

CONTENTS

02 About This Report

03 About SANY Renewable Energy

04 Awards

06 Message for the Chairman

54 GRI Standards

56 Feedback

07

Environmental Protection

- 08 Our Response to Climate Change
- 12 Environmental Protection Practices
- 15 Waste Management

32

Supplier Management

- 33 Social Responsibility Audit as a Part of Supplier Review

39

Social Development

- 40 Wind Farms Driving Rural Revitalization
- 41 A Knowledge Sharing Platform

50

Business Ethics

- 51 Integrity as a Fundamental Principle
- 53 Integrity in Supply Chain

17

Employment Management

- 19 Remuneration and Benefits
- 20 Occupational Safety
- 25 Employee Development
- 28 Communication Mechanisms
- 30 Employee Engagement Activities

34

Products and Services

- 35 Our Products
- 36 Quality of Our Products
- 37 Product Innovation
- 38 Customer Satisfaction

42

Corporate Governance

- 43 Management of Governance System
- 47 Internal Control and Risk Management
- 48 Financial Transparency
- 49 Stakeholder Engagement



••• About This Report

This report is the first Environmental, Social and Governance (ESG) report released by SANY Renewable Energy Co., Ltd.

Basis of preparation

This report is prepared according to the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardized Operation and followed the guidance of the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

Reporting scope

This report reviews the environmental, social, and governance performance of SANY Renewable Energy Co., Ltd. in 2022 (covering the period from January 1, 2022, to December 31, 2022). The report includes content from before 2022 to give a complete overview of the performance.

References

For a smooth expression and reading experience, "SANY Renewable Energy Co., Ltd." is also referred to as "SANY Renewable Energy", "SANY", "the Company", or "we" in this report.

Report review and approval

This report has been reviewed and approved by the Board of Directors.

Access to this Report

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



••• About SANY Renewable Energy

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. It 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 among the global Top 10 wind turbine manufacturers 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, wind farm designing, construction, operation & management, and the construction and operation management of photovoltaic power stations. 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 has developed the comprehensive wind energy solutions including digital top-level design, intelligent production and manufacturing, complete integration system, core components manufacturing, wind farm designing, EPC, and wind farm operation and maintenance.

Motivated by the mission "Intelligence Leads the Future" and the vision "To Promote Efficient Utilization of Clean Energy", SANY Renewable Energy is doing its part in helping China achieve its carbon emissions goals and contributing to the global transition to clean energy.

Corporate Culture

Our Mission

Quality Changes the World, Intelligence 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

••• Awards

Total Number of Awards in 2022

9 Honorary Awards

6 Ranking Awards

2 Product Awards

4 Project Awards

Honorary Awards

Benchmark Enterprise for Intelligent Manufacturing
 Awarded by: Ministry of Industry and Information Technology of the People's Republic of China
 Recipient of the award: SANY Renewable Energy

National Intellectual Property Advantage Enterprise
 Awarded by: China National Intellectual Property Administration
 Recipient of the award: SANY Renewable Energy

Outstanding Person of China's Wind Power Industry in 2022
 Awarded by: China Electricity Council
 Recipient of the award: Mr. LI Qiang, General Manager, SANY Renewable Energy

Top 10 Influential Brands in Wind Power Industry in 2022
 Awarded by: China Electricity Council
 Recipient of the award: SANY Renewable Energy

Top 10 Supported Brands in China Wind Power Industry in 2022
 Awarded by: China Electricity Council
 Recipient of the award: SANY Renewable Energy

Science and Technology Person
 Awarded by: China Renewable Energy Society
 Recipient of the award: Mr. HE Guangling, Head of SANY Renewable Energy Research Institution

Low Carbon Innovation Social Responsibility Enterprise
 Awarded by: China Energy News
 Recipient of the award: SANY Renewable Energy

Green Supplier - Carbon Peaking & Carbon Neutrality Award in 2021
 Awarded by: China Energy News
 Recipient of the award: SANY Renewable Energy

Leader in Clean Energy of the Year
 Recipient of the award: Shanghai United Media Group
 Recipient of the award: SANY Renewable Energy

Ranking Awards

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

Top 500 Energy Enterprises (Groups) in China
 Awarded by: China Institute of Energy Economics Research
 Recipient of the award: SANY Renewable Energy



Beijing Top 100 Private Enterprises

Awarded by: Beijing Federation of Industry and Commerce
 Recipient of the award: SANY Renewable Energy



Beijing Top 100 Enterprises

Awarded by: Beijing Enterprise Association, Beijing Entrepreneurs Association
 Recipient of the award: SANY Renewable Energy



Beijing Top 100 Manufacturing Enterprises

Awarded by: Beijing Enterprise Association, Beijing Entrepreneurs Association
 Recipient of the award: SANY Renewable Energy

Project Awards



Wind Power Leader - Best Onshore Wind Turbines Award

Awarded by: China Wind News
 Awarded product: SI6050



Global Top 10 Best Onshore Wind Turbines (Below 4.6MW)

Awarded by: Windpower Monthly
 Awarded product: SE14125

Product Awards



China Electric Power Quality Projects 2022

Awarded by: China Electric Power Construction Association
 Awarded wind farms: Qinghai Haixi Nuomuhong 100MW Wind Farm Project, Wuling Power Jiangyong County, Tongshanling Wind Farm Project, HuaNeng Yongzhou Huilongxu Wind Farm Phase I Project



Outstanding Wind Farms (Class A3 - Class 5A Wind Farms)

Awarded by: China Electric Power Construction Association
 Awarded wind farms: 16 wind farms supplied by SANY Renewable Energy (Datang Zhangjiakou Wudengshan Wind Farm Phase IV, State Power Investment Corporation's Jiaokou Qipanshan Wind Farm, Inner Mongolia Linxi Wind Farm, etc.)



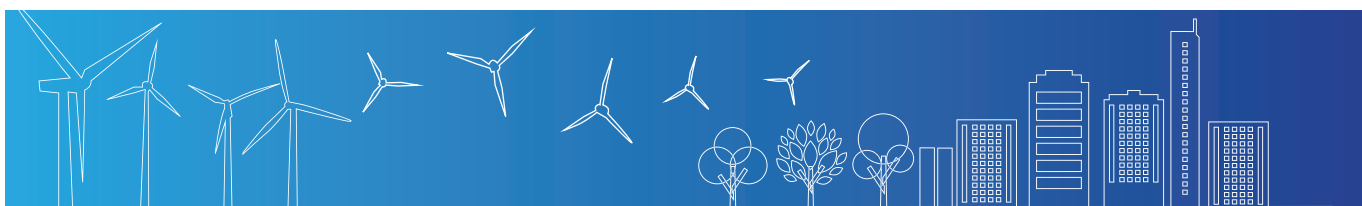
Optimal Turbine Manufacturers for Maximum Unit Availability

Awarded by: China Electric Power Construction Association
 5 province-level markets were awarded: Tianjin, Anhui, Sichuan, Henan, Qinghai



Hundred-day Fault-free Wind Farms

Awarded by: China Electricity Technology Market Operation and Maintenance Association
 Awarded region: 10 wind farms built with the participation of SANY Renewable Energy (Zhangbei Wind Farm, Zhaogou Wind Farm, Gaoshanzhang Wind Farm, Tiantangjie Wind Farm, etc.)



••• Message from the Chairman

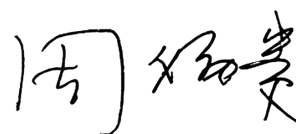
2022 marks the first year of SANY Renewable Energy's listing. Our mission - Quality Changes the World, Intelligence Leads the Future - guides us as we work towards ensuring national energy security and promoting the use of clean energy. We are committed to achieving China's goal of carbon peaking and carbon neutrality, and our company charges fearlessly ahead towards a new stage of development.

To achieve our Zero Carbon dream, we pursue intelligent manufacturing and digital development. We strive to become a leader in digital transformation in the wind power industry while supporting China's efforts to achieve carbon neutrality. Our efforts have been recognized, and we have been named the Benchmark Enterprise for Intelligent Manufacturing. We are currently beginning construction on multiple zero-carbon digital industrial parks across the country. The Shaoshan Super Blade Factory, a world-class smart and digitized "lighthouse" factory for wind blade production, was completed in 2023 and is now operational.

We are integrating ESG principles throughout our company in order to promote sustainable development. Our commitment to environmental protection, social responsibility, and optimized governance strengthens our competitiveness, enhances innovation, increases industry influence, and improves risk management across all areas of our business.

We are implementing our international strategy by working towards increasing the influence of China's wind power industry on a global level. Despite facing challenges such as the Russia-Ukraine conflict, energy crisis, and economic turbulence, we have expanded into new overseas markets. Through our cutting-edge wind turbines, produced with SANY's engineering expertise and intelligent manufacturing technology, we are demonstrating our commitment to innovation and quality in the wind power sector. Our efforts underscore our dedication to quality and innovation in the industry, not just domestically, but globally.

As time flies by, the release of the SANY Renewable Energy 2022 Environmental, Social and Governance (ESG) Report signifies the one-third completion of our journey towards 2023. Nonetheless, we sincerely invite all stakeholders to review our progress towards sustainable development in 2022. With this report, we hope to engage in an open and cooperative conversation with stakeholders about SANY Renewable Energy's sustainable development. By working together, we can create a blueprint for its green development.



Chairman of SANY Renewable Energy Co., Ltd. Mr. ZHOU Fugui

Environmental Protection

08 Our Response to Climate Change

12 Environmental Protection Practices

15 Waste Management



To achieve our goal of being an Environmentally Friendly Enterprise, SANY Renewable Energy has established policies on environmental protection, work safety, occupational health, fire safety, and environmental responsibility. These policies ensure that we comply with relevant laws and regulations, prevent environmental accidents during operations and project construction, and take measures to protect and preserve the environment.

Our Response to Climate Change

Digitization, Internationalization: Promote the Energy Transition

Digitalization: Capturing More Wind, Generating More Electricity

The alarm bells of climate change have already sounded, highlighting the urgent need to pursue climate change mitigation and promote carbon neutrality. Transitioning from fossil fuels to clean energy is a critical measure towards mitigating the impact of climate change. As a provider of clean energy, SANY Renewable Energy constantly innovates to develop new products and break through new technological barriers. By producing high-large-long-light-intelligent wind turbines and operating intelligent wind farms, we are committed to providing society with a greater supply of green electricity.

The wind power industry is entering a phase of large-scale development, with high-megawatt wind turbines and ultra-long blades emerging as a mega trend due to their ability to capture wind and generate greater electricity output more effectively. Although these advancements have significant upsides, they also present unique challenges, including the assurance of quality and production efficiency for high-capacity wind turbines and ultra-long blades. At SANY Renewable Energy, we are leveraging digital transformation to overcome these challenges and drive the development of large-scale wind power.

SANY Renewable Energy has consistently ingrained the digital transformation within our organization for many years. By doing so, we want to achieve QCDSM - Quality, Cost, Delivery, Safety, and Morale, to achieve the better quality, lower cost, faster delivery, safer production process, and to raise morale in the production sites.



Digitalization in Production

Intelligent production involves the use of technologies such as the internet, automation, and digital-driven methods in factories. By replacing manual operations, smart production has improved accuracy and avoided quality problems. Also, digital manufacturing operation systems have been contributing to quality control, achieving precise execution of delivery plans and reliable product quality assurance.



Digitalization in Management

Through the application of technologies such as the integration of digital twins and IoT, and high-precision positioning, we put effort into the development of a Digital Twin Meta Platform for blade factories, to monitor the real-time data of Man-Machine-Material-Method-Environment online. The Digital Twin Meta Platform works as a virtual factory, giving us a complete picture of the operational situation on sites.

We have developed a manufacturing and operation management platform, realizing the integration of the various process: planning, production, logistics, quality, and equipment management. This platform makes our workers and managers more willing to use the APP for on-site management.

We introduced a dual-center platform (i.e., business center and data center) to comprehensively monitor and intelligently analyse the on-site production order, personnel safety, and material use and storage, which adopts industrial visual recognition, machine learning, and big data technology. It enables management personnel to be aware of the risks in the production process in advance and respond more promptly to faults. Also, the platform can monitor, analyze, and provide alerts for production plans, sales plans, warehousing and logistics, and production quality.

Turbine Availability Reaches to **99.79%**

In December 2022, all 64 units of 6.25 MW wind turbines at the No.7 Beidaqiao Wind Farm of SDIC in Gansu Province were connected to the grid and started generating power. This was the first large-scale commercial wind power project in China to have a single unit capacity of 6 MW or above and be fully connected to the grid. According to statistics, the wind turbines in Zone B of the wind farm operated stably from April to December 2022, with an availability of 99.79%. The high reliability of the SANY Renewable Energy wind turbines effectively ensured the power generation of the wind farm.

Through digital transformation, SANY's production efficiency was improved by **27%** in 2022, and the defect rate decreased by **46%**.

Internationalization: Promote the Energy Transition

In 2022, SANY Renewable Energy broke through again in the international market, securing multiple orders for wind power projects in Central Asia. SANY's wind turbines will be spinning in the wind in Central Asia, helping the region to achieve an energy transition.

SANY Renewable Energy made a debut appearance at the international exhibition, with the topic "Capture the Power of Wind, Usher in a Cleaner World", to show SANY Renewable Energy's strength in all aspects from research and development, intelligent manufacturing, wind farm construction and operation. In the course of exhibition, SANY signed a strategic cooperation agreement with the Global Wind Energy Council (GWEC) which made SANY an official member of the GWEC family.

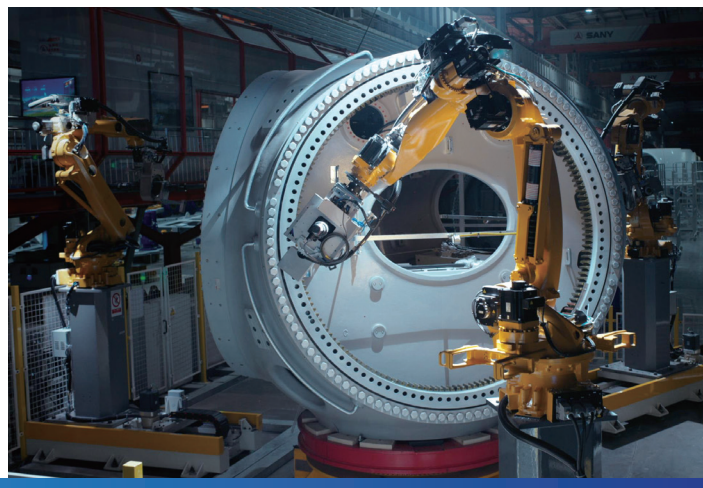
Moving forward, we plan to collaborate with industry peers and associations to increase the export of Chinese-made wind turbines. We aim to establish a stronger foothold in the international new energy market and support the global transition to a low-carbon energy structure.

Green Intelligent Factory: Make Industrial Decarbonization Happen

In response to China's national target - to have CO2 emissions peak before 2030 and achieve carbon neutrality before 2060, SANY Renewable Energy took the lead in building a green intelligent factory in the Nankou Industrial Park. The factory adopts environmental protection and intelligent technologies, striving to minimize energy consumption and carbon dioxide emissions in production.

The construction of this factory is an exploration in decarbonization practices in the wind power industry. We have built an intelligent

production space, optimized logistics, and used wind and solar complementary technologies to realize green power substitution. We have successfully achieved an outcome that benefits both production efficiency and environmental protection, resulting in a win-win situation.



Building an Intelligent Production Space

SANY Renewable Energy relies on Industrial Internet of Things technology, equipping factories with both visible intelligence - hardware and invisible intelligence - software.

Rely on Industrial Internet of Things technology, equipping factories with hardware and software

Hardware

Optimizing factory layout design and adopting automated equipment for production, material management, and inspection.

Software

An intelligent Data Brain further improves lean management, product lifecycle management, and enterprise resource management.

After implementing digitalization and intelligence in production, the overall unit energy consumption and carbon emissions have been reduced by 15%.



Scope 1 Emissions Reduction: Tapping the Emission Reduction Potential in Logistics Operations

Scope 1 emissions include those emissions generated by transportation owned or controlled by the enterprise. In order to reduce Scope 1 emissions, we established a green logistics system by optimizing logistics activities such as transportation, storage, loading and unloading, handling, packaging, etc. Thereby we minimize carbon emissions in the logistics process as much as possible.

Measures to Optimize Logistics Activities



We allocate our distribution centres appropriately and create reasonable distribution plans that will improve transport efficiency, resulting in reduced damage or freight volume.



We conduct joint delivery to reduce pollution.



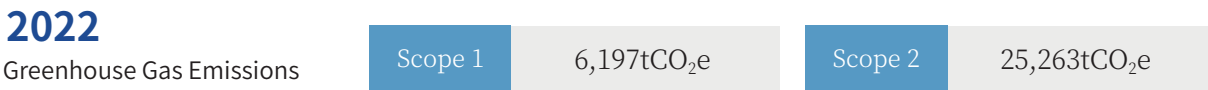
We implement a combined transportation system that reduces the total number of vehicles by changing the transportation method.



We equip factories with electric forklifts and electric AGVs to replace fossil fuel logistics vehicles.

Scope 2 Emissions Reduction: Achieving Green Electricity Substitution through Distributed Wind-solar Complementarity

Scope 2 emissions mainly generated by the purchase of electricity and heat production. Increasing the proportion of green electricity use can reduce Scope 2 emissions. Therefore, we have installed a 3.78 MW distributed photovoltaic power station and a 1.5 MW wind turbine on the Nankou Industrial Park. After connecting to the grid, it is expected to generate over 4.2 million kWh of electricity annually, resulting in a carbon emissions reduction of over 2,000 tons per year.



Environmental Protection Practices

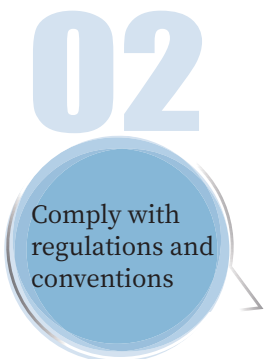
We have the Policy on Environmental Protection to ensure mainstream environment-friendly practices at SANY Renewable Energy. We have clearly defined the accountability, goals, and reward and punishment, and also developed an environmental accident management system. Besides, we have also taken measures to promote environmental protection practices throughout the operation of SANY Renewable Energy.

Environmental Protection Practices in Operation



During the Water Saving Day in 2022, we held a water-saving campaign by displaying water-saving slogans in Nankou Industrial Park.

In order to make sure that all employees understand the importance of conserving water, the HSE specialist arranges regular training, and the administration department puts up campaign materials in operation areas and conducts water conservation education programmes. By doing so, we aim to raise awareness among everyone on water conservation.



We have developed the Nankou Industrial Park's Mandatory Waste Sorting Management Regulations and the SANY Nankou Industrial Park Environmental Protection Convention to encourage employees to be environmentally responsible. These rules include not littering, wasting food and water, and turning off electronic equipment and lights when not in use.

Through the installation of water/electricity meters and the digital interconnection of equipment, we have realized real-time online monitoring to keep track of how much water, electricity, oil and gas we use in all of our industrial parks. By monitoring the individual water points, we can quickly find and fix any leaks or waste. We also monitor how much electricity is used by high-consumption equipment so we can use the equipment more efficiently based on the data we collect.

03

Monitor the use of resources

04

Use energy-saving and water-saving equipment



The irrigation equipment in the Nankou Industrial Park.

In 2020, we replaced the lights in the workshops and office areas of Nankou Industrial Park with energy-saving ones. This

increased lighting while reducing electricity usage by 50%, saving 185.24 kWh each day. In 2022, we upgraded our irrigation system at Nankou Industrial Park to conserve water. We customized the spray levels for each green area using visible and hidden pipes that were appropriate for the area. Additionally, we regularly inspect our pipelines and promptly repair any leaks to minimize water waste.

Energy-saving and Water-saving Equipment being Used

Energy-saving Equipment



Permanent magnet frequency conversion air compressor; water pump and fan with the use of frequency conversion technology; air conditioner ranked grade-1 energy efficient (labelled as most efficient); electric pallet truck; electric forklift; LED lights; motion sensor lights, etc.

Water-saving Equipment

Sensor faucet and sensor toilet flush; initial rainwater collection system and rainwater irrigation system.

The Use of Water and Energy in 2022

Category	Nankou Industrial Park (Including Nankou No.1 Plant)	Nankou No.2 Plant (Including Xi'an Industrial Park)	Zhangjiakou Blade Company	Tongyu Blade Company	Shaoshan Blade Company	Chenzhou Plant (Temporary Plant)
Water (Municipal Water)	144,996t	-	29,703t	22,119t	May 2022 to December 2022: 19,516 t	-

 Natural Gas	308,000m ³	355,000m ³	484,800m ³	-	November 2022 to December 2022: 652,600m ³	-
	 Purchased Electricity	12,303.84 MWh	3,175.87 MWh	13,414 MWh	7,701.48 MWh	4,454.64 MWh

Environmental Protection in Wind Farms

The company adheres to the relevant laws, regulations, norms, and standards such as Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on Noise Pollution Prevention and Control, the Regulations on the Administration of Construction Project Environmental Protection, the Interim Provisions for the Administration of Environmental Protection Acceptance of Completed Construction Projects, Ambient Air Quality Standards (GB 3095-2012), and the Technical Regulations for Wind Farm Site Selection in the development and operation of wind farm projects, and carries out the relevant environmental protection work. Specific environmental protection measures are as followed:

- Site Selection**
 - As biodiversity conservation matters, the site should avoid rare animal and plant distribution areas, bird protection areas, and bird migration channels during site selection;
 - A reasonable distance is maintained between the wind turbines and residential areas to prevent noise pollution from disturbing the local residents;
 - Surrounding environmental sensitive areas are clearly identified.
- Feasibility Study**
 - We plan specific environmental protection measures for the construction project;
 - We commission qualified organizations to conduct environmental impact assessments and prepare environmental impact reports.
- Design**
 - We develop clear implementation provisions for environmental protection measures;
 - We commission environmental engineering design organization to carry out environmental engineering design projects, such as wastewater treatment, noise reduction, and greening.
- Construction**
 - We adhere to the national environmental protection policies, regulations, laws, and rules;

Construction

- We conduct environmental monitoring, including air quality, noise control, health of the public, ecological environment, soil and water conservation;
- The construction supervisor submits regular environmental supervision reports;
- The commissioned company carries out environmental quality monitoring and is required to submit environmental monitoring reports regularly;
- Upon completion of the project, we carry out land improvement and plant grass seeds for greening;
- To minimize dust generated during construction, we take measures such as watering the site regularly.


Operation




- We organize environmental protection inspection upon completion of the project;
- We implement various environmental management plans;
- We carry out environmental monitoring (such as surface water, noise, and ecology);
- We conduct regular inspections to ensure that the ecological environment is not damaged;
- We develop and implement emergency plans and treatment plans for pollution incidents;
- We conduct environmental education and publicity.

Waste Management

Solid Waste

To properly handle the solid waste produced by the company, in accordance with the laws and regulations such as Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, and the Standard For Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill, the company has developed the Policy on Solid Waste Management, which specifies the types of solid waste that may be generated and corresponding disposal measures.

Categories	Items	Disposal Measures
 Domestic Garbage	Paper, plastic, waste batteries, discarded fluorescent tubes, kitchen waste, etc.	<ul style="list-style-type: none"> · Implement garbage classification · Entrust a qualified company to handle hazardous waste · Kitchen waste should be handed over to a qualified company for harmless treatment. Untreated kitchen waste should not be discharged into sewers, toilets or mixed with other types of garbage. It is strictly prohibited to use kitchen waste for processing food or feeding livestock without authorization. · The qualified company transports domestic waste away on a daily basis.

 Industrial Solid Waste	Waste steel, waste iron, water-based paint drums, etc.	<ul style="list-style-type: none"> · Entrust a qualified company to handle industrial solid waste and specify pollution prevention and control requirements for the transportation, utilization, and disposal · Require the rational use of raw materials, utilize general industrial solid waste and reduce its production · Establish a Waste Transfer Record System to record information such as types, amounts, and flow directions
 Hazardous Waste	Waste mineral oil, waste paint, waste filter cotton, etc.	<ul style="list-style-type: none"> · Establish a list of hazardous waste, waste transfer forms, transfer records, etc., and report to the HSE commissioner for filing · Classify, collect, label, establish records, transfer, and store hazardous waste in accordance with regulations to prevent secondary pollution to the environment · Establish internal transportation management standards, in order to prevent seepage, loss, and dispersal · Entrust a qualified company to transfer and dispose of hazardous waste and sign a safety and environmental protection agreement · Analyze the source of production and formulate hazardous waste reduction strategies
 Construction Waste	Slag soil, waste concrete, mud, asphalt blocks, etc.	<ul style="list-style-type: none"> · The construction company handles construction waste and hazardous waste generated during the construction in accordance with relevant laws and regulations.

Waste Generation in 2022

	Nankou No.1 Plant	Nankou No.2 Plant	Zhangjiakou Blade Company	Shaoshan Blade Company	Tongyu Blade Company
Solid Waste	4,221.02t		3,082.14t	225.8t	2000t
Hazardous Waste	31.713t	37.8t	195.736t Discarded buckets of resin/hardener 6,796 pcs	123.48t	28.91t

Wastewater

In accordance with Policy on Environmental Management, SANY Renewable Energy carries out daily proper treatment of wastewater. We strictly adhere to national standards for wastewater treatment to ensure its effectiveness. We rigorously monitor wastewater treatment plants and conduct testing and evaluation of the results to ensure normal operations. In the course of wind farm construction and operation, domestic wastewater is discharged into the sewage treatment device of the booster station. Following treatment, it is then directed into the reuse water pool for greening.

In addition, we generate a certain amount of liquid hazardous waste during the operation, mainly including oil-containing cleaning wastewater, paint wastewater, waste engine oil, etc. We will collect and seal it centrally, and then send it to the hazardous waste storage facility for temporary storage before it is transported and disposed of later.

Employment Management

- 19 Remuneration and Benefits
- 20 Occupational Safety
- 25 Employee Development
- 28 Communication Mechanisms
- 30 Employee Engagement Activities



SANY Renewable Energy abides by the Constitution of the People’s Republic of China, the Civil Code of the People's Republic of China, the Labour Law of the People’s Republic of China, the Special Rules on the Labour Protection of Female Employees, the Law of the People’s Republic of China on the Protection of Minors and other laws and regulations. We are committed to adopting fair and lawful employment practices and strictly prohibit the use of child or forced labour. Additionally, we do not discriminate against any employee on the basis of gender, age, height, appearance, religion, or any other personal characteristic in any of our operations or facilities.

SANY Renewable Energy is a talent-focused enterprise that believes in the value of hard work and perseverance in achieving success. We are committed to nurturing our employees through a supportive work environment and development opportunities. In addition, we employ a Triple-High policy to attract top talent from both domestic and international markets.

High Quality | We invest in training our employees to make sure our team members possess the proper values and a high degree of knowledge, abilities, and experience.

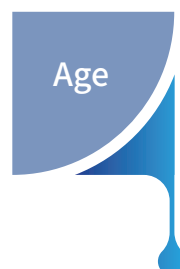
High Standard | High standards for objectives, high standards for evaluation, high standards for speed, high standards for quality.

High Return | Through compensation, benefits, and incentive mechanisms, we provide high returns for strugglers and high-achieving employees.

Till the end of 2022, we have 4,287 employees on board and 300 contractors, which is 4,587 in total. The composition is as follows:

Gender	Employees			Contractors			Total		
	Count	Count	Count	Count	Count	Count	Count	Count	
Male	3,898	257	4,155	389	43	432			
Female									

	Employees	Contractors	Total
≤ 30 years	1,811	89	1,900
≥ 51 years	2,414	207	2,621
31 years – 50 years	62	4	66



Ethnical group	Employees	Contractors	Total
	Ethnic Minorities	210	11

Operating regions/ areas	Employees	Contractors	Total
	Beijing, China (Headquarter)	1,360	55
International Assignment	941	18	959
Oversea	20	6	26
Hebei, China	526	79	605
Hunan, China	984	139	1,123
Jilin, China	404	2	406
Shanghai, China	42	0	42
Xi' an, China	7	1	8
Xinjiang, China	3	0	3

Remuneration and Benefits

We provide our employees with a competitive remuneration package, which includes a basic salary, performance bonuses, allowances, subsidies, statutory benefits, and supplementary benefits. We have developed customized salary strategies for employees in various positions, including those in charge, work center directors, and support staff. In addition, our company has implemented a tiered performance management strategy based on the Performance Management Policy and the Performance Management Procedure to motivate employees to enhance their personal capabilities and achieve performance targets.

Remuneration and Benefits	
Basic Salary	Determined by job value, personal ability, and skill level
Performance Bonuses	Confirmed by performance results
Allowances and Subsidies	Based on job characteristics or geographical location
Benefits	Statutory benefits (five insurances and one fund) and supplemental benefits (birthdays, holidays, big events, etc.)

Medium and Long-term Incentives

For senior managers in key positions, R&D core positions, and core management positions, a medium and long-term incentive plan is offered in the form of restricted stocks equivalent to performance bonuses. Starting in the second year of participation in the incentive programme, the stocks will be delivered over a period of five years, with 20% unlocking annually. During the holding period, the manager will have the right to receive stock dividends.

Incremental Sales Award

Targeting the R&D team: designed for incremental gross profit of R&D products

Benefit Sharing

Based on the company's operating profit situation

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.

Occupational Safety

At SANY Renewable Energy, our employees are the driving force behind our continuous development. It is our obligation and responsibility to ensure their safety, take active measures to reduce accident risks, and maintain a safe work environment. Therefore, we invest in production safety, physical examination, and insurance to create a safe work environment and prevent occupational diseases. Our goal is to prioritize the health and safety of our employees.

Workplace Safety



Policies

SANY Renewable Energy has formulated a series of safety management policies, including the Policy on Emergency Management of Workplace Safety, the Policy on Safety Rewards, Punishments & Evaluations, the Protocol on Safety Inspection, and the Regulations on Fire Safety, in accordance with relevant laws and regulations such as the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and the Control of Occupational Diseases, the Provisions on the Safety Training of Production and Operation Entities, and the Guideline of China Occupational Safety and Health Management System. Moreover, the company has clearly defined safety production responsibility system and obligations of every party.



Activities and Training

The company conducts regular safety training on various topics, including fire safety, traffic safety, occupational disease prevention and control, and factory electricity usage. A total of 17 safety training sessions were organized in 2022. In addition, during the annual National Safety Month which in June, the company conducts various safety activities like safety knowledge training, fire evacuation drills and safety knowledge quiz, in order to raise the safety awareness of all employees.

June 2022, National Safety Month

During National Safety Month, the company offered online safety knowledge training to all employees, which covered topics such as fire safety inspection, safety accident prevention in wind power generation, and analysis of typical wind power accidents. Additionally, some employees participated in an online safety knowledge quiz, with cash rewards offered by the company to those who performed well.



Profile of HSE

Since September 2022, we have started to implement a new HSE management programme, namely Profile of HSE. Every month, we visualize and evaluate the performance of our safety work across four dimensions: work-related injuries and accidents, rate of hidden danger rectification, safety education and training, and regular duties. Evaluations are performed on a rating system. This helps us to monitor and improve our safety performance effectively.

Since the launch of the Profile of HSE programme, we have been regularly reviewing the safety performance of our HSE personnel and departments on a monthly basis, while providing timely feedback to employees. The Profile of HSE programme has not only created incentives and guidance for responsible employees, but also strengthened their sense of responsibility and capability, which encourages them to take their safety responsibilities seriously and continuously improve their performance.

By the end of 2022, all departments and branches had performed well in safety and no penalties had been imposed on any individuals or departments.



Make Sure our Frontline Workers have Sufficient Rest Time

Giving frontline workers sufficient time to rest is essential for their work efficiency and safety. To achieve this, we have established a procedure to guarantee rest time for production line employees. This procedure aims to prevent excessive workload and prolonged work without rest for frontline workers by clearly defining the responsibilities of various personnel and penalties for noncompliance. If employees are unable to take their vacation time due to work demands, they may report it to the human resources department.

Although we have implemented various safety measures, we regrettably experienced three safety

accidents in 2022. Fortunately, no fatalities resulted from these incidents, but nevertheless, they serve as a reminder that we can never rest on our laurels when it comes to safety in the workplace. Moving forward, we will commit even more resources to bolster the safety production management at SANY Renewable Energy.

Physical Examination and Insurance

Upon the onboarding process, all new joiners, including employees, contractors, and interns, are required to undergo a mandatory physical examination. We maintain a comprehensive medical record for everyone, providing a valuable reference for their health status should any illnesses emerge in future. In addition to this, we place a strong emphasis on the health of our frontline employees who are often exposed to occupational hazards. That's why we offer them an annual customized examination for occupational diseases, tailored to their specific job and exposure risks. We also provide physical examinations for these employees upon leaving the company, so as to ensure that they depart in good health.

We also offer an annual physical examination as a benefit to our middle and senior-level management personnel. For other employees, they can participate in the physical examination at a deeply discounted price, as we believe that everyone should have access to quality healthcare.

In 2022, we invested 1.1819 million CNY in physical examinations, which reflects our commitment to the health and wellbeing of all our personnel.

In addition to regular benefits such as pensions, medical, work-related injury, maternity, and unemployment insurance, we offer our employees customized commercial insurance that is tailored to their unique job positions. For instance, when our staff are on international assignments, we offer overseas personnel accident insurance to protect them against unexpected accidents. Similarly, we offer expert health insurance to international experts and their family members, ensuring that they are able to access quality healthcare services throughout their stay in our company.

Working Environment

To ensure that employees feel comfortable and can perform their duties without any undue stress or hazards, it is crucial to maintain a clean and orderly workplace that minimizes physical risks. We take proactive measures to ensure that our workplace adheres to the safety standards.



Factories and Wind Farms

We take workplace safety seriously in our factories and follow strict production safety management standards. To achieve this, we maintain a clean and organized workplace, ensure equipment is in good working order, and properly store goods. We provide necessary fire suppression systems, protective gear, and first aid supplies to promote worker safety. Regular inspections and



maintenance are conducted to ensure equipment reliability. We also prioritize source control to minimize workplace hazards. For example, we use low-noise technology to keep workshop noise below acceptable limits, protecting our employees from potential noise-related hazards.

At our wind farms, we provide employees with a range of safety equipment, such as safety ropes, protective gear, and helmets. In addition, we also place warning signs and information boards in work areas to alert operators of any potential hazards and promote safety.



The Occupational Hazard Information Card is Posted at the Warehouse Entrance



Our Worker at Blade Web Team



Office Space

Our office space has a minimalist design, with well-organized workstations connected by greenery to improve staff well-being. To promote a friendly and supportive workplace culture, we have a corporate culture corner displaying pictures of each department to showcase the positive attitudes and collaborative spirit of our staff.

We also provide facilities in our activity center, including activity rooms, gymnasiums, singing rooms, yoga rooms, and table tennis facilities. We believe that offering opportunities for our employees to refresh themselves and exercise is essential in promoting a healthy work-life balance. Additionally, we serve wholesome and delicious meals in our canteen that vary according to the seasons. We prioritize good food to maintain the well-being of our employees.

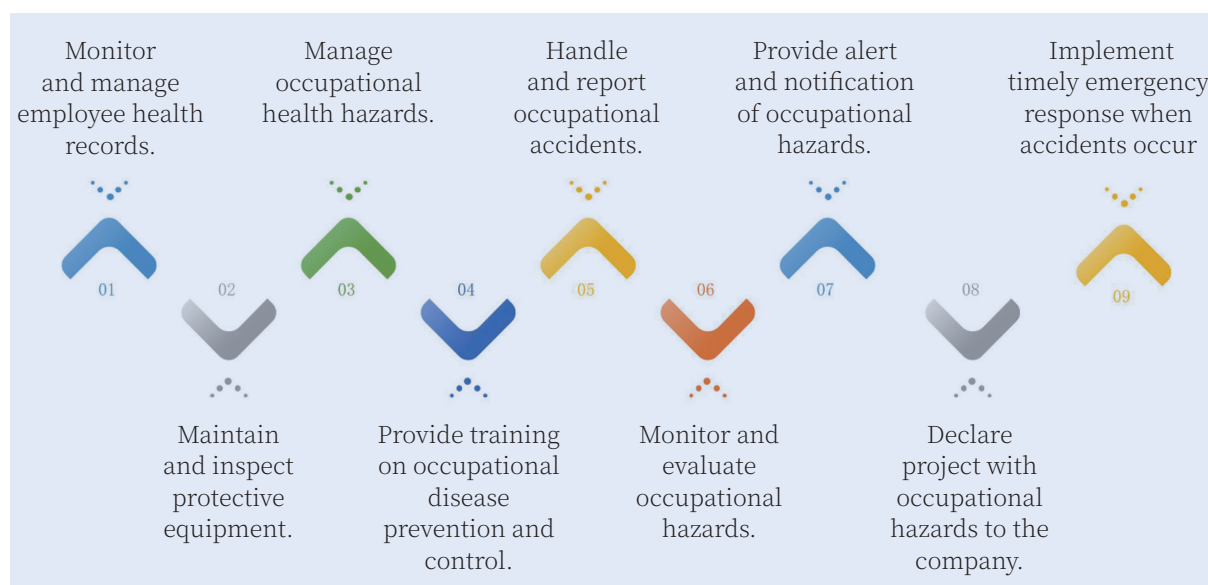


The Activity Center for Staff

The Prevention of Occupational Diseases

To prioritize the health and safety of our employees, we have established a comprehensive occupational health management system, including policies such as Occupational Health Special Management System, the Regulations on Occupational Health Guardianship and File Management, and the Occupational

Disease Public Education and Training System for Disease Prevention and Control. The management system was developed in accordance with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Provisions on the Administration of Occupational Health at Workplaces, and others.



Occupational Health Management System

The Policy on Safety Management for Related Parties has been developed in accordance with Work Safety Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Regulations of Beijing Municipality on Work Safety, and the Provisions of Beijing Municipality on the Main Responsibility for Production Safety of Production and Business Entities. The purpose of this system is to ensure the safety of everyone involved in our business operations.

Guarantee the Safety of Related Parties

Construction Project-related Parties

We evaluate the qualifications, competence and safety system of contractors. The contractor must submit the construction plan to the CEO Office's Safety and Environment Unit for documentation and to ensure that it complies with safety laws while construction is underway.

Contracted Project-related Parties

When entering contracts, we carefully review the qualifications, capabilities, and production safety systems of the outsourcing provider. Additionally, we offer them production locations, tools, and infrastructure that complies with local laws and regulations.

Visitors

Correspondent departments designate a staff member to receive visitors, and the security personnel are responsible for identifying the scope of activities of each visitor and informing them of any necessary safety precautions. Visitors are required to sign a Safety Notice upon arrival to acknowledge that they have received the required safety information and agree to comply with our safety protocols.

Cars Owned by Relevant Parties

We provide comprehensive safety instruction and training to all operators. Our contracts with operators reflect our company's commitment to safety management. The operators adhere to SANY's safety regulations and conduct their work within the designated spaces, and inform SANY of any potential safety concerns in advance.

Interns

Interns are well-informed of their responsibilities regarding safety management. Interns receive safety instruction and training and are expected to adhere to our safety management system. They must participate in educational and training activities that promote safety, and undergo safety inspections, among other requirements.

Employee Development

Training Opportunities

At SANY, we provide various learning and training opportunities for our employees to foster a collaborative culture that benefits everyone. In 2022, we hosted 479 training sessions with a total of 56,834 attendees. Our employees dedicated over 9,712.2 hours to training activities.

Examples of Training Programmes

New Hire Training

We offer a comprehensive five-day orientation programme for all new hires. This programme is intended to familiarize newcomers with our company's culture, management policies, and workplace etiquette, among other essential topics.

International Youth Training Camp

At SANY, we recognize the importance of nurturing and retaining talent with a global perspective to support our international marketing efforts. In 2022, we introduced the International Youth Training Camp programme, a three-month initiative designed to empower the next generation of global marketing professionals.

The International Youth Training Camp programme was attended by 64 participants who learned about industry knowledge, global marketing skills, and our business. They were also able to gain hands-on experience through field practice at wind farms and factories, allowing them to acquire valuable professional skills in a real-world setting.

Executive Reading Club

To promote digital intelligence and enhance our management's strategic thinking, we have initiated a series of monthly cadre knowledge learning sessions. These sessions are conducted by a range of experts, including internal consultants, leaders from different departments, and external professors.

Throughout 2022, we organized a total of eight workshops, each of which was moderated by an internal consultant or department leader. We also invited a guest speaker, a professor from top-tier university, to lead one of the workshops, bringing in fresh insights and perspectives from outside our organization.

Nurturing Systems

At SANY, we believe in cultivating our employees' potential and supporting their ongoing development. To achieve this goal, we have developed multiple individual development programme for employees that are tailored to their position, level, and career path.

Examples of Nurturing Systems

Mentor-mentee Programme

The Mentor-Mentee programme is offered to new hires in key and core positions. This programme is designed to help them integrate into the company more quickly, adapt to their job responsibilities, and acquire necessary knowledge and skills. The mentor will guide and train the mentee during the first 12 months of their employment. The mentee will have regular meetings with their mentor at least once a month.

Supervision Programme

Potential candidates for leadership positions are selected from the business department teams and mentored by employees who already hold leadership positions.

Triple-Wind Programme



The Triple-Wind Programme ("Long Wind," "Swift Wind," and "Sudden Wind" programmes) is a training Programme for potential talent from recent graduates/young employees, mid-level managers, and senior managers. The Triple-Wind Programme uses differentiated training methods to help talented individuals explore career development paths and create a talent pool that meets the business development needs. In 2022, the second phase of the Swift Wind Programme was successfully carried out, training a total of 30 employees, and empowering 23 employees who had not been promoted from the "Swift Wind Phase I" programme.

Torch Programme

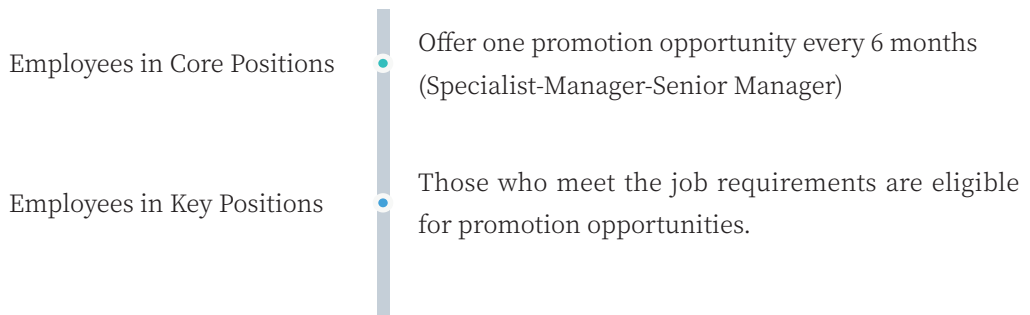


Young and committed talent will be selected through Torch Programme. The selection procedure includes written test, structure interview, leaderless group discussion.

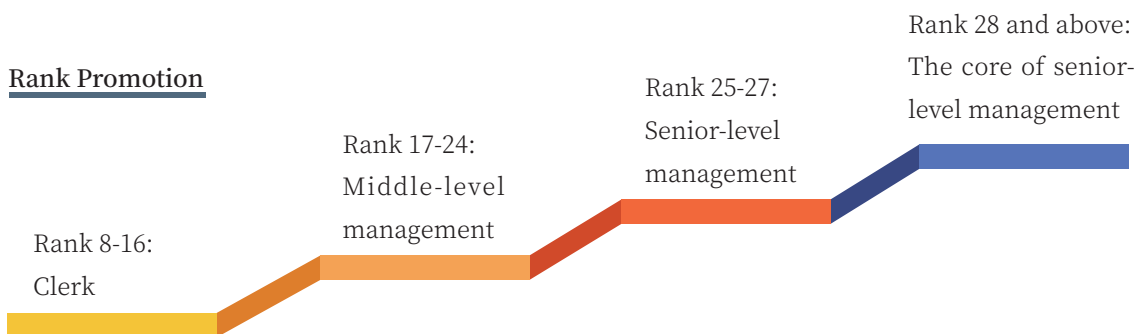
Promotion Channels

Career Advancement Path for Employees with Management Responsibilities

Moving from a Junior Position to a More Senior Position



Rank Promotion



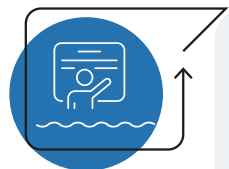
·Based on employees' performance evaluation results and the grade they in, they can be nominated for promotion every six months/one year/two years.

The Career Advancement Path for Employees with R&D

Research and development (R&D) personnel and technicians are evaluated every year based on their level of professionalism. If their level of professionalism increases, their remuneration will also increase accordingly.

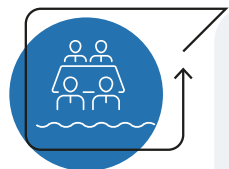
Communication Mechanisms

We encourage employees to actively participate in the development of the organization. To facilitate this process, to maintain effective and reasonable communication channels between our company and our employees, we have established a range of different communication mechanisms, including labour union committee, the assembly of the representatives of the employees, three-level feedback system, complaint management system, and employee satisfaction survey.



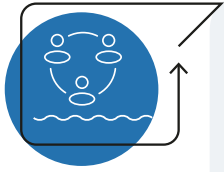
Labour Union Committee

In order to safeguard the legitimate rights and interests of employees, we established our own labour union in accordance with the Trade Union Law of the People's Republic of China and the Constitution of the All-China Federation of Trade Unions in 2020. On January 15, 2021, we held the first membership representative conference of our SANY Renewable Energy labour union, during which the first labour union committee was elected. This committee consists of highly motivated and dedicated individuals who are committed to promoting the interests and well-being of our employees. A total of 40 people participated in the election, representing 1.2% of the total number of employees.



The Assembly of the Representatives of the Employees

On August 31, 2022, the Draft Employee Stock Ownership Plan for 2022 was discussed and approved, and the number of shares and participants in the plan were also discussed. A total of 30 employee representatives attended the meeting, accounting for 0.7% of the total number of employees. For more detailed information, please refer to the Announcement of the Resolutions of the First assembly of the Representatives of the Employees of SANY Renewable Energy Co., Ltd. in 2022.



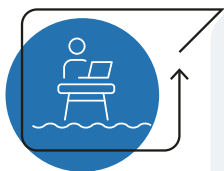
Three-Level Feedback System

If our staff need support regarding of property management, catering, security, reception, they can ask for help through the Three-Level Feedback System:

- Level 1 ●●●▶ Person in charge of property management, catering, security and reception.
- Level 2 ●●●▶ Deputy Head of Administration Department.
- Level 3 ●●●▶ Feishu Portal, and SANY Mailbox

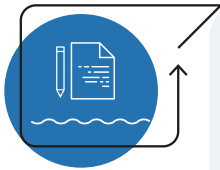
After SANY Mailbox receiving the feedback, the administrator of SANY Mailbox will process it.

1、Receiving the request	The staff member can submit support request to the SANY Mailbox by email, after which the administrator will include the matter in the requesting list.
2、Tracking the status	The administrator tracks the status of the case. If the department or person responsible for handling the request is not yet clear, the administrator will nominate the responsible department or person according to the type of request and the details of the matter.
3、Making a resolution	The department or person responsible for the request will reply to the staff member and solve the problem. After receiving the confirmation from the staff, the administrator will close the case.
4、Asking the feedback from the staff member	After the case is closed, the staff member can rate the handling process.



Complaint Management System

If an employee has a complaint or issue to report, they can do so through various channels such as letters, emails or attending the chairman's reception day. The human resources department will receive and review the complaint and refer it to the corresponding business department. The business department will provide a written response, which may include emails. If the employee is still unsatisfied, the complaint can be escalated to the human resources department, who will forward it to the chairman of the board for review. The chairman of the board will provide the employee with a final decision.



Employee Satisfaction Survey

Every year we conduct an Employee Satisfaction Survey to assess how our staff feel about their work, and in 2022, we administered the survey via a questionnaire. Upon analyzing the results, we found that our employees rated their job recognition, team recognition, supervisor recognition, and development recognition with an average satisfaction score of 80.8.

After analysis, we found that employees generally recognized the value of their work and expressed recognition for their team, and were generally satisfied with the company. In the future, the company will further improve management practices and create a more desirable working environment for employees.

Employee Engagement Activities

Participating in various activities can help alleviate stress and tension that come with a busy work pace. These activities offer opportunities for employees to relax, have fun, and connect with each other on a more personal level. By engaging in such activities, our staff can recharge their batteries and return to work with renewed energy and enthusiasm. In 2022, our company organized a variety of exciting activities to provide our staff with a much-needed break from their daily work routines.

SANY Renewable Energy 3rd Basketball Tournament

From October 10 to October 15, 2022, the Third Basketball Tournament of SANY Renewable Energy was held successfully with the collaboration of the administration department and the labour union. The primary goal of the tournament was to create a platform for interactive communication among different departments. Participants had the chance to compete in a series of games which took place over



BASKETBALL

a six-day period. On the afternoon of October 15, the tournament came to a close as the final games were played. After an exciting series of matches, the marketing team emerged as the tournament champion, with the CEO office team taking the second-place trophy and the joint team of manufacturing department and commercial department coming in third place. Overall, the tournament provided a fun and engaging way for employees to come together and strengthen their connections, while also fostering a spirit of teamwork and healthy competition.





 Hiking Activities

On September 24, 2022, SANY Renewable Energy and CITIC Securities organized a 10.4 km hike on the outskirts of Beijing for Party members. During the hike, Party members appreciated the beauty of nature and learned the importance of green development.





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Supplier Management

33 Social Responsibility
Audit as a Part of
Supplier Review

Social Responsibility Audit as a Part of Supplier Review

We conduct audits of supplier social responsibility performance during the entry process, with a focus on two aspects: social and environmental. The social responsibility performance of a potential supplier will impact their entry audit score. Environmental compliance is a must for production suppliers. If a candidate supplier does not possess the relevant qualifications, they will be excluded from the procurement process.

Taking social responsibility audit as a part of supplier review can reduce the procurement risks and encourage our supplier and business partners to perform their social responsibility.

Social Aspect		Focus on labour rights (e.g. regulating employment and improving employment relations), employee development (e.g. formulating and implementing talent-development programme), safety and health, etc.
Environmental Aspect		Environmental qualifications should be submitted, such as ISO14001, Emission Permits, Environmental Impact Assessment Approvals, Environmental Impact Registration Forms, Environmental Acceptance Reports, etc. We check if the supplier has set emission reduction targets and are taking action to reduce use of energy and reduce carbon emissions.

Supplier Audits in 2022

Till the end of 2022, the total number of production suppliers of SANY Renewable Energy was 260, of which 42 were new. This year, no supplier was removed from the supplier list for the reason of bad social responsibility performance.

New Suppliers		All 42 new suppliers were qualified.
Existing Supplier		During this reporting period, a total of 42 stock supplier audits were conducted, including 31 routine audits and 11 unannounced audits. After the auditing is completed, we will provide timely feedback to the supplier on the issues found during the auditing and proceed to have the supplier make corrections on schedule.

Local Procurement

Our key component suppliers are mainly located in Jiangsu, Zhejiang and Shanghai, China.



Products and Services

- 35 Our Products
- 36 Quality of Our Products
- 37 Product Innovation
- 38 Customer Satisfaction

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Our Products

Intelligent Wind Turbine

The company's main offerings include wind turbines from the 3.XMW-4.XMW and 4.XMW-8.XMW platforms. The 3.XMW-4.XMW series of wind turbines are specifically designed to operate in a variety of wind and site conditions, with power ratings ranging from 3.0MW to 4.55MW. These turbines have rotors with diameters up to 193 meters, and hub heights up to 160 meters.

The 4.XMW-8.XMW series of wind turbines are built to withstand a broad range of wind and environmental conditions, with power ratings of 4.2MW to 8.5MW. These turbines boast rotor diameters exceeding 200 meters and hub heights up to 160 meters.

Our products stand out for their reliability, high power generation capacity, cost-effectiveness, and wide range of applications.

Technical Features of the Products



Quality of our Products

At SANY Renewable Energy, we put our customers at the center and to provide them with high-quality products and services. Our customer-centric approach ensures that their needs are always at the forefront of our minds. To ensure that our products meet the highest standards, we have established a comprehensive quality management system that includes a series of regulatory documents, such as the SANY Renewable Energy Management Manual and the Quality Award and Punishment Management System. These measures have been put in place to guarantee that we maintain the highest levels of quality management throughout our organization. In 2022, 26 members of our quality management department completed the APQP4Wind framework training, and SANY Renewable Energy has become a member of this non-profit, authoritative quality management organization for the wind power industry. APQP4Wind was initiated by international wind turbine manufacturers and suppliers with the aim of providing widely accepted standards, methods, and tools for quality assurance processes in the wind power industry. As a member of this organization, we are committed to promoting the use of APQP4Wind.



Total Life Cycle Quality Management System

Establishment and Management of Quality System

- Develop the Policy on Quality Management
- Quality Objectives, Resource Allocation, and Performance Management
- Conduct Regular Internal and External Management Reviews

Continuous Improvement

- QC Activity and Quality Management
- Quality Planning Scheme, Quality Risk Identification and Control

After-sales Quality Management

- Equipment Inspection, Repair and Maintenance
- Standardize Quality Problem Management
- Analyse Quality Problems

Quality Management in R&D

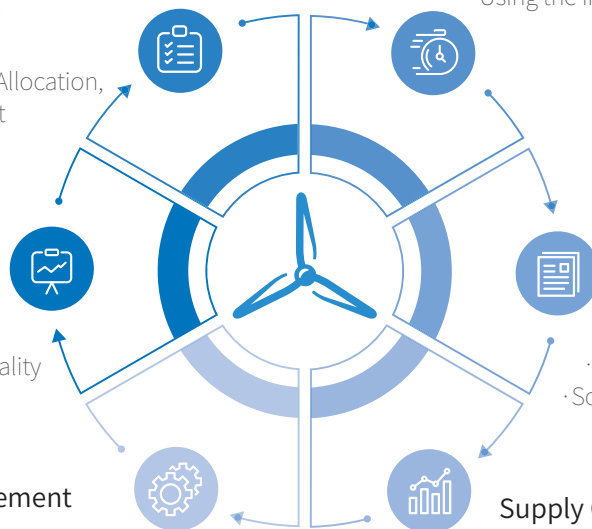
- Using the Integrated Product Development Process for Quality Planning
- Critical Point Management
- Track Market Demand

Manufacturing Quality Management

- Automatic Control and other Means to Collect Process Inspection Data
- Products Archives Management
- Scanning Code System to Achieve Accurate Traceability

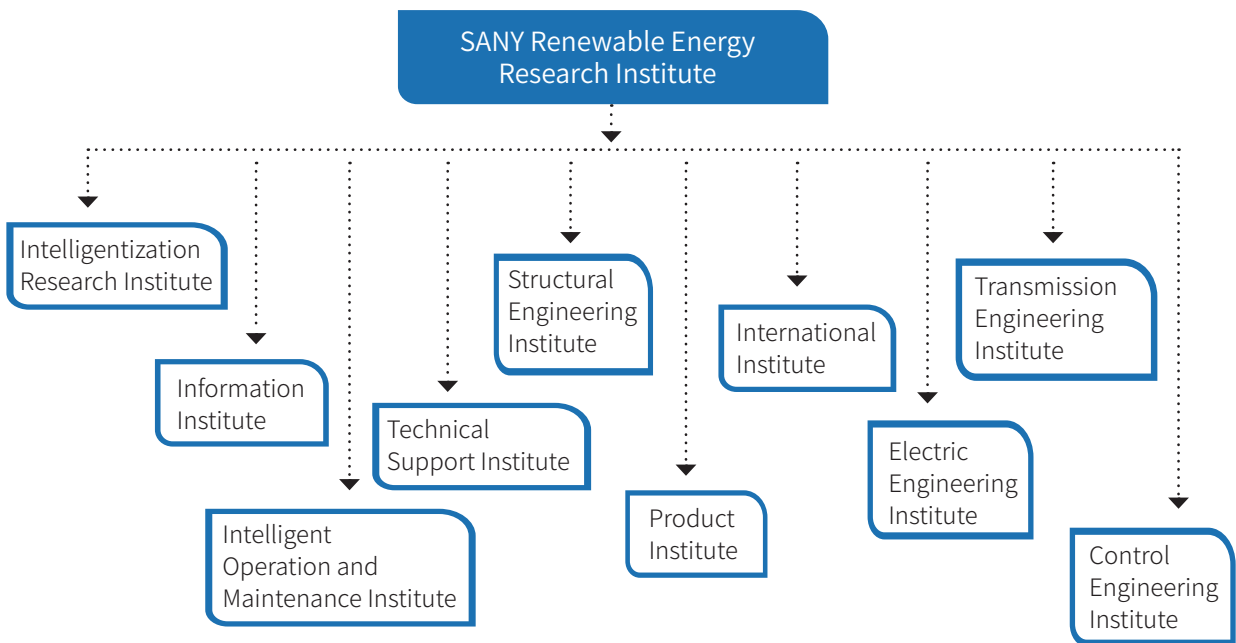
Supply Chain Quality Management

- Process Control, Finished Product Quality Inspection, and Production Monitoring Control
- Suppliers Archives Management

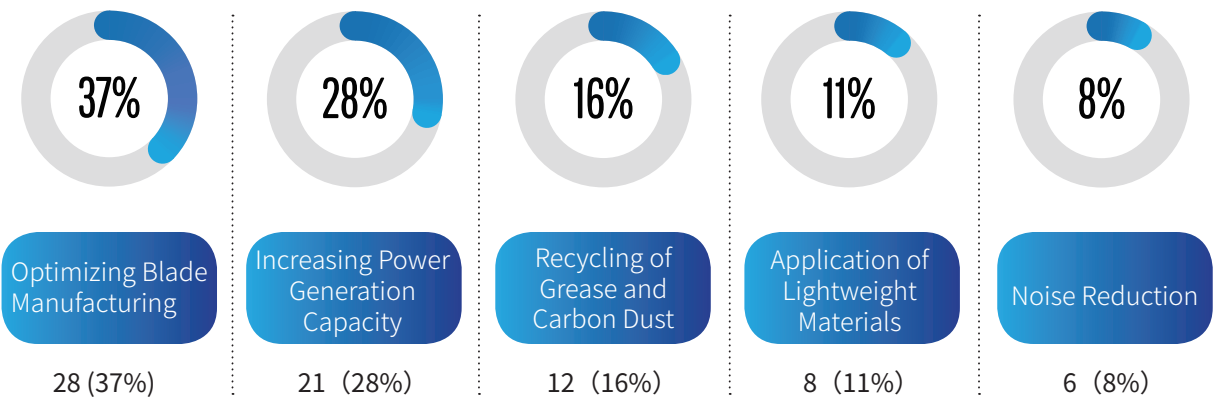


Product Innovation

SANY Renewable Energy continuously increases investment in technological research and development, and continuously attracts talent from around the world to build an international, diverse, and highly skilled research team. We are proud to lead the industry in a variety of areas, including large intelligent wind turbines, up-tower transformers, intelligent operation and maintenance, and long blades. Our wind turbine products are highly reliable, and we have developed comprehensive solutions for wind farm design, construction, and operation and maintenance.



In addition, we have integrated green concepts into our research and development process. In the past two years, SANY Renewable Energy has obtained a total of 252 patents, of which 75 are green patents.



● **The Patent related to Carbon Dust Filtering Device for Generators**

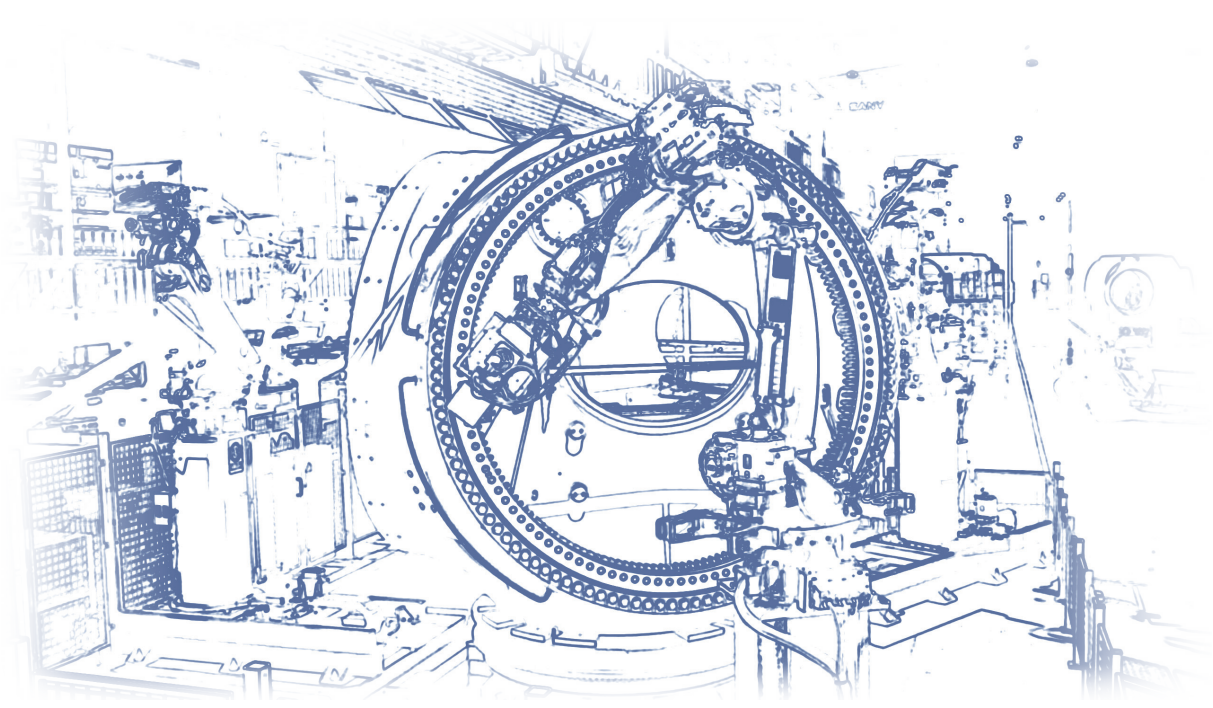
The carbon dust filtering device for the generator has a detachable connection between the exhaust pipe and the connecting pipe of the collector ring, making it easy to install and maintain. Multiple filter layers are set inside carbon dust collector to trap the carbon dust, preventing the carbon dust from getting into the air.

Customer Satisfaction

SANY Renewable Energy prides itself on maintaining close communication with its customers and adhering to a strict policy on customer satisfaction management. We regularly assess customer satisfaction with our services and promptly handle any feedback we receive. This allows us to continuously improve the quality of our products and services.

Following the Procedure of Customer Satisfaction Management, the CEO office conducts customer satisfaction surveys every two months. After receiving the survey results, the office analyses them and creates a Customer Feedback Record. The service company then confirms and categorizes the feedback mentioned in the record and collaborates with the responsible departments to develop and execute solutions. The result of the follow-up is recorded as a Customer Satisfaction Follow-up Record, and a comprehensive Customer Satisfaction Analysis Report is produced.

In 2022, we carried out 6 customer satisfaction surveys, distributing 612 questionnaires, and receiving 606 valid responses, resulting in an average satisfaction score of 95.3.





Social Development

40 Wind Farms Driving Rural Revitalization

41 A Knowledge Sharing Platform

Wind Farms Driving Rural Revitalization

How did Donghutang Wind Farm achieve both ecological and economic benefits simultaneously?

On February 26th, 2023, the China Wind Energy New Year Event was successfully held in Beijing. Our Donghutang Wind Farm won the Leading Pioneer Award for its positive ecological and economic impacts. Previously, Donghutang Wind Farm was chosen as a national demonstration site for soil and water conservation in 2021 and won the 2020 Green Ecological Wind Farm Award. Then, how did Donghutang Wind Farm achieve both ecological and economic benefits at the same time?

Ecological Benefits

To minimize the ecological impact of the Donghutang wind farm, great importance was placed on ecological protection throughout the entire construction process to ensure that the farm achieved ecological benefits.

During site selection, the bird migration routes were taken into consideration to ensure that the wind farm operations did not interfere with bird migration or affect their living environment. Environmental protection goals and measures were formulated during the feasibility study, and during the construction process, we paid close attention to reducing the impact on vegetation and soil through various construction steps. For example, topsoil was collected during earth excavation, and greening was carried out in sections. After the wind turbine installation, we promptly conducted follow-up soil and water conservation and ecological restoration work based on the established plan and local environmental conditions. Measures such as spraying net slurry on exposed soil and sowing seeds were taken. With these environmental protection measures, the ecological environment of the wind farm was well preserved.

Through soil and water conservation and scientific construction methods, the Donghutang project treated an area of 22.99hm² for water and soil erosion, and disturbed land treatment rate exceeded 98%; reduced water and soil loss by 5,378 tons, and the soil loss rate after treatment in this project area was far lower than the allowable loss rate of 500t/km²·a, with a corrosion inhibition efficiency over 90%. Vegetation coverage in the region was also increased, which is conducive to improving the ground microclimate and improving the ecological environment in the region.

Compared with coal-fired power plants of the same scale, the Donghutang wind farm is anticipated to annually save over 40,000 tons of standard coal, reduce 79,600 tons of carbon dioxide emissions, and reduce 680 tons of sulfur dioxide emissions.

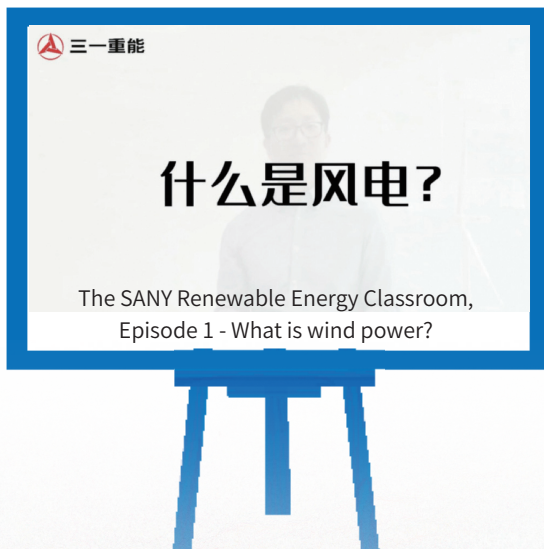
- 22.99hm²**
water and soil erosion
- exceeded 98%**
disturbed land treatment rate
- 5,378t**
reduced water and soil loss
- Over 90%**
a corrosion inhibition efficiency

Economic Benefits

During the construction of the Donghutang wind farm, we not only upgraded the existing village-to-village roads but also constructed new main roads, turbine branch roads, and access roads. These developments provided easier access for tourists to approach the wind turbines and witness their grandeur and charm up close. With the influx of visitors, the tourism economy has flourished. In addition to providing green electricity and being environmentally friendly, Donghutang wind farm has also stimulated the economic development of the surrounding region. The benefits to the environment and the local economy have provided a new source of energy and economic development for the area.



The SANY Renewable Energy Classroom: a Knowledge Sharing Programme



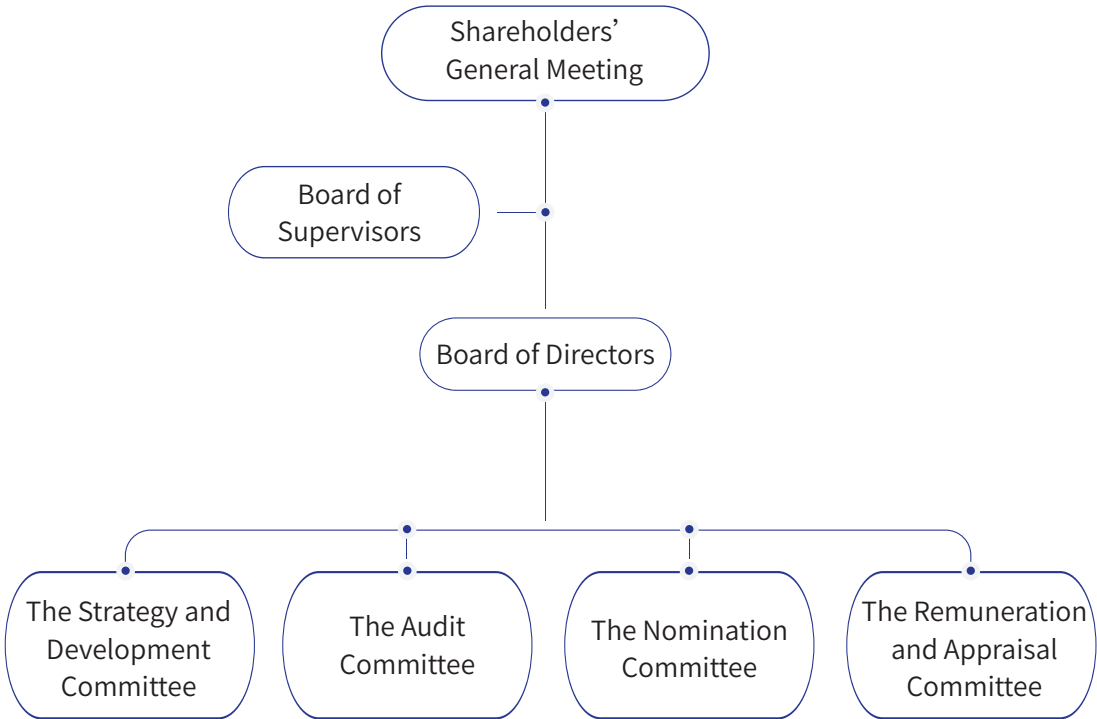
Providing information to the public about the wind power industry and improving their understanding of it can stimulate their interest in wind power generation, wind energy, and wind turbines, while also improving their knowledge. To achieve this goal, we have launched a knowledge sharing programme, namely the SANY Renewable Energy Classroom. We have posted nearly 20 episodes so far, which answer a variety of questions related to the wind power industry, such as "What is wind power?" and "Where can wind turbines be installed?".

Corporate Governance

- 43 Management of Governance System
- 47 Internal Control and Risk Management
- 48 Financial Transparency
- 38 Stakeholder Engagement



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 Shanghai Stock Exchange. The company has formulated the Articles of Association and established a scientific and effective governance system.



Management of Governance System

Shareholders' Rights and Shareholders' Meetings

SANY Renewable Energy guarantees shareholder's general meeting to exercise its powers in accordance with the law. We have formulated the Rules of Procedures for Shareholders' General Meetings in accordance with relevant laws, regulations, and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules for Shareholders' Meetings of Listed Companies, and the Articles of Association.

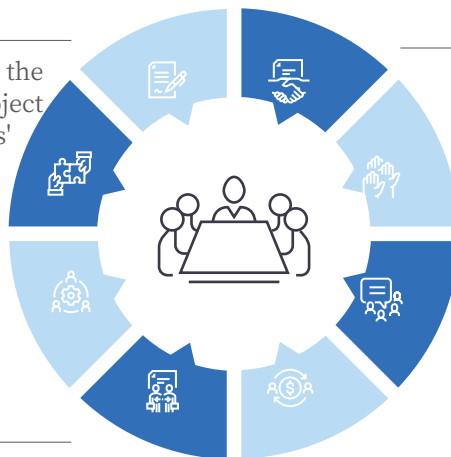
The company's shareholders enjoy the following rights:

Other rights provided by the laws, administrative regulations, departmental rules or the bylaw

Request the company to purchase the shares held by them since they object to a resolution of the shareholders' meeting on the combination or division of the company

Participate in the distribution of the company's remaining properties according to their shareholding upon the company's termination or liquidation

Review the bylaw, the register of shareholders, the stubs of corporate bonds, the minutes of shareholders' general meeting, the minutes of the meeting of the board of directors, the minutes of the meetings of board of supervisors, and the financial reports



Obtain dividends and other forms of profit distribution according to their shareholding

Request, convene, chair, attend or appoint shareholder representatives to attend the shareholders' general meeting, and exercise corresponding voting rights

Supervise the business operations of the company, put forward proposals or raise questions about it

Transfer, donate, or pledge their shareholdings in accordance with the laws, administrative regulations, and the bylaw

During the reporting period, the company held a total of 5 shareholders' general meetings, including 1 annual meeting and 4 interim meetings. The interim meetings deliberated and approved proposals such as the 2022 Employee Shareholding Plan (draft), and relevant resolutions have been announced as required by regulations.

The Board of Directors and Committees

The Board of Directors



The board of directors shall be responsible for the shareholders' general meeting and exercises decision-making right within the scope of authority conferred by the Company Law of the People's Republic of China, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association, and the shareholders' general meeting. Its main powers include convening and reporting to the shareholders' general meeting, implementing resolutions made at shareholders' general meetings, and determined the company's business and investment plans, etc..

Nomination and Selection

According to the Articles of Association, directors are elected or changed by the shareholders' general meeting, and each term of office is 3 years. His or her post can be removed before the expiry of the term of office by the shareholders' general meeting. Directors may hold a consecutive term upon re-election after the expiry of their term of office.

Representatives of the employees can serve as members of the board of directors, but they are limited to a maximum of two positions on the board. Directors assumed by representatives of the employees can enter the board of directors directly without going through the election of shareholders' general meeting, after being democratically elected through the representatives of the employees, or other methods. The chairman of the board is elected by more than half of all directors.

For more information on the nomination and selection of the board of directors, please refer to the Articles of Association.

Composition of the Board of Directors

The board of directors at SANY Renewable Energy comprises a diverse and skilled group of professionals, reflecting a range of attributes and experiences. With seven directors in total, including Chairman Zhou Fugui, the board is well-balanced, incorporating a mix of genders, educational backgrounds, and professional expertise, among other factors. The directors are XIANG Wenbo, LI Qiang, GUO Ruiguang, DENG Zhonghua, YANG Min, and CAO Jing. Notably, three of the directors, DENG Zhonghua, YANG Min, and CAO Jing, have been appointed as independent directors, occupying 3/7 of the board seats. In addition, the board features one female director, who holds 1/7 of the board seats. All directors hold advanced degrees, either at the master's or doctoral level, and have extensive experience in various fields, such as enterprise management, machinery, materials, energy, accounting, and environment. This composition enables the board to leverage a broad range of expertise, respond effectively to rapidly changing market demands, and approach decision-making from multiple perspectives, ultimately guaranteeing the quality of decisions for the company.











▶ **3 independent directors**
3/7 of the board seats



▶ **1 female director**
1/7 of the board seats

Committees


There are four board committees, the Strategy and Development Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee.

		<p>The Strategy and Development Committee makes recommendations to the board on the company's development strategies including but not limited to product strategy, marketing strategy, R&D strategy, and talent acquaintance strategy, and advice on business objectives and roadmap.</p>
		<p>The Audit Committee is responsible for the internal audit and supervision of the financial revenues, expenditures, and economic activities, including but not limited to supporting the board in the appointment of or removal of the external audit firm, and reviewing the company's financial information and its disclosure.</p>
		<p>The Nomination Committee presents recommendations to the board of directors on the size and composition of the board, based on the company's business activities, asset size, and equity structure. It also nominates candidates for the board of directors and the general manager, and is responsible for other matters related to the appointment of directors.</p>
		<p>The Remuneration and Appraisal Committee is responsible for formulating the remuneration plan, reviewing the performance of the company's directors (non-independent directors) and senior managers, and conducting annual performance appraisals on them, etc.</p>

The Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee are chaired by independent directors, and the majority of seats are held by independent directors. At least one independent director with an accounting background serves on the Audit Committee.

Throughout the reporting period, the company convened a total of 21 meetings of the board of directors and 16 committee meetings,

comprising 11 Audit Committee meetings, 1 Nomination Committee meeting, 3 Remuneration and Appraisal Committee meetings, and 1 Strategic and Development Committee meeting.



21 meetings

16 committee meetings

Remuneration of Directors

The remuneration of directors consists of basic salary, annual performance bonus, medium and long-term incentives, allowances, benefits, profit sharing, and superior target incentives. According to the Policy on Performance Management, the performance of directors is confirmed by the chairman of the board. The

calculation of profit sharing is based on the net profit of every fiscal year confirmed by the finance department. In accordance with the SANY Group Profit Sharing Incentive Plan and the Profit-Sharing Incentive Plan on Export Business for Parts Subsidiaries, financial department calculates and allocates the total amount of profit-sharing incentives of the fiscal year.

The incentives for achieving challenging targets are calculated by the finance department and confirmed by the audit department based on wind turbine sales and earnings before tax of the fiscal year. Once the amount of the challenging targets incentives is confirmed, it is distributed to targeting individuals in accordance with the outlined distribution ratio as planned.

The Board of Supervisors

The board of supervisors exercises the supervisory function conferred by the shareholders' general meeting, which includes overseeing the company's financial status, ensuring the legality and compliance of the board of directors, general manager, and other senior management in fulfilling their duties, and safeguarding the legitimate interests of the company and its shareholders. The board of supervisors is composed of three members, namely DING Dawei, CHANG Xiaokang¹, and MA Yuming, with DING Dawei serving as the Chairman and MA Yuming serves as the employee representative supervisor. In 2022, a total of 16 the board of supervisors' meetings were convened.

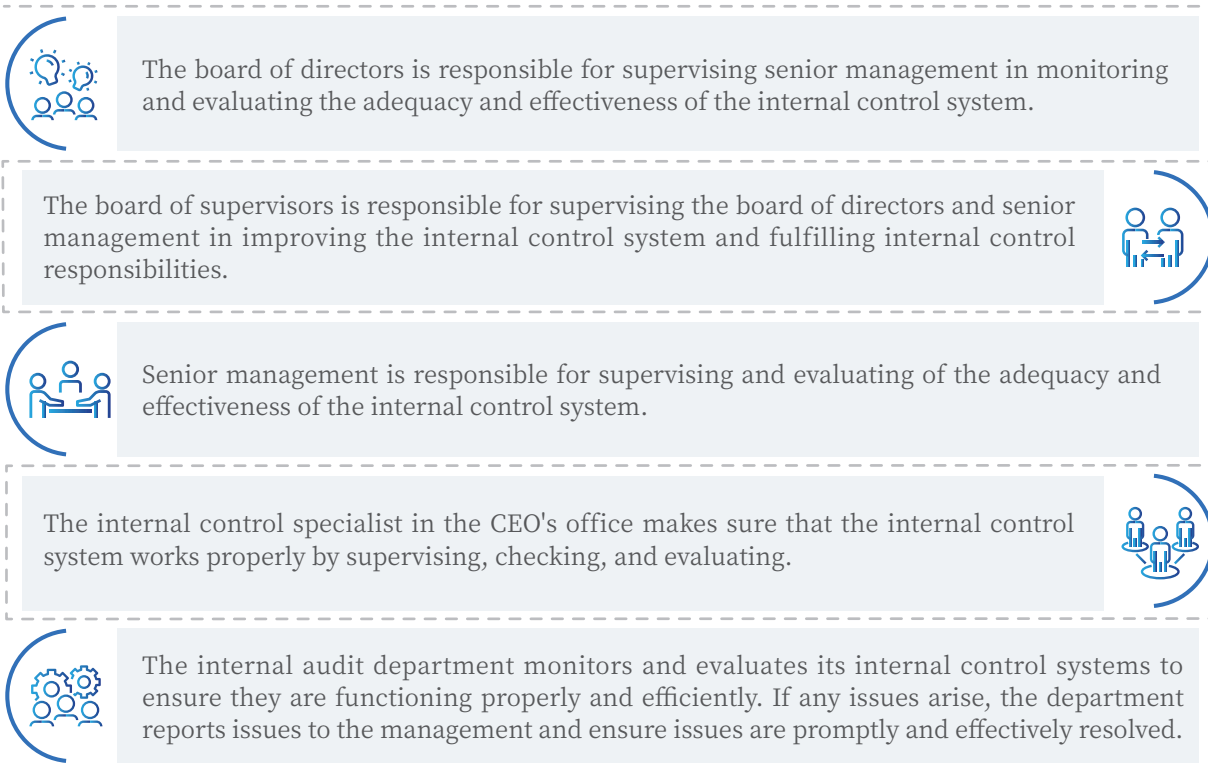
Internal Control and Risk Management

To enhance the internal control and risk management of SANY Renewable Energy, the company established the Internal Control System in 2022. This was done in accordance with the Basic Internal Control Norms for Enterprises, which aimed to improve the previously existing internal control system. The new system helps ensure the safe and stable operation of the company's business and management system.

The system clarifies the internal control objectives and basic principles of SANY Renewable Energy, as well as the five elements of the internal control system: internal environment, risk assessment, control activities, information and communication, and supervision and evaluation.

Meanwhile, the company has formed a multi-level and multi-participant supervision mechanism for the implementation of internal control, with the board of directors, senior management, the board of supervisors, the internal control specialist in CEO Office and the audit department performing their respective supervisory responsibilities in the internal control system.

1. In 2023, CHANG Xiaokang had left the company, please refer to the Announcement of Sany Renewable Energy Co., Ltd. on the Resignation of the Supervisor and the Nomination of Candidates for Supervisor



Financial Transparency

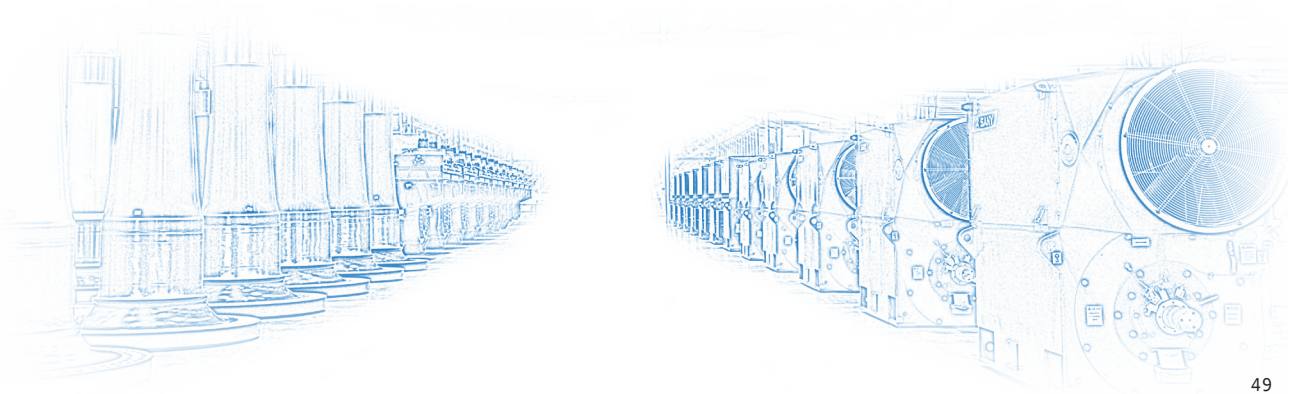
SANY Renewable Energy has taken multiple initiatives to ensure the authenticity and completeness of financial statements and the transparency of financial information. Our finance department has developed the Measures for the Management of Preparation of Financial Statement in accordance with the Accounting Standards for Enterprises - Basic Standards, established an accountability system for the preparation of financial statements, and clarified the control process for the preparation, approval, and disclosure of financial statements. In addition, the company has established the Procedure of Year-end Settlement of Accounts and the Accounting Foundation Management System to regulate the preparation of annual financial statement. In 2022, we engaged Ernst & Young Hua Ming LLP (Special General Partnership) to audit our financial statements.

At the same time, the company has established the Information Disclosure Management System in accordance with relevant provisions in the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Information Disclosure by Listed Companies, the Rules of the Shanghai Stock Exchange for the Listing of Stocks on the Science and Technology Innovation Board and other relevant laws, regulations, rules and administration regulatory documents. By strengthening the management of information disclosure affairs, the company ensures the protection of the legitimate rights and interests of the company, investors, creditors, and other stakeholders through regular disclosure of financial information.

Stakeholder Engagement

SANY Renewable Energy has identified the following main stakeholders and has established communication channels for them to express their opinions and needs. This facilitates a shared vision for the development of the company and ensures that the needs and expectations of each stakeholder are understood.

Stakeholders	Communication Channels
Government	Attend government meetings, invite government officials to company activities, maintain communication channels with relevant government personnel, stay up-to-date with changes in policies and regulations, etc.
Shareholders and Investors	Shareholder meetings, investor networking sessions, performance briefing, telephone, email, etc.
Customers	Industry exhibitions, product and solution communication, mobile marketplace for trade, etc.
Suppliers	Supplier management and communication, SANY global supplier portal, etc.
Business Partners	Invite business partners to visit our company and factories, etc.
Staff	The assembly of the representatives of the employees, activities, training, team building, grievance mechanism, etc.
NGOs	Join industry organization, organize joint charity events, join industry initiatives, etc.
Communities	Organize charity events, provide aid to the communities, etc.





Business Ethics

- 51 Integrity as a Fundamental Principle
- 53 Integrity in Supply Chain

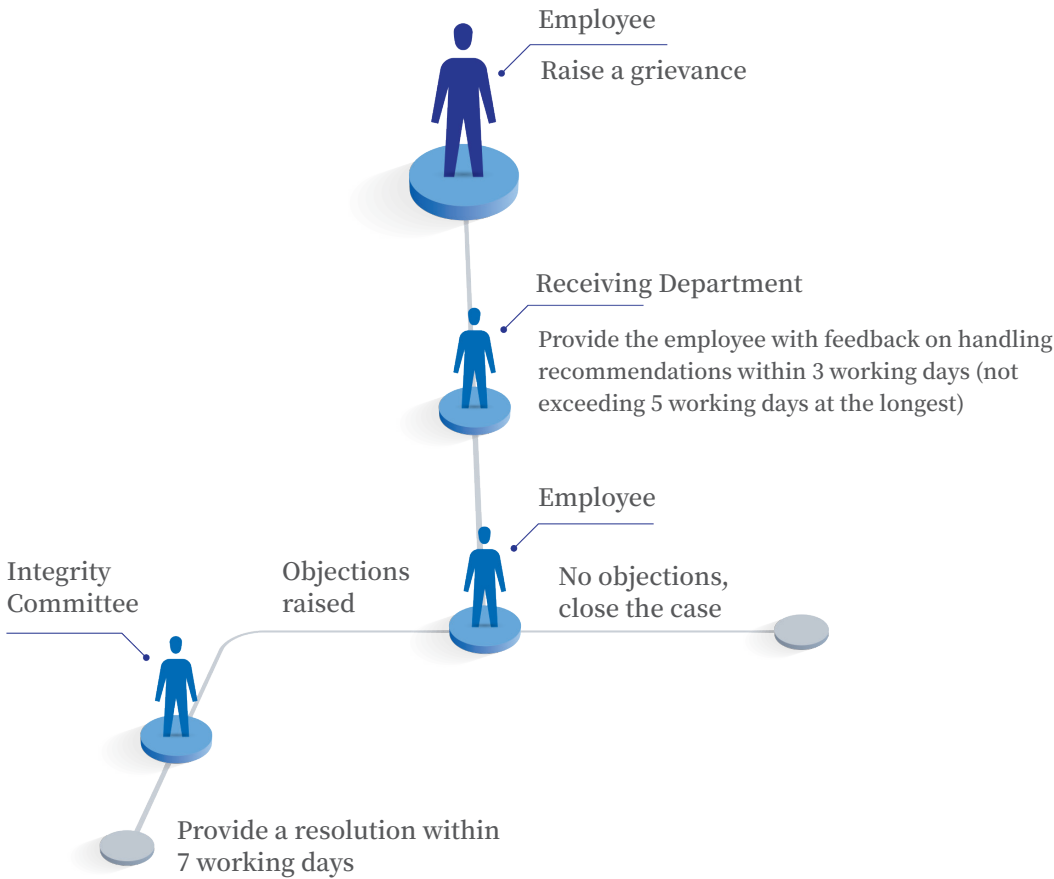
Integrity as a Fundamental Principle

We regard integrity as an essential principle. We have formulated policies such as Integrity Policy, the Accountability Management Policy, the Conflict of Interest and Clean Management Policy, and the Complaints and Reports Policy to ensure that all employees value integrity and abide by it in their work.



We have identified four types of dishonest behavior, namely favoritism, fraud, breach of promise, and infringement of company rights. We have developed mature preventive, monitoring, and response mechanisms, including investigation procedures and response departments, daily monitoring mechanism, grievance mechanism, conflict of interest management, and accountability systems. Additionally, we have conducted risk assessments and identified key positions for integrity monitoring.

We value our employees' rights to express their opinions and defend themselves when necessary. To ensure that these rights are upheld, we have established a comprehensive grievance mechanism for those who opposes investigation procedures or handling recommendations. If an employee wishes to raise a grievance, the corresponding department will initiate the grievance response procedure, giving the employee the opportunity to be heard.



● **We require all employees to abide by integrity from the beginning of their employment.**

Integrity is the primary principle that all employees should follow. We expect all employees to prioritize and strictly comply with this principle from the moment they join our company. To ensure that this expectation is met, integrity education is incorporated into our induction training system, and newcomers are required to sign a Commitment to Integrity upon onboarding. This process enables them to fully understand the high standards set for our employees regarding integrity from the very beginning of their employment.

● **Everyone participates in integrity management.**

We have worked hard to promote a culture of integrity throughout our organization, with both management and employees playing an active role in this effort. The Human Resources Department is responsible for establishing and managing our integrity management system, and for promoting the importance of integrity among our employees. To support this effort, the Chairman's Office and each department/business unit appoint a part-time integrity management specialist to manage employee integrity archives. Our leaders are also responsible for promoting integrity on a daily basis and guiding employees to act with integrity. To ensure that we maintain the highest standards of integrity across all units, we have established an integrity committee that handles complaints and conducts regular inspections of our integrity management practices.

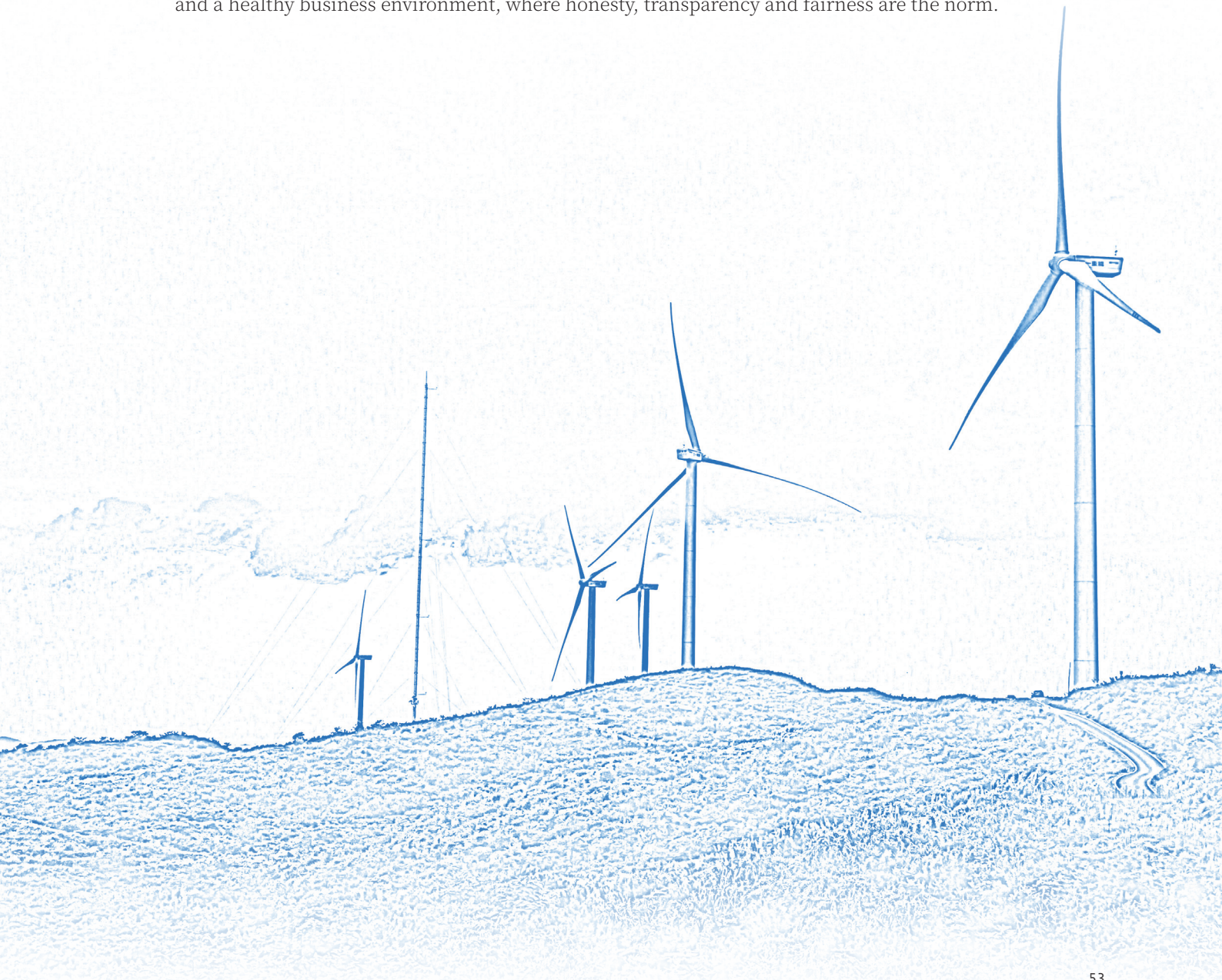
While certain departments and personnel listed above have specific roles in integrity management, ultimately, everyone is responsible for upholding our values of integrity. All employees must internalize the importance of honesty and hold each other accountable. If an employee discovers any behavior that is not in line with our values, they can report it to the company through various channels, such as the whistle-blower hotline, email, phone, or text messages.

● **Conducting annual disclosure of conflicts of interest and external investments is done to avoid business damage.**

To mitigate ethical risks and ensure fairness in decision-making processes, we conduct an annual disclosure of conflicts of interest and external investments. This process helps us identify any potential conflicts within our leadership and promotes transparency and accountability within our organization. Improper management of conflicts of interest or lack of supervision of senior management's external investments could expose the company to reputational, financial, or even legal risks. To prevent this, we require all levels of management (including board members), department heads/assistants, and business system personnel to declare any conflicts of interest and external investments annually.

Integrity in Supply Chain

In addition to self-restraint, we have also incorporated integrity management into our supplier management, requiring our suppliers to conduct business with integrity. We thoroughly screen potential suppliers during the due diligence process. If we find any evidence of dishonesty, we will not work with them. For current suppliers, we have a policy of zero tolerance towards unethical behavior such as bribing our employees. If we become aware of such conduct, we add them to our supplier blacklist. We strongly believe that building a culture of integrity is essential to creating a positive business environment. By enforcing our standards for suppliers, we hope to promote a culture of integrity in trade and a healthy business environment, where honesty, transparency and fairness are the norm.



••• GRI Standards

GRI STANDARDS	DISCLOSURE	PAGE
GRI 2: General Disclosures	2-1 Organizational details	P3
	2-2 Entities included in the organization's sustainability reporting	P2
	2-3 Reporting period, frequency and contact point	P2
	2-6 Activities, value chain and other business relationships	P3
	2-7 Employees	P18-P31
	2-8 Workers who are not employees	P18-P19
	2-9 Governance structure and composition	P43
	2-10 Nomination and selection of the highest governance body	P45
	2-11 Chair of the highest governance body	P45
	2-14 Role of the highest governance body in sustainability reporting	P2
	2-15 Conflicts of interest	P52
	2-16 Communication of critical concerns	P49
	2-17 Collective knowledge of the highest governance body	P45
	2-18 Evaluation of the performance of the highest governance body	P46-P47
	2-19 Remuneration policies	P19-P20/P46-P47
	2-20 Process to determine remuneration	P19-P20/P46-P47
	2-25 Processes to remediate negative impacts	P51
	2-26 Mechanisms for seeking advice and raising concerns	P28-P30
	2-27 Compliance with laws and regulations	P8/P14/P15/P18/ P20/P23-P24/ P28/P43/P44/48
2-28 Membership associations	P10	
2-29 Approach to stakeholder engagement	P49	
GRI 3: Material Topics	3-2 List of material topics	P1
GRI 201: Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	P8-P12
	201-3 Defined benefit plan obligations and other retirement plans	P19-P20
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	P40-P41
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	P33
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	P52
	205-2 Communication and training about anti-corruption policies and procedures	P51-P52



GRI STANDARDS	DISCLOSURE	PAGE
GRI 302: Energy	302-1 Energy consumption within the organization	P14
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	P12-P16
	303-2 Management of water discharge-related impacts	P15-P16
	303-3 Water withdrawal	P12-P16
	303-4 Water discharge	P16
	303-5 Water consumption	P13-P14
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	P12
	305-2 Energy indirect (Scope 2) GHG emissions	P12
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	P15-P16
	306-2 Management of significant waste-related impacts	P15-P16
	306-3 Waste generated	P15-P16
	306-4 Waste diverted from disposal	P15-P16
	306-5 Waste directed to disposal	P15-P16
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	P33
GRI 401: Employment	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P19-P20/P22-P23
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	P20-P25
	403-2 Hazard identification, risk assessment, and incident investigation	P22-P23
	403-4 Worker participation, consultation, and communication on occupational health and safety	P20-P25
	403-5 Worker training on occupational health and safety	P21
	403-6 Promotion of worker health	P22-P24
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P20-P25
	403-8 Workers covered by an occupational health and safety management system	P20-P25
	403-9 Work-related injuries	P21-P22
GRI 404: Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	P26-P27
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	P18-P19/P45
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	P33

••• Feedback

Greeting! Thank you for reading this report!

This is the first environmental, social and governance (ESG) report released by SANY Renewable Energy. We sincerely look forward to your valuable comments and suggestions on this report, so that we can continue to improve in future report preparations.

1. What type of stakeholder are you or your organization?

- | | |
|---|--|
| <input type="radio"/> Government and Regulatory Authorities | <input type="radio"/> Shareholders and Investors |
| <input type="radio"/> Consumers | <input type="radio"/> Suppliers |
| <input type="radio"/> Education Institutions | <input type="radio"/> General Public |
| <input type="radio"/> Media | <input type="radio"/> Others |

2. On a scale of convenience, how would you rate reading the electronic version of this report.

- | | | |
|---|---|--|
| <input type="radio"/> Very Convenient | <input type="radio"/> Reasonably Convenient | <input type="radio"/> Generally Convenient |
| <input type="radio"/> Not Particularly Convenient | <input type="radio"/> Not Convenient at All | |

3. By reading this report, you have gained a clearer understanding of SANY Renewable Energy's ESG performance.

- | | |
|-----------------------------|--------------------------------|
| <input type="radio"/> Agree | <input type="radio"/> Disagree |
|-----------------------------|--------------------------------|

4. What is your evaluation of SANY Renewable Energy's ESG performance?

5. What are your expectations for SANY Renewable Energy's ESG performance?

Contact person: Securities and Investment Department Email: sanyreir@sany.com.cn

Landline phone: 010-60737789 Address: No.8 Beiqing Road, Changping District, Beijing

If it is possible, please left your contact, so that we can contact with you regarding the feedback provided by you:

Name:	Email:
Company:	Address:
Telephone:	



SANY RENEWABLE ENERGY

TO PROMOTE EFFICIENT

UTILIZATION OF CLEAN ENERGY

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Landline phone: 010 - 60737758 (Wind turbine sales)

Email: hrhunang@sany.com
Website: <https://www.sanyre.com.cn>



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WeChat Video
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Douyin



HR
Recruitment