topics	Employee Training System	
404-1	Average hours of training per year per employee	Employee Training System Disclosure of ESG Indicators	
404-2	Disclosure of ESG Indicators	Employee Training System	
404-3	Programs for upgrading employee skills and transition assistance programs	Employee Career Development Disclosure of ESG Indicators	
GRI 405: Diversity and Equal Opportunity			
3-3	Management of material topics	Practice of Diversity and Equality	SDG 5
405-1	Diversity of governance bodies and employees	Practice of Diversity and Equality	SDG 5
405-2	Ratio of basic salary and remuneration of women to men	Practice of Diversity and Equality	SDG 5

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
GRI 406: Non-Discrimination			
3-3	Management of material topics	Human Rights Protection	SDG 10
406-1	Incidents of discrimination and corrective actions taken	Human Rights Protection	SDG 10
GRI 407: Freedom of Association and Collective Bargaining			
3-3	Management of material topics	Employee Communication and Satisfaction	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	\	
GRI 408: Child Labor			
3-3	Management of material topics	Human Rights Protection	SDG 8
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Protection	SDG 8
GRI 409: Forced or Compulsory Labor			
3-3	Management of material topics	Human Rights Protection	SDG 8
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Protection	SDG 8
GRI 410: Security Practices			
3-3	Management of material topics	\	
410-1	Security personnel trained in human rights policies or procedures	\	
GRI 411: Rights of Indigenous Peoples			
3-3	Management of material topics	\	
411-1	Incidents of violations involving rights of indigenous peoples	\	
GRI 413: Local Communities			
3-3	Management of material topics	Community Engagement and Rural Revitalization Charitable Activity Engagement	
413-1	Operations with local community engagement, impact assessments and development programs	Community Engagement and Rural Revitalization Charitable Activity Engagement	SDG 7

GRI Indicator Number	GRI Indicator	Corresponding Chapter in the report	SDGs
413-2	Operations with significant actual and potential negative impacts on local communities	\	
GRI 414: Supplier Social Assessment			
3-3	Management of material topics	Construction of Sustainable Supply Chains	SDG 12
414-1	New Suppliers that were screened using environmental criteria	Construction of Sustainable Supply Chains	SDG 12
414-2	Negative social impacts in the supply chain and actions taken	Construction of Sustainable Supply Chains	SDG 12
Topic 415: Public Policy			
3-3	Management of material topics	\	
415-1	Political contribution	\	
GRI 416: Customer Health and Safety			
3-3	Management of material topics	\	
416-1	Assessment of the health and safety impacts of product and service categories	\	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	\	
GRI 417: Marketing and Labeling			
3-3	Management of material topics	\	
417-1	Requirements for product and service information and labeling	\	
417-2	Incidents of non-compliance concerning product and service information and labeling	\	
417-3	Incidents of non-compliance concerning marketing communications	\	
GRI 418: Customer Privacy			
3-3	Management of material topics	Data Security and Privacy Protection	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection	


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