

中石化炼化工程(集团)股份有限公司
SINOPEC ENGINEERING (GROUP) CO., LTD.



中国石化
SINOPEC

Stock code : 2386


ENGINEERING
A BETTER WORLD



2019
Environmental, Social
and Governance Report



About This Report

This Report is the seventh environmental, social and governance (“ESG”) report (“the Report”) of SINOPEC Engineering (Group) Co., Ltd. (“本公司” in Chinese and “SEG” in English) since going public. It mainly elaborates the practices and performance of the Group in the economic, social and environmental aspects in 2019.

Reporting Subject: SINOPEC Engineering (Group) Co., Ltd. (the “Company”), together with its subsidiaries and branches (the “Group”, “we” or “us”).

Reporting Period: From 1 January 2019 to 31 December 2019 (“Reporting Period”), with some information and figures tracing back to earlier years beyond the stated reporting period in order to enhance the comparability and perspectiveness view of this Report.

Publication Cycle: This Report is published as the annual ESG report for the year of 2019.

Content Scope: This Report covers the important matters and performance of the Group in the economic, social and environmental aspects during the Reporting Period.

Sources of Information: Information is sourced from summaries and statistics of the Company documents, statistical reports as well as the performance reports of its subsidiaries. All information has been reviewed by the Company’s senior management team. Some of the operational and financial data of this Report are cited from the Group’s 2019 Annual Report. In the event of any discrepancy in data between this Report and the 2019 Annual Report, the information in the 2019 Annual Report shall prevail. Unless otherwise specified, the amount disclosed in this Report is denominated in RMB.

Compilation Guidelines: This Report is compiled based on the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited (the “SEHK”). It also refers to the *Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* issued by State-owned Assets Supervision and Administration Commission of the State Council of PRC, the *GRI Sustainability Reporting Standards* issued by Global Reporting Initiative (GRI), the *Social Responsibility Guide* (ISO 26000) issued by International Organisation for Standardisation, and the *Guidelines on Corporate Social Responsibility Reporting in China (CASS-CSR 4.0)* of Chinese Academy of Social Sciences.

Access to the Report: This Report is released in both printed and online versions. The online version is available for downloading at the website of SEHK at www.hkexnews.hk and at the column of social responsibility of the website of SINOPEC Engineering (Group) Co., Ltd. at www.segroup.cn.

Disclaimer:

This Report includes the forward-looking statements. Other than the historical facts, all events which may or will happen in the future and their description (including but not limited to, preconditions, goals, estimates and commercial plans) are included in the forward-looking statements. Due to the influence of external changing factors, the factual development result or trend in the future may be different from such statements. The forward-looking statements of this Report was made in March, 2020. Unless otherwise required by the regulatory authorities, SINOPEC Engineering (Group) Co., Ltd. undertakes no obligation or responsibility to update these forward-looking statements.

This Report is prepared in both Chinese and English. In case of any discrepancy between the two versions, the Chinese version shall prevail.



Engineering a better world

Providing One-Stop Integrated Solutions

Building a world-class engineer corporation

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Chairman's Statement



Yu Renming,
Chairman of the Board

First of all, on behalf of the Board of Directors of SINOPEC Engineering (Group) Co., Ltd., I'd like to express my heartfelt gratitude to all shareholders and stakeholders for their concern and support for the Group.

No pain, no gain. In 2019, the Group adhered to the new concept of development, firmed goal, made hard practice, emphasised innovation, solidly promoted the Company's comprehensive sustainable development, always based on safety and quality, focused on business development and was driven by reform and innovation. We seized the opportunity, rose to the challenge and achieved hard-won business result under the background of the transformation and development of energy industry. In 2019, our operating income reached RMB52.261 billion with a year-on-year growth of 11.1%. The amount of new contracts reached RMB52.319 billion with a year-on-year growth of 2.7%. The dividend for the year reached RMB0.320 with a remarkable year-on-year growth of 42.9%. We have achieved stable development.

2019 Operating income



52.261 billion RMB

with a year-on-year growth of

11.1%

2019 New contracts amount
in the whole year



52.319 billion RMB

with a year-on-year growth of

2.7%


The annual dividend



0.320 RMB

with a year-on-year growth of

42.9%



At the same time, we deeply understand that our development is inseparable from the sustainable development of the society and environment. Therefore, we always upheld the corporate values of “human-oriented, responsibility, integrity, refinement, innovation, and win-win” and cherish the voice from government, shareholders, customers, employees, suppliers, business partners, communities, media, the public and all other stakeholders as always. We’ve taken initiative to undertake our social responsibilities, created shared values with stakeholders and served as a contributor for building a beautiful and harmonious society.

Implement Green Enterprise Action Plan and Promote Sustainable Development

The Group actively practices the green enterprise strategy. In 2019, we formulated the *Implementation Scheme for Green Enterprise Action* to fully practice the idea of green development, strengthened the leading role of green technology, fully adopted green construction and constantly engaged in R&D and application of new technologies and processes. We start energy conservation and emission reduction from design, improve project quality through construction process and strengthen the end-of-pipe treatment by transformation of energy conservation and environmental protection, thus promote the conservation and recycled use of energy and resources, create green construction sites characterised by beautiful environment, green and low-carbon and good house-keeping, promote competitive advantages in green construction and high-quality development of the Group. Meanwhile, we proactively explore the services in energy conservation, environmental protection and soil remediation. We also promote the researches in environmental protection technologies such as treatment of high concentration of organic chlorine-containing exhaust, high temperature desulfurisation of coal gas, recycled use of waste water produced from desulfurisation of fuel gas with sodium containing catalysts, so as to make our contribution to clean and efficient development of the industry in practice of building a beautiful China.

Put People First and Help Employee Grow

We consider talents as the most important drive for the Group’s sustainable development and promote diversified recruitment strategies. We respect and treat equally employees of different nationality, ethnicity and belief and attach importance to employees’ occupational health, physical health and mental health. Meanwhile, we have established a complete training system and career development route to help employees realise their own values and grow with the enterprise.

Stick to the Safety in Production and Deliver High-quality Project

The Group has established a complete safety quality management system. Furthermore, it promotes management by objectives and risks control and practices essential safety management by strengthening implementation of responsibilities and investigation of liabilities. In 2019, the HSSE management system was further modified and improved by the Group to promote management of major risks and hidden dangers, which consolidated the basis of on-site operation specifications and implemented safety supervision and inspection, and therefore, the safety production is generally in a good trend. Quality and safety are the basis of our projects. Among the projects of the Group in 2019, one was awarded the China Construction Engineering Luban Prize, two were awarded Gold Award of National High Quality Projects and five were award Silver Award of National High Quality Projects.

Support Community Charities and Help Build a Harmonious Society

The Group pays high attention to the development of local communities where our domestic and overseas operations are located. Over the years, we have dispatched personnel for poverty alleviation, organised volunteers and adopted some other forms of activities to give back to local communities by providing employment, industry construction, skills training, technology demonstration, cultural education and other industries and social assistance. In December 2019, the Group won the enterprise best practice award for sustainable development target issued by the UN Global Compact Network China.

Move forward and race to the top. In 2020, we will continue to take advantage of collectivisation, integration and large-scale, optimise resources allocation, strengthen unified management and accelerate the paces of going global. We will join hands with all partners in a win-win manner to explore international markets actively, improve international operation capability and promote scientific and technological innovation and progress. We will also strengthen engineering support and improve our core competitiveness to provide better and more efficient services for clients. We will build ourselves into a world-class engineering company with extraordinary achievement including sustainable development, friendly environment and employee well-being. We also commit to making new and greater contributions in building a moderately prosperous society in all respects, achieving the Two Centenary Goals and creating a better world.



ABOUT US

- Company Profile
- Corporate Governance and Risks Management and Control
- Responsibility Management System

Company Profile

Top 250 Global
Contractors rank

No. **50**

Top 250 International
Contractors rank

No. **65**

Top 150 Global
Design Firms rank

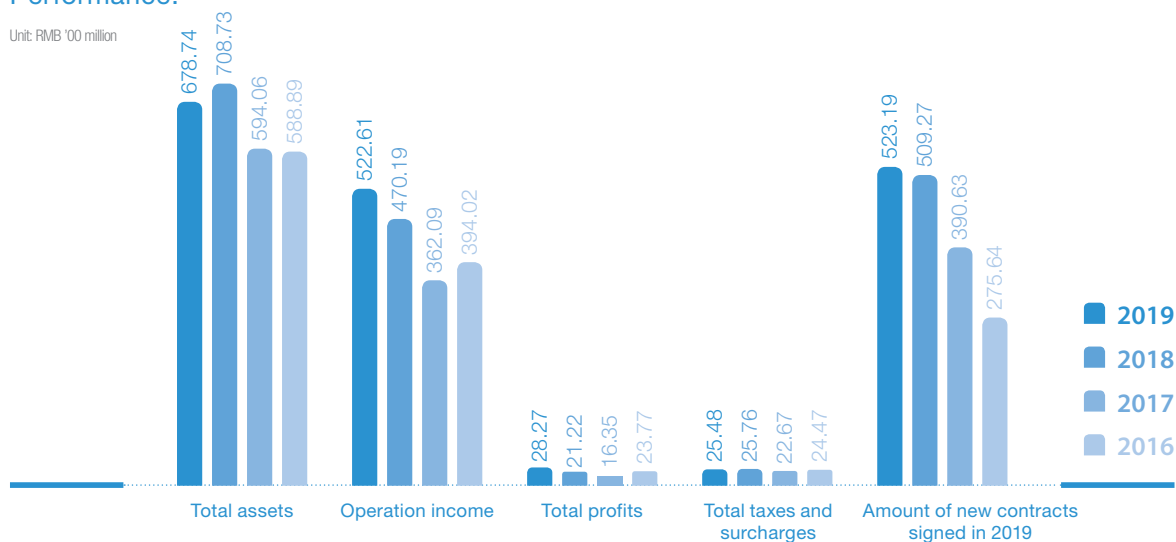
No. **43**

Top 225 International
Design
Firms rank

No. **70**

Economic Performance:

Unit: RMB '00 million



SINOPEC Engineering (Group) Co., Ltd. is a large integrated engineering service provider and patent licensor controlled by China Petrochemical Corporation ("SINOPEC Group"), oriented to domestic and foreign energy and chemical engineering market, and is one of the largest construction enterprises in China. The Group has 12 wholly owned domestic subsidiaries: SINOPEC Engineering Incorporation, Luoyang Petrochemical Engineering Corporation Ltd, SINOPEC Shanghai Engineering Co., Ltd., SINOPEC Ningbo Engineering Co., Ltd., SINOPEC Nanjing Engineering Co., Ltd., SINOPEC Guangzhou Engineering Co., Ltd., SINOPEC Fourth Construction Co., Ltd., SINOPEC Fifth Construction Co., Ltd., SINOPEC Tenth Construction Co., Ltd., SINOPEC Ningbo Technological Research Institute Co., Ltd., SINOPEC Heavy Lifting & Transportation Co., Ltd., SINOPEC Energy Conservation Technology Service Co., Ltd., as well as the two branches including Luoyang R&D Center of Technologies of SINOPEC Engineering (Group) Co., Ltd. and SINOPEC Engineering (Group) Information Technology Branch.

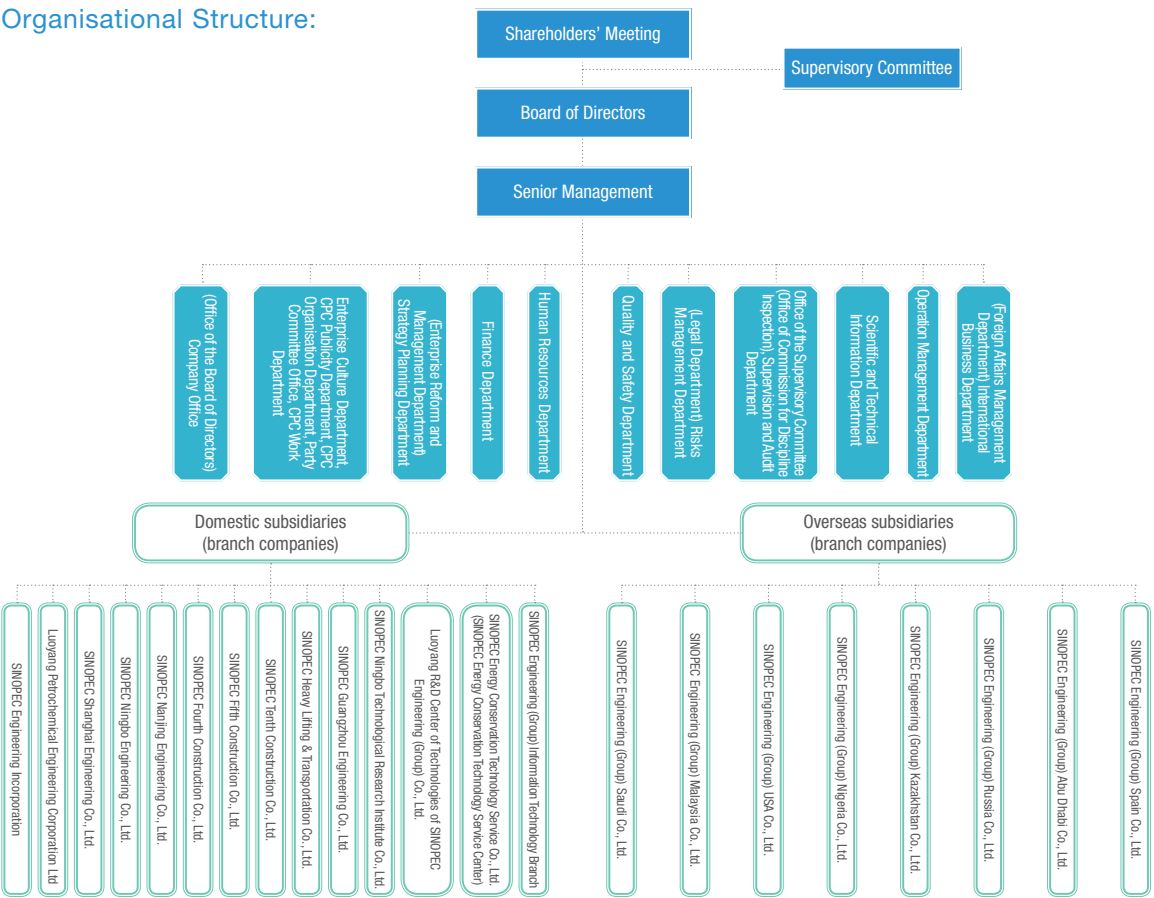
In May 2013, the Group made the initial global public offering of 1.328 billion H shares, and on May 23, 2013 it was listed on the main board of Hong Kong Stock Exchange and successfully entered international capital market.

The Group holds certificates granted by such international and domestic government bodies and authorities as National Development and Reform Commission, Ministry of Housing and Urban-Rural Development, Ministry of Commerce, Ministry of Emergency Management, Ministry of Ecology and

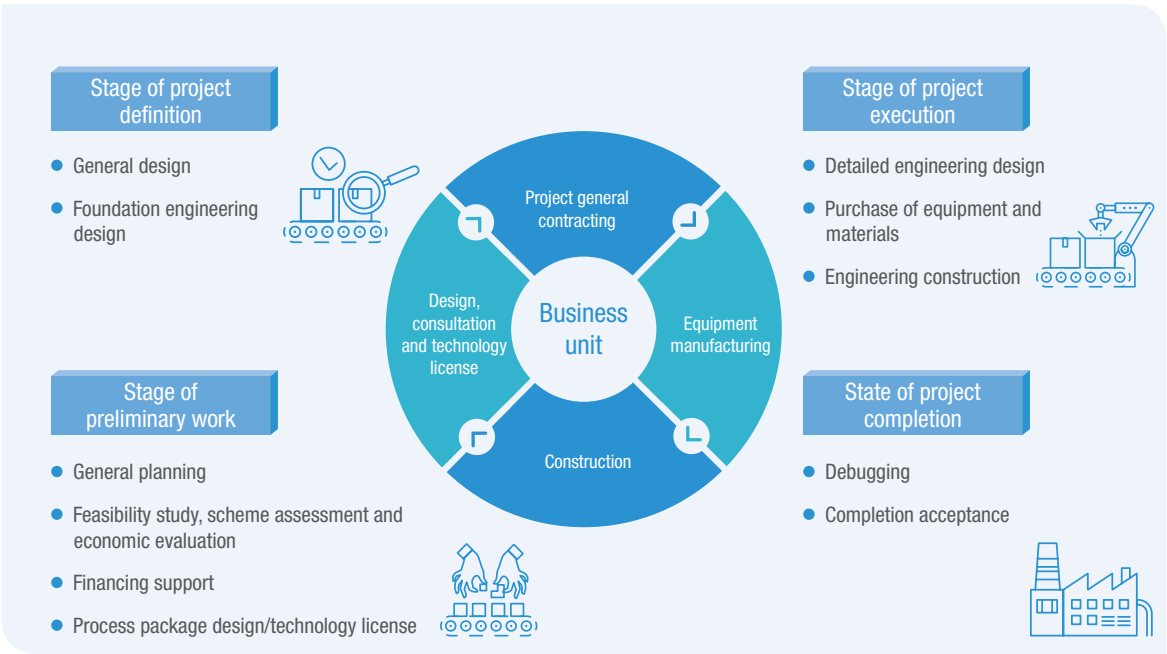
Environment, Lloyd's Register of Shipping and International Federation of Consulting Engineers, and has developed an all-dimensional, multi-level and wide-scope talent framework. Relying upon good-quality talents, rich engineering and constructing experience and deep technical capabilities, it is able to provide high quality and full service for domestic and overseas clients in petrol refining and chemical engineering, coal chemicals engineering, natural gas chemical engineering, environmental project and public utilities and other public areas.

The Group entered international market in 1990 and has established business platforms in all regions where capital expenditure of oil refinery and chemical engineering are high, including Middle East, Central Asia, Africa and South America. It has undertaken many oil refinery and chemical engineering projects in Kuwait, Saudi Arabia, Katar, Kazakhstan, Nigeria, Singapore, Bangladesh and other countries and regions and acquired fixed client base and fine international reputation. The Group has implemented a total of over 100 projects in international engineering market from 2005 to the present. In 2018, the Company was elected as the Deputy Secretary-General of the Experts Committee of China Association of International Engineering Consultants. According to the U.S. Engineering News-Record, in 2019, the Company ranked 50th out of Top 250 Global Contractors, 65th out of Top 250 International Contractors, 43rd out of Top 150 Global Design Firms and 70th out of Top 225 International Design Firms. The overall strength and brand influence of the Group is constantly on the rise.

Organisational Structure:



One-stop Business Solution:



Corporate Governance and Risks Management and Control

In order to build ourselves into a prominent world-class engineering company, we are constantly improving the Group's governance structure, organisation, work flows and performance evaluation, strengthening compliance and risks management. We also integrate anti-corruption into our central work to secure healthy and sustainable development of the Company.

Corporate Governance

The Group strictly abides by the *Company Law of the People's Republic of China*, *Guidelines on the Bylaws of Listed Companies*, *Code of Corporate Governance for Listed Companies in China*, and *Listing Abroad of Stocks by Limited Stock Companies and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* ("Listing Rules") and other relevant laws, regulations and provisions. We also constantly optimise the Group's governance structure. On the basis of clarifying the boundary of rights and responsibilities of Shareholders' Meeting, Board of Directors, Supervisory Committee, senior management team and other governing subjects, we always pay attention to the developments of domestic and foreign regulations, commit to establishing rules of governance and management system with clear rights and responsibilities, functions, supervision and counterbalance and coordinated operations, strive for the governance model with scientific decision-making, effective supervision and robust operation, strictly abide by the bottom line of compliance, control operational risks, and commit to continuous optimisation to enhance the overall level of governance of the Group.

The Company's Board of Directors consists of 8 directors, including 4 executive directors, 1 non-executive director and 3 independent non-executive directors. The Board of Directors has set up 4 special committees including Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Development Committee which

will study special matters and provide opinions and advice. During the Reporting Period, the Group's Board of Directors held 1 annual general meeting, 2 class general meetings, 7 board meetings, 2 meetings of Audit Committee and 1 meeting of Nomination Committee and 1 meeting of Remuneration Committee respectively.

The Company's Board of Directors pays high attention to the its environment, social and governance matters, and concerns the strategy and reporting relating to environment, society and governance, including assessment and determination of risks relating to the Company's environment, society and governance, so as to ensure there is an effective risks management and internal supervision system over environment, society and governance. The Company has also developed its management guidelines and strategies on environment, society and governance. Furthermore, the Company regularly reviews its performance and examines and approves the disclosed information in the environmental, social and governance report. In 2019, the Company reviewed the environmental, social and governance risks and prepared ESG reporting strategy through the meetings of Risks Control Committee. The management team has confirmed to the Company's Board of Directors that within the Reporting Period, the Group's risks management and internal monitoring system concerning environment, society and governance is effective. This Report is published in March 2020 after being approved by the Board of Directors.



▲ See Corporate Governance Report of 2019 Annual Report or Investors Relationship - Corporate Governance on the Company's website for more information about corporate governance.

Under the guidance of the development idea of “governing enterprises by the rule of law and operation with compliance”, the Group strictly abides by the *Company Law of the People's Republic of China* and other laws, regulations and supervision requirements in China or local places where the business operation is located. Furthermore, we constantly carry out study of legal environment in both China and local places where the business operation is located, establish a long-term working mechanism that provides policy advice and legal support for major business decisions, continuously improve the compliance system, establish a dynamic compliance risks management and control system which integrates compliance consultation, legal management, audit supervision, risks control and internal control, guide domestic and overseas subsidiaries and branches and improve their capacity in compliance review and risks monitoring and control, so as to ensure sustainable and healthy development with law compliance.

The Group strictly follows the requirements on relevant policies as specified in Appendix 27 of Listing Rules. On the aspect of privacy protection, we follow the requirements of the Contract Law of the People's Republic of China and never disclose trade secret between the parties to contracts. Where transformation of scientific and technological achievements is involved, we keep the technology secret in accordance with *Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements*; on the aspect of use of advertisement and labels, we strictly abide by the *Advertisement Law of the People's Republic of China* and relevant laws and regulations of local places where the business operation is located, including the *Commercial Data Law and Regulations* of Saudi Arabia, so as to provide true accurate information for clients; on the aspect of brand construction, the Group has prepared *VI Manual and Use Instructions* to standardise the use of brand and marks. Please refer to the description in relevant themes for other laws and regulations that are abided by the Group.



Compliance management

- Prepare *Compliance Management Measures*, *Compliance Management Manual* and *Code of Ethics and Compliance Guidance* (2019 Edition) to promote establishment of compliance culture;
- Organise domestic and overseas compliance teams to carry out survey and research of foreign laws, regulations and policies in local places where the business operation is located and issue compliance notice and risk warning regularly or from time to time, so as to improve the capacity of compliance management and control of overseas projects;
- Pay constant attention to disclosure of connected transaction, market malpractice and security entitlement and constantly improve the long-term working mechanism on anti-money laundering and anti-commercial bribery.



Risks management

- Establish a comprehensive risks management system on aspects including setting of goals, risks identification, risk response and supervision and improvement;
- Prepare *Measures on Overall Risks Management* and establish relevant management measures in the aspects i.e. purchase, overseas safety management, prevention and control of corruption risks, legal risks, safety risks and market exploration risks to further detail the measures for risks prevention and control. In 2019, the Company further revised the *Measures on Prevention and Control of Risks of Overseas Projects* and the *Implementation Rules for Prevention and Control of Risks of Overseas Projects* promote execution of rules;
- Sort out the list of internal risks control and systematically identify the major risks in all areas; prepare precaution measures and implement overall prevention and control;
- Strengthen training on risks management of overseas projects, organise risks management activities for overseas projects and publicise the knowledge of project risks.



Internal audit

- Establish an internal audit management system characterised with “two levels, dual management and division of responsibility”;
- Establish an audit information management system and carry out special audit with focuses on key aspects of the Group's annual central work and operation and management, so as to improve the enterprise's operation management system, effectively prevent and control risks and constantly improve the governance capacity;
- Pay high attention to audit management of overseas institutions and projects and carry out audit supervision in the processes of tender offer, contract signing, project execution and subcontracting management etc.;
- Organise internal audit of 85 projects with focuses on 6 main topics i.e. reform and development, overseas business, management performance, operation with compliance, rules execution and rectification within the Reporting Period, thus further strengthen risk prevention and control and internal management of risks.



Internal control

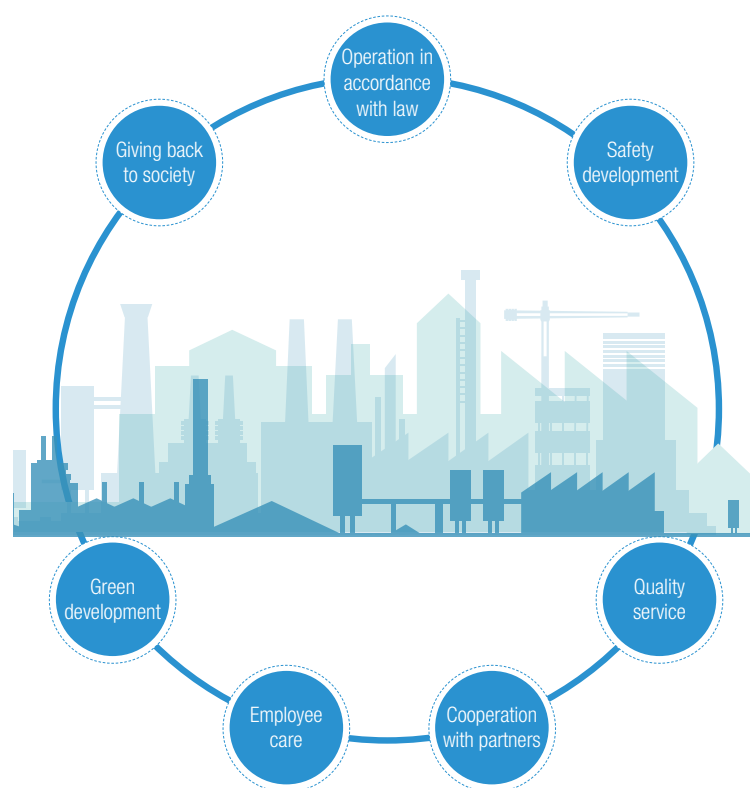
- Prepare *Internal Control Manual* and guide the Group to carry out internal control effectively from the Company level, business level, authority guidance, examination evaluation and assessment method etc., so as to prevent risks in the Company's operation management.

Responsibility Management System

The Group commits to the sustainable development concept of “building a better world” and constantly improves its sustainable development management system to guide and unite member enterprises of the Group to take practical actions in various aspects of sustainable development. Furthermore, the Group improves its indicator assessment system to promote the implementation of ESG management.

Responsibility Management Concept

The Company incorporates the sustainable idea into its decision-making and operation, carefully fulfills the economic, social and environmental responsibilities and actively responds to the appeals from government, shareholders, employees, clients, business partners, public and other stakeholders. In this way, it achieved co-development with stakeholders with mutual benefit and win-win results and won their recognition and trust, thus established a brand image of being a responsible enterprise.



Responsibility Management

Ecological civilisation is a long-term strategy which relates to people's well-being and the future of the nation. For an enterprise that seeks to be a world-class engineering enterprise, promotion of sustainable development is our important mission and responsibility. We insist on planning at a high level and list sustainable development into the core of business, so as to promote co-growth, mutual benefit and win-win development along the industrial chain. We

consider sustainable development as an important part of the Group's internationalisation strategy. Therefore, we actively align ourselves with international rules and norms, strengthen responsible commercial behavior, respond to UN's sustainable development initiative, rally the strength for sustainable development and promote the achievement of UN's sustainable development goal.

Corresponding table of UN's sustainable development goals for 2030*

UN's Sustainable Development Goals	Our Actions	UN's Sustainable Development Goal	Our Actions
	Carry out targeted poverty alleviation and provide assistance to Dongxiang Autonomous County of Gansu Province in building a moderately prosperous society through supports to agricultural science and technology, photovoltaic projects, consumption and employment.		Improve infrastructure such as water supply and roads etc. in rural areas and carry out poverty alleviation projects i.e. planting and cultivation based on local natural conditions in Dongxiang.
	Ensure occupational health, physical health and mental health of employees; provide necessary medical equipment and medicine at construction site of project.		Carry out training on occupational skills for employees and improve the basic teaching environment in poverty-stricken areas.
	Abide by the principle of gender equality; set up female employees committee and pay attention to physical and mental health and occupational development of female employees.		Develop technologies for comprehensive utilisation of waste water and improve the utilisation of water resources; carry out drinking water projects in poverty-stricken areas.
	Eliminate coal-burning facilities and adopt clean gas; develop clean energy technologies.		Provide employees with stable employment, income and working environment; promote local economic development through investment, tax contribution and provision of employment.
	Increase the investment in scientific research and promote the industrial application of new technologies, new equipment and new materials.		No child labor or forced labor; no discrimination in any forms with regard to sex, religion and nationality etc.
	Improve infrastructure in rural areas; vigorously promote volunteer services to promote social programs for public good.		Implement green enterprise action plan, disposal waste water, waste gas and solid waste in accordance with law.
	Develop low-carbon environmental protection technology and promote the transformation to clean energy; adopt measures to cope with risks of climate change and ensure construction safety.		Pay high attention to protection of surrounding environment and avoid construction during breeding season, migration season and other ecologically sensitive period for fishes if the construction project involves lakes, rivers and seas.
	Pay high attention to protection of biological diversity and avoid construction during migration period of mammals; prepare measures for environmental protection and prevention and control of water and soil loss for environmental sensitive areas.		Abide by commercial ethics, promote transparent purchase and implement anti-corruption measures.
	Strengthen cooperation with domestic and overseas organisations and scientific research institutes and follow the "Belt and Road" Initiative.		

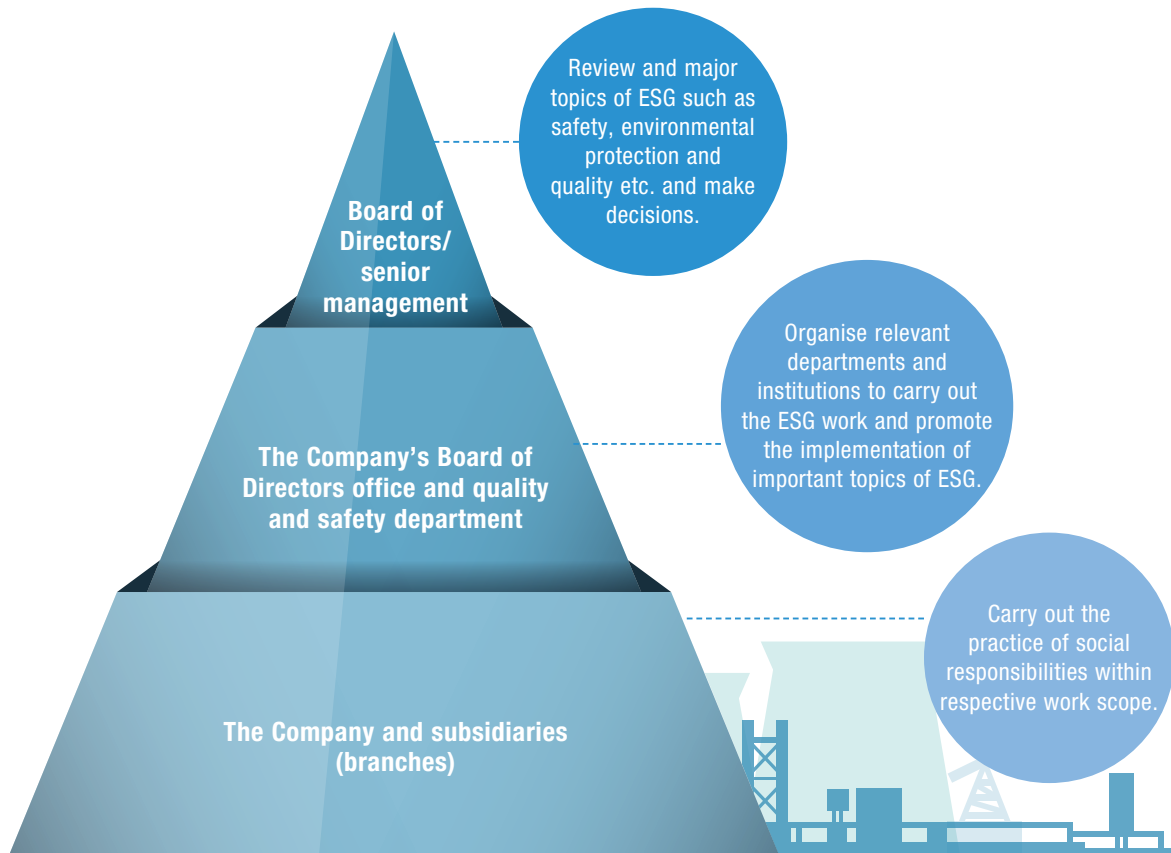
* See this Report for details

Responsibility Management Framework and Duties

The Group has preliminarily established an environmental, social and governance management system. The Board of Directors and senior management are responsible for the overall strategy and report of environment, society and governance, regularly review the environmental, social and governance information and performance, review various ESG-related proposals concerning safety, environment, employees and investment etc., and provide unified guidance and decision to promote ESG work; As the head and coordination department, both the Board of Directors office and the quality and safety department shall take charge of routine ESG coordination and implementation and regularly report to the Board of Directors and senior management; the departments and all subsidiaries (branches) of the Company shall, based on their own business and functions, take charge of the implementation of ESG work, report

ESG performance annually as needed and disclose and report ESG information annually.

In 2019, in order to further meet the reporting requirements in Appendix 27 *Environmental, Social and Governance Reporting Guide* of the *Listing Rules* and to make a proper response to the consultation conclusion in the *Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules*, according to the *Guidance on Environmental, Social and Governance Report* of SEHK, the Group's Risks Control Committee has assessed and sorted the annual ESG report strategy. The ESG working group organises the annual information disclosure in accordance with the existing strategy of the Board of Directors and the suggestions of independent directors.



Communication with Stakeholders and Identification of Key Topics

The Group has established diversified communication channels for stakeholders and maintains routine communication. In 2019, during preparation of environmental, social and governance report, the Company carried out surveys of stakeholders through distribution of questionnaires and collected the expectations and appeals of stakeholders including the government, shareholders, clients, business partners, employees and communities etc. The survey result served as an important basis of information disclosure strategy and the key information disclosed in the report is finalised based on essential analysis of the topics.

Demands of Stakeholders and Response

Stakeholders	Expectation and Appeals	Communication and Response
 Government and Regulatory Authorities	<ul style="list-style-type: none"> • Serve national development strategy • Abide by laws • Preserve and increase the value of state-owned assets • Pay taxes in accordance with law 	<ul style="list-style-type: none"> • Actively implement national development strategy • Carry out compliance management in accordance with law and realise stable operation growth • Constantly increase tax contribution
 Business Partners	<ul style="list-style-type: none"> • Be honest and fulfill agreements • Prevent and control risks • Achieve win-win cooperation 	<ul style="list-style-type: none"> • Carefully fulfil contracts • Strengthen operation risks management • Strengthen strategic cooperation
 Investors/ shareholders	<ul style="list-style-type: none"> • Satisfactory return • Strict risks control • Good credit rating • Smooth information communication 	<ul style="list-style-type: none"> • Carry out stable operation and improve operation performance • Standardise corporate governance and carry out operation in accordance with law • Implement leading investor relationship management • Keep adequate timely information communication
 Experts	<ul style="list-style-type: none"> • Benchmarking projects in terms of both safety and quality • Green and low carbon development • Promotion of industrial upgrading 	<ul style="list-style-type: none"> • Promote essential safety management • Help construct green factories
 Clients	<ul style="list-style-type: none"> • Integrity and fulfillment of agreement • Information transparency • Privacy protection • Excellent products • Quality services 	<ul style="list-style-type: none"> • Publicity activities • Customer service hot line • Questionnaire survey • Interaction through official website, micro blog and WeChat
 Employees	<ul style="list-style-type: none"> • Protection of employee's rights and interests • Co-growth • Guarantee of compensation and benefit • Health and safety • Care for employees 	<ul style="list-style-type: none"> • Fair employment policy • Complete compensation and incentives mechanism • All-round employee training • Diversified occupational development platform • Healthy working environment • Considerate humanistic care
 Supply chain	<ul style="list-style-type: none"> • Win-win cooperation • Co-development • Resources sharing 	<ul style="list-style-type: none"> • Good cooperation relationship • Smooth communication channels • Execution of cooperative agreement in a careful manner • Shared prospective study
 Environment	<ul style="list-style-type: none"> • Environmental protection • Greenhouse gas emission • Discharge of waste • Effective utilisation of resources • Natural resources protection 	<ul style="list-style-type: none"> • Strengthen energy conservation and emission reduction • Innovate environmental protection technologies • Implement green enterprise action plan
 Community	<ul style="list-style-type: none"> • Promote local economic development • Infrastructure construction • Promotion of employment • Charity • Participation of community 	<ul style="list-style-type: none"> • Community support and guidance • Communication with community • Poverty alleviation • Charitable Donation • Volunteer activities
 Public and media	<ul style="list-style-type: none"> • Openness and transparency of enterprise information • Maintain good public relationship 	<ul style="list-style-type: none"> • Actively carry out news report and publicity • Keep smooth communication channels with public and media
 NGO	<ul style="list-style-type: none"> • NGO support and cooperation • Harmonious cooperation 	<ul style="list-style-type: none"> • Support NGO activities • Strengthen communication with NGO

Process of Identification of Key Topics

The Group assesses the important environmental, social and governance matters which related to our business from the two aspects of the importance of such topics to the stakeholders and to the Group respectively based on communication with stakeholders and the actual situation of the Company in accordance with the

Appendix 27 *Environmental, Social and Governance Reporting Guide* of the *Listing Rules* and other international standards and form a matrix of key topics after screening to serve as the basis of the Company's ESG focuses and disclosure.

Identification and screening of topics

Experts identify and screen 17 topics to be used for stakeholders' survey through their analysis and judgment in line with the industry reports based on the domestic and overseas industrial policies and standards and the concerns of stakeholders.

Questionnaire analysis and comprehensive assessment

A matrix of important topics is obtained based on the opinions of experts and relevant personnel after a priority ranking of the key topics for each group of stakeholders as per the result of the questionnaire.

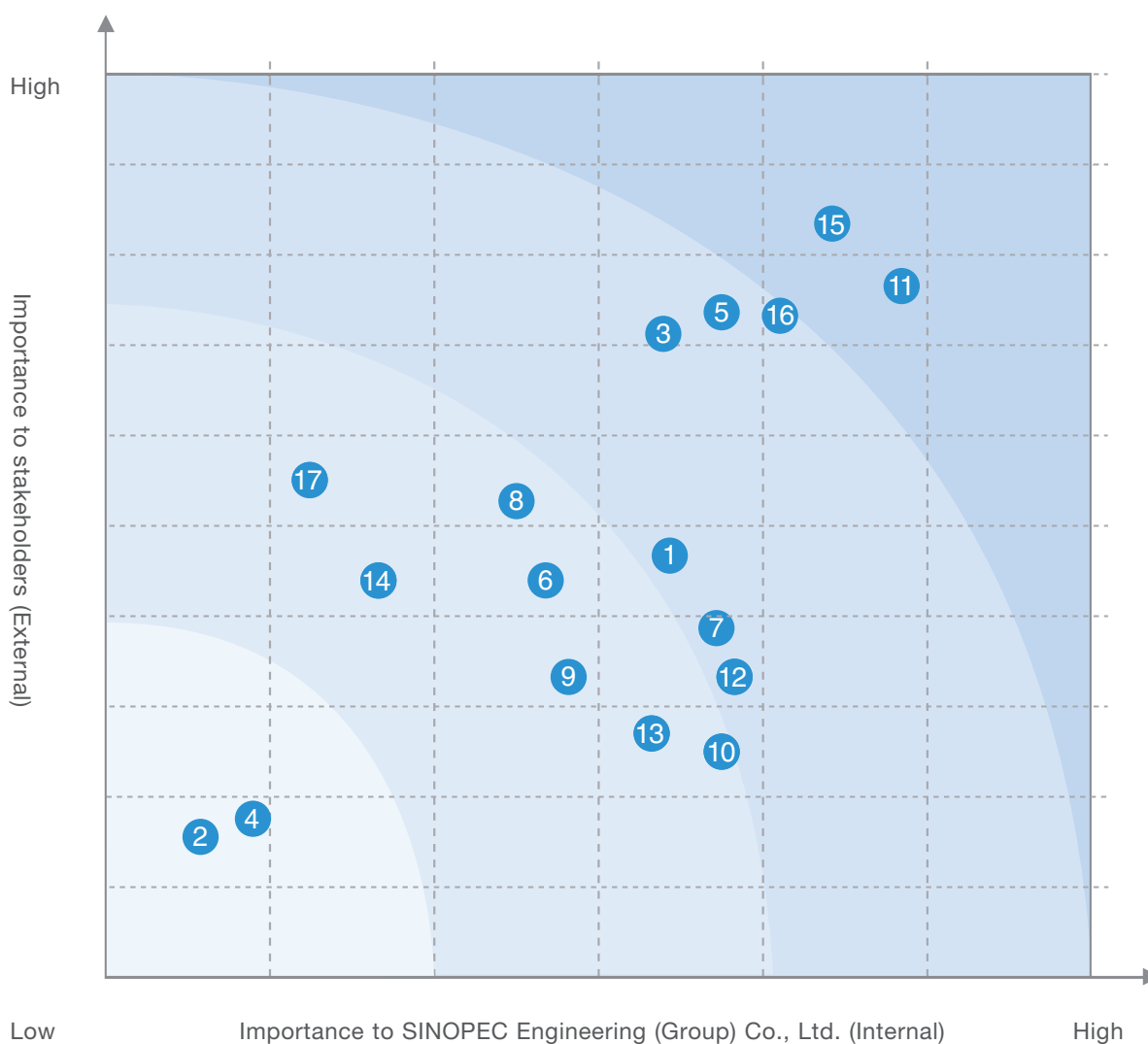
Questionnaire inquiry

A total of 60 valid questionnaires were collected in the stakeholders' survey.



Results of Identification of Key Topics

The important topics include: health and safety, project quality, anti-corruption, SEG overseas business and ESG performance, SEG domestic business and ESG performance, responsibility management, resources utilisation, employee development and training and care for employees.



- | | | |
|--|--|----------------------------|
| 1 Responsibility management | 7 Resource utilisation | 13 Labour standards |
| 2 SEG domestic administrative office ESG Performance | 8 Environment and natural resources protection | 14 Supply chain management |
| 3 SEG domestic engineering business ESG performance | 9 Coping with climate change | 15 Project quality |
| 4 SEG overseas administrative office ESG performance | 10 Care for employees | 16 Anti-corruption |
| 5 SEG overseas engineering business ESG performance | 11 Health and safety | 17 Community investment |
| 6 Emission management | 12 Employee development and training | |



GREEN DEVELOPMENT

- Emission Management
- Resource Utilisation
- Protection of Environment and Natural Resources
- Tackling Climate Change

Emission Management

A1 General Disclosure

A1.1	A1.4
A1.2	A1.5
A1.3	A1.6

The Group strictly obeys the *Environmental Protection Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution* and other national laws and local regulations of China as well as the laws and regulations on environmental protection in the country where the project is located such as the *General Environmental Law* and *Environmental Protection Standard*, etc. of Saudi Arabia. No material lawsuit or corresponding penalty occurred to the Group in the Reporting Period due to environmental violations.

Emission from the Group is mainly produced during engineering construction, including greenhouse gas, construction wastewater, dust, and construction waste. During the project construction, the Group has been emphasising green and environmental protection and blending it into the whole process of engineering construction. The Group adheres to the principle of "conservation and environmental protection" during the construction. Through technological innovation and reinforced management, the utilisation efficiency of resources is further improved and greenhouse gas emission, construction dust effusion and solid

waste discharge are reduced to improve the ambient environment. In 2019, the Group promoted the implementation of the "Green Enterprise Action Plan" and firstly launched pilot project on "Gulei Refining and Chemical Integration Project". The implementation of the plan will further enhance the leading position of green technology, realise energy conservation and emission reduction in design, quality improvement in construction process, enhance end-of-pipe treatment in transformation of energy conservation and environmental protection and promote resource conservation and recycling.

Build environmental management system

- The Group has built the environmental management system and established HSSE Management Committee to form the *Waste Discharge Control Procedure*, *Dust Control Procedure* and other operation control procedures and assessment mechanisms. Requirements are expressly made on ecological environmental protection issues, emergent environmental incident countermeasures and entrusted disposal of hazardous waste, etc.

Handle solid waste by rule

- Classify, collect and dispose solid wastes by rule; implement the measures to reduce solid waste; and use gravels and earthwork, etc. as the backfill materials for foundation and subgrade to realise resource recycling;
- Collect general solid wastes produced during construction in a timely manner and recycle wastes as much as possible; classify and clear those without recycling value to the location designated by the employer. It is forbidden to discard the solid wastes randomly;
- Build a temporary repository for hazardous waste management; place hazardous wastes separately based on their type and classification; set standard identification, and hand over the hazardous wastes regularly to a qualified third party for disposal by rule or contact the employer for concentrated recycling and disposal.

Promote green enterprise action plan

- The Group keeps implementing the *Notice on Comprehensive Implementation of Green Enterprise Action Plan*. In 2019, the Company further prepared and issued the *Green Enterprise Action Scheme for SINOPEC Engineering Group*, covering design, procurement, construction, research, development, manufacturing, technical services on energy conservation and environmental protection and other business chains, and built green construction sites to promote the implementation of the green enterprise action scheme.

Strictly control exhaust gas on construction site

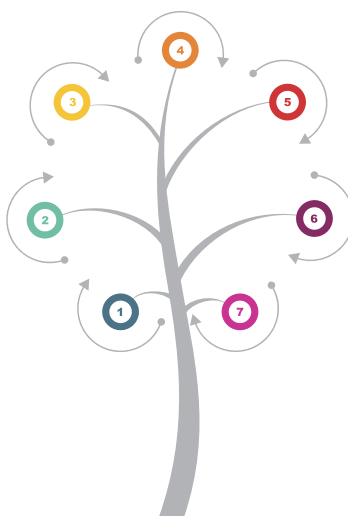
- Equip the construction sites with rigid fences and effective dedusting measures, such as coverage, segmented operation, construction on selected time, watering and rinsing of ground and vehicles, etc.;
- Stop construction with dust on gale weather and take effective measures for dust prevention;
- Set speed limit for vehicles entering or leaving the construction sites, harden or sprinkle the roads to guarantee moist ground and reduce dust arising raised by vehicles.

Strictly control wastewater discharge

- Adopt measures to recycle the equipment, pipeline and other pressure testing, rinsing and other water as much as possible, reduce the wastewater produced, and dispose wastewater in a concentrated manner depending on the treatment facilities of the employer;
- Directly discharge administrative office wastewater to the municipal pipeline after cesspool treatment.

Reinforce supervision and inspection

- Carry out special inspection regularly on dust preventive measures, hazardous chemical storage and supervise on the construction site in use, and accomplish closed-loop management in terms of the rectification of existing problems in order to prevent environmental pollution incident.



Conduct training on environmental protection

- Regularly interpret regulations and requirements on environmental protection to the project management staff and subcontractors; analyse typical cases of environmental violation to enhance consciousness of law abidance.

The general information of emission by the Group in the Reporting Period is listed as follows:

Type of Emission	Unit	2019	2018
Total volume of greenhouse gas emission	Ton of CO ₂ e	179,010.08	142,966.18
Scope I total volume of greenhouse gas emission	Ton of CO ₂ e	116,439.97	\
Scope II total volume of greenhouse gas emission	Ton of CO ₂ e	62,570.11	\
Greenhouse gas emission per unit of revenue	Ton of CO ₂ e/RMB Hundred Million	342.53	304.06
Output of hazardous wastes	Ton	1,336.62	637.70
Emission density of hazardous wastes	Ton/RMB Hundred Million	2.56	1.36
Treatment rate of hazardous wastes	Percent	100	100
Output of harmless wastes	Ton	64,405.38	63,805.71
Emission density of harmless wastes	Ton/RMB Hundred Million	123.24	135.70
Treatment rate of harmless wastes	Percent	100	100
Total volume of wastewater	Ton	3,387,082.81	1,347,263.59
Density of wastewater	Ton/RMB Hundred Million	6,481.09	2,865.36

Note: 1. In 2019, the Group further adjusted and optimised the data caliber and scope of data collection based on its own business characteristics and project management methods; 2. The emission of greenhouse gas was calculated based on the *GHG Protocol-Enterprise Calculation and Reporting Standard* issued by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the Fifth Assessment Report 2013 and the *Calculation Method and Reporting Guideline of Greenhouse Gas Emission by Other Industrial Enterprises (Pilot)* issued by the Intergovernmental Panel on Climate Change (IPCC), in which the electronic greenhouse gas emission factor was selected based on the Datum Line Emission Factor for Chinese Regional Power Grid in Annual Emission Reduction Project 2017 issued by the Ministry of Ecology and Environment; 3. Harmful waste output was calculated based on the statistical ledger of the production system of the Group; 4. Harmless wastes are mainly the household garbage, the waste metal, the office waste paper, and waste packaging etc. and the total emission of the household garbage was calculated as per 0.8kg/person/day; 5. The density-related data was calculated according to the emission/production divided by operating revenues.



Case

Trial Promotion of Green Enterprise Action Plan in Gulei Refining and Petrochemical Integration Project

To fully implement the idea of green development, build green projects and form green enterprises, the Group formulated the *Green Enterprise Action Scheme for SINOPEC Engineering Group* in 2019, planning to complete at least 30% of green construction sites by the end of 2020; complete at least 80% of green construction sites and the formation of green enterprises for partial units by the end of 2022; complete at least 90% of green construction sites and the comprehensive formation of green enterprises based on the green construction sites by the end of 2023. In August 2019, the Group treated Gulei Refining and Petrochemical Integration Project as a pilot project and carried out green construction sites according to the *Green Construction Site Assessment Method (Pilot)*. During the implementation of the project, the "Six 100%" was strictly implemented, which was 100% enclosure around the construction site, 100% coverage of bare soil and material stack, 100% washing of vehicles in and out, 100% hardening of roads on construction site, 100% wet process for earth-rock excavation and 100% airtight transportation of slag cars so as to promote effective utilisation of resources and reduce emission of pollutants. At the end of 2019, through pre-acceptance and formal acceptance and assessment by all units of the Company, the Gulei Pilot Project of the Green Construction Site Project basically reached the acceptance standard for green sites, setting up the industrial benchmark for green construction sites.





First Set of “Zero Emission Technical Process Package for Coal Chemical Wastewater” of Independent Intellectual Property Put into Operation

Coal chemical wastewater is the bottleneck of clean development of the industry due to the large output, complicated components and difficulty of treatment. Meanwhile, it also faces the pressure of tightened environmental protection policies. To promote better and faster development of the coal chemical industry, the Group was joined by multiple research institutes to jointly develop the first set of “Zero Emission Technical Process Package for Coal Chemical Wastewater” of independent intellectual property, which was put into operation in Zhong'an Coal

Chemical Project. The project differs from regular oil refining and chemical engineering projects in wastewater treatment unit. As higher requirements are set for environmental protection, all wastewater from the devices and systems need to be recycled and high salinity wastewater produced by the technological end needs to go through multiple-effect evaporation to separate and extract the sodium chloride and sodium sulfate from the wastewater for the purpose of maximised comprehensive resource utilisation and realisation of “zero wastewater emission” in its true sense.



Resource Utilisation

A2 General Disclosure A2.1 A2.2 A2.3 A2.4

Realisation of effective utilisation of resources is one of the major contents for enterprises to fulfill the duties of environmental protection. The Group took the initiative to implement the *Law of the People's Republic of China on Conserving Energy*, *Law of the People's Republic of China on Promoting Clean Production*, *Ordinance on Civil-Building Energy Conservation* and relevant policies on energy conservation to exploit the advantages of the Company's whole industrial chain in engineering construction. In the planning, design, consultation, construction and commissioning services for petrochemical engineering, the Group promoted the research,

development and application of new energy, new technology and new equipment and was dedicated to building green projects and green factories to realise energy conservation and cost reduction. Meanwhile, the Group actively optimised the energy consumption structure, eliminated the use of coal-fired boilers, promoted clean and efficient gas-fired boilers, implemented energy-saving lamps renovation in administrative office areas, and implemented a series of water-saving and energy-saving measures, thus improving the energy consumption efficiency and reducing the waste of water resources.



Green design

- Promote the idea of green design, dig deep into the potential of resource recycling from all processes in the project design phase, follow the principle of "optimal overall energy utilisation", and adopt new process, new technologies and new equipment to realise waste heat recovery and overbottom pressure gradient utilisation to improve resource and energy utilisation rate and reduce water, electricity and other resources consumption to the utmost extent;
- Select environmental effective catalyst to raise reaction efficiency;
- Design solid waste reduction device and wastewater and exhaust gas treatment unit as support to reduce the emission of "three wastes" from the source;
- Promote the use of zero-discharge technology in engineering to reduce the consumption of fresh water.



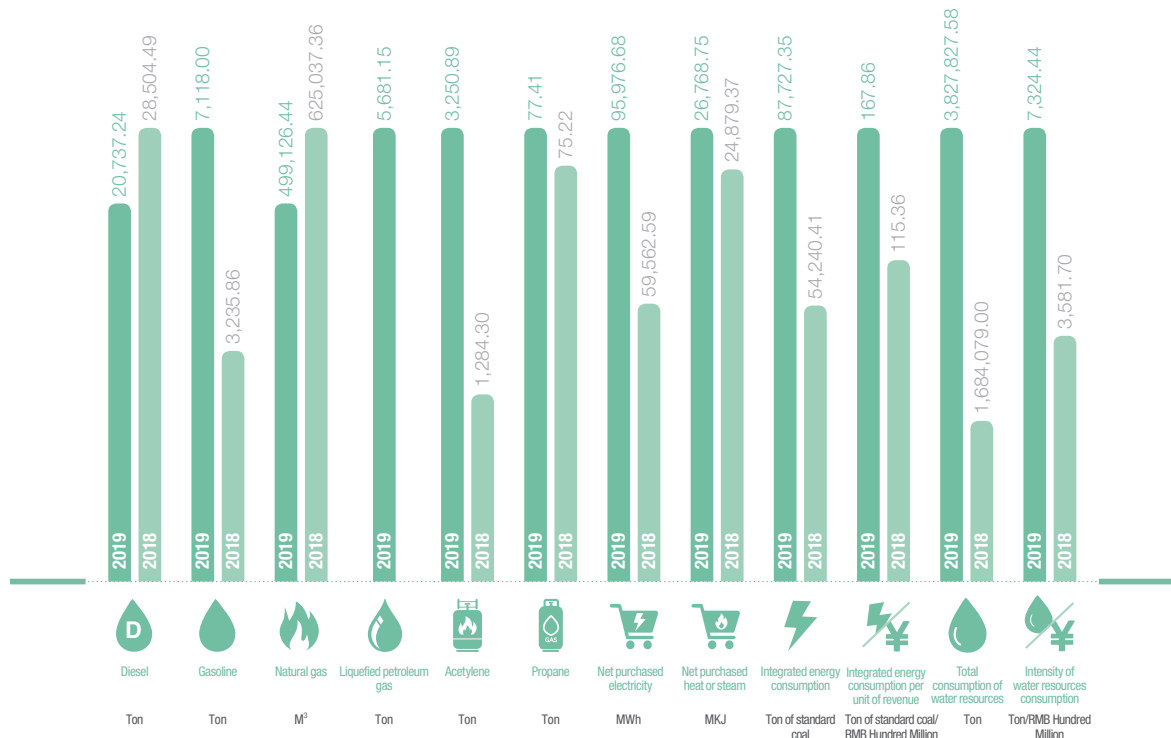
Green construction

- Establish thorough systems on energy and resource management on construction site to regulate material consumption and transportation scope for the purpose of resource conservation;
- Prioritise energy-saving, effective and environmental friendly construction facilities, equipment and tools recommended by the country and industry;
- Advocate repair of the old and utilisation of waste. Eliminate backward facilities and equipment on schedule.

Green office

- Save water and electricity, put an end to long-running water, turn off lamps and computers when leaving, and rationally set air-conditioning temperature;
- Perform energy-saving transformation on lamps in office areas;
- Promote OA paperless office system;
- Promote teleconference system;
- Advocate use of durable goods and try to reduce the purchase of disposables;
- Encourage green commuting, regulate service car management and advocate one vehicle for multiple purposes.

The resource consumption performance of the Group in the Reporting Period is generally presented as follows:



Note: 1. In 2019, the Group further optimised data collection caliber and scope based on its own business characteristics and project management method; 2. The comprehensive energy consumption data in the table were calculated based on the *General Rule for Calculation of Comprehensive Energy Consumption*; 3. Density-related data in the table were calculated by the consumption divided by the operating revenue; 4. Engineering projects the Group delivered to clients did not involve the use of packaging materials.



Case

The new generation S Zorb technology is widely used

Since 2007 when the Group acquired S Zorb technology as a whole, we have solved multiple engineering difficulties troubling S Zorb technology through relentless efforts. The technical indexes comprehensively surpassed the originally introduced technology. The new generation of S Zorb integrated the combined art between absorption desulfurisation and catalytic cracking through technical innovations. With low energy consumption up to around one third of that of the hydrodesulphurisation technology together with outstanding advantages including high desulfurisation rate, low octane number loss and long operation cycle, the technology was quickly promoted and used in the industry. Currently the technology has been applied to 35 as-built domestic devices and has processed catalytic gasoline of nearly 60% nationwide and more than 47 million tons/year, contributing greatly to the clean transformation of the petrochemical industry.



Protection of Environment and Natural Resources A3 General Disclosure A3.1

The Group strictly obeys the Environmental Protection Law of the People's Republic of China and relevant regulations on environmental protection where the project is operated to positively fulfill the duties of domestic and foreign environmental protection. During project construction, the Group took into full consideration the soil erosion, ecological environment fragmentation and other impacts on environment and natural resources; implemented ecological monitoring based on project characteristics; exercised migration protection on rare animals and plants. To be specific, fish breeding season, migration season and other ecological sensitive periods were avoided for construction projects involving rivers, lakes and seas; mammal migration season was avoided for land construction projects for biological diversity; meanwhile, risk control measures for soil and underground water environments were formulated and corresponding environmental measures and control measures for water and soil loss

were made in environmental sensitive areas and on construction sites to protect and improve the ecological environment along the project line, realising green development and establishing an environmental friendly enterprise image. In the meantime, the Group also took the initiative to collaborate with domestic and foreign research institutes to explore the market of restoration of polluted sites and underground waters in the petrochemical industry, promote clean petrochemical transformation, reduce environmental pollution and protect ecological environment.

In the Reporting Period, the Group won the bids for field investigation projects into Anhui Bayi Chemical Plant, Beijing Gaolizhuang Oil Reservoir, Jiujiang Petrochemical Soil Restoration and Zhanjiang Dongxing In-service Petrochemical Site, etc. to promote green development of the industry.



Case

Restoration of Land to Protect China's Beauty

In October 2019, the Group won the bid for the pilot project on the application of soil governance and restoration technology for the original parcel of Anhui Bayi Chemical Plant. The parcel was near environmental sensitive areas and the pollutant categories were obviously industrial characteristic. Meanwhile, the country paid extra attention to the project as it was the soil restoration pilot project and supervision and renovation project of the Ministry of Ecological Environment. Currently, the project has finished the preparation of early site environmental survey report, risk control scheme, and governance and restoration scheme. The governance and restoration are in progress and expected to be finished in October 2020.



Tackling Climate Change

A1.5 A2.3

The Group paid extra attention to climate change and took into full consideration the impact of regional climatic risks on project implementation during project construction. We have improved our ability to handle emergency in climatic disasters, reduce the impact of climate change on engineering project construction to the minimum and improve the adaptability to climate change by establishing thorough emergency response mechanisms. Meanwhile, the Group was active

in carrying out collaborations on scientific search on tackling climate change. With professional technologies on energy evaluation, audit, design, construction, management and maintenance, the research, demonstration and promotion of technologies to alleviate and adapt to climate change were accelerated to boost green petrochemical transformation and contribute new impetus to the national scheme against climate changes.

Preventing project construction from climatic risks

- The Group has established a thorough management system against climatic changes during project management, such as the *Management Regulation on Typhoon Prevention* and *Management Regulation on Flood Control*, and prepared the *Contingency Plan for Natural Disasters* to establish an emergency response mechanism for flexible prevention;
- Establish the headquarters for typhoon, flood and natural disaster prevention to specify the duties of relevant units (departments) and guide relevant units to implement the regulations and requirements to manage prevention management;
- Prepare and store enough goods, equipment and transportation vehicles, etc. against disasters and conduct regular check to ensure qualified and effective goods and intact equipment for scheduling by demand;
- Carry out drills on flood and typhoon prevention before typhoons and flood season to improve emergency treatment ability.

Boosting low-carbon industrial transformation

- Take the lead to promote carbon tracing services in the petrochemical industry and help enterprises identify high carbon emission processes to provide quantitative reference for reduction of carbon emission among enterprises;
- Develop low-energy and low-emission production technologies and boost enterprises on effective utilisation of energy through contractual energy management to realise clean production and carbon emission reduction. In the Reporting Period, the Group implemented contractual energy management projects, boosting a conservation of 38,000 tons of standard coals in the industry and reducing 105,300 tons of carbon dioxide emission;
- Positively cooperate with domestic and foreign research institutes to promote transformation and utilisation of carbon dioxide.



PUTTING PEOPLE FIRST

- Building Diversified Teams
- Putting an End to Child Labor and Forced Labor
- Supporting Employees' Development
- More Cares for Employees

Building Diversified Teams

B1 General Disclosure

B1.1

B1.2

The Group strictly obeys the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and relevant local laws and regulations where our operations are located such as the *Labor Law* of Saudi Arabia, and adheres to the principle of voluntary and equal employment. By signing formal labor contracts with employees, the rights and interests of employees are fully guaranteed in multiple aspects including recruitment, unemployment, promotion, working hours, vacation, salary and welfare, diversity, discrimination prevention and equal opportunities. We maintain the right of employees to know, to participate and to supervise and oppose any form of child labor, forced labor and other illegal employment forms to build equal and diversified teams of employees. During the Reporting Period, there was no child labor, forced labor or other violations or lawsuit incurred by employment issues in the Group.

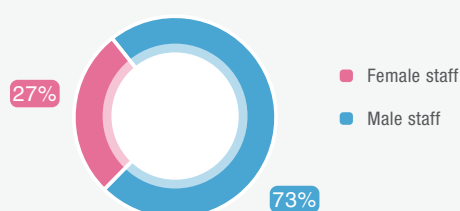
Equal Employment, Diversity and Recruitment Policy

We pay attention to the diversified composition of employees and assess the job qualifications of professionals from compliance, attitude, performance, competence and other aspects to guarantee all employees are entitled to equal employment opportunities. We insist to put an end to any discrimination based on sex, age and other factors. We have taken multi-channel recruitment policies and channels including campus recruitment, social recruitment and internal recommendation, etc. We have treated all applicants equally during recruitment and have not set any discriminative conditions for specific race, skin color, nationality, language, ethnicity, faith or physical disability, etc. We advocate diversity among employees. During the Reporting Period, the total number of employees of the Group reached 17,450, and the employee loss ratio was 1.6%,

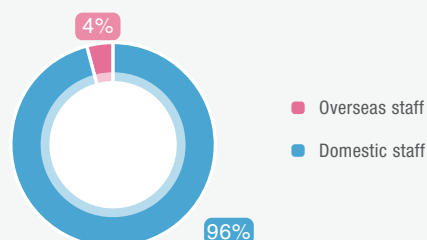
including around 1.3% loss ratio among male staff and around 0.3% loss ratio among female staff.

Overseas employees are a vital part of our employee teams. They support the Company's international development strategy. The Group cares about the career development, skill training and health and safety of foreign employees. We keep promoting "internationalisation of talents and localisation of employment" to respect cultural fusion and motivate the initiatives of foreign employees, creating values for the Company's overseas business layout and meanwhile realising result sharing. In international projects, the Company boots localisation of overseas employment by participating in job fairs held by local chamber of commerce and other organisations and by accepting recommendations for job of embassies, etc.

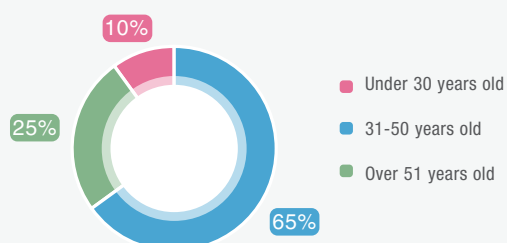
Proportion of Male and Female Staff



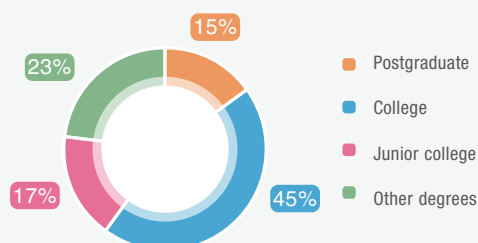
Proportion of Domestic and Overseas Staff



Proportion of Staff of Different Age Brackets



Distribution of Staff of Different Degrees



Salary and Welfare

The Group adheres to the idea of “Pay for Value, Post and Performance” on salary distribution and implements the competitive distribution system that matches the wage level on the market. The Group established the benefit-oriented wage mechanism, formulated the mid- and long-term incentive plans for backbones, built a thorough performance assessment mechanism, sufficiently played the leading role of distribution under assessment, and meanwhile executed the work efficiency linked assessment, linked the completion of indexes to total salary, reinforced restriction on single index incentive, and encouraged employees to share value results with the Group while making benefits.

The Group established a thorough employee welfare system. While paying five social insurances and one housing fund for employees in accordance with the law, the Group increased supplementary medical insurance, recuperation subsidy, heatstroke prevention subsidy and

other supplementary welfare. Besides, the Group paid personal accident insurance and other separate welfare for employees dispatched overseas. Moreover, the Group respected the right of vacation among employees and guaranteed their statutory festivals and holidays, marriage and funeral leave, maternity leave, late childbirth leave, breastfeeding leave and other paid leaves. As for the minority employees, we respect their religious belief and customs, such as working days off for Muslim on Fast Breaking.

In addition, the Group pays extra attention to the lawful rights and interests of female employees. We established the female staff committee to protect the implementation of regulations on maternity, childbirth and breastfeeding leave and the policy of regular physical examination. We also pay attention to the physical and mental health and career development of female staff by providing them with continually improving labor environment and conditions.

Putting an End to Child Labor and Forced Labor

B4 General Disclosure B4.1 B4.2

The Group prohibits any form of forced labor and strictly avoids child labor, forced labor and other illegal employment. The Group strictly obeys the international, national and local codes, regulations and ordinances to guarantee rational working hours, set working days off for overtime and avoid compelled or forced labor.



Supporting Employees' Development

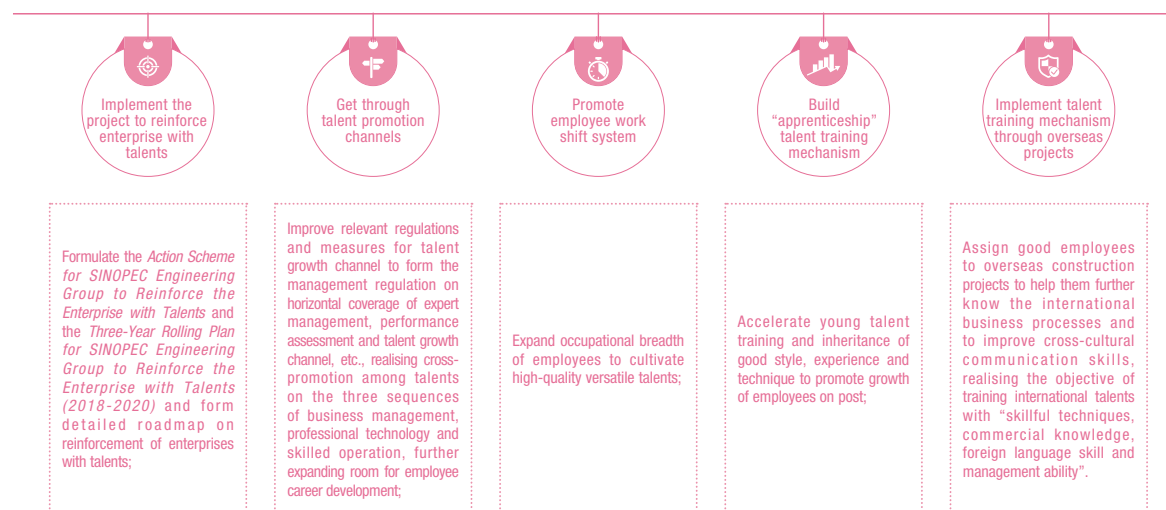
B3 General Disclosure

The Group firmly holds the idea of "talent as the primary resource, primary capital and primary impetus", adheres to the "people-oriented and win-win for both individual and enterprise" talent development policy, and implements the strategy of "talent reinforcing enterprises". While developing itself, the Company also satisfies the development needs of employees. By building multi-level and comprehensive training management systems, enriching training contents and applying new training methods, the Company endeavors to put training and learning in the whole process of employees' career, improves their comprehensive quality to let them adapt to long-term development of the Company. Meanwhile, the Company also continues to improve the growth and promotion mechanisms for employees, makes ways for talent growth, builds a fair talent development platform, makes the best of employees' spirit and potential as leading roles, encourages employees to realise their self-value, post value and social value, and strenuously builds a high-quality talent team.

Talent Development

The Group has formed five talent team construction objectives and training measures, including corporate management, professional technology, skilled operation, project manager and international talents. We have helped employees grow rapidly and expand their

room for career development through multi-level talent training models to realise joint development between their individual value and the Company.



Employee Training

B3.1 B3.2

The Group treats the construction of high-quality talent teams as its long-term development strategy and is dedicated to building a "learning, service-oriented and innovative" organisation based on the comprehensive improvement of employee quality. In 2019, the Group focused on projects to reinforce enterprise with talents and adhered to the principle of "overall coverage, key focus and classified guidance". The Group set the objective of improving training efficiency and kept exploring new training thoughts and methods to build an outstanding learning organisation, promoted comprehensive improvement of quality of professional technicians, and boosted the Company to develop towards higher objectives.

In the Reporting Period, the Group inputted RMB43.96 million to train 31,848 person-times. The total training hours reached 15.73 million hours, averaging 221 hours of training per employee. In the Reporting Period, the Group had 4 academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering, 1 national expert of national outstanding contribution, 49 persons entitled to special government allowance, 1 national candidate for the "Ten Million Talents Project", and 5,212 persons with senior professional and technical qualification or above.

Promote standardised training

Formulate the *Administrative Measure for Training of Employees of SINOPEC Engineering (Group) Co., Ltd.* and *Bylaws on Implementation of Training of Employees of SINOPEC Engineering (Group) Co., Ltd. Headquarter* to promote the talent training system building in the Company;

Build full-time and part-time teacher resource base

Establish the full-time and part-time teacher resource base of the Group to promote sharing and inheritance of internal managerial experience and knowledge information and to boost good teacher resources sharing;

Develop different types of training courses

Provide employees with various training courses, including new staff training, management training, professional skill improvement training and qualification and certification training, etc., to facilitate the career development of employees on all posts;

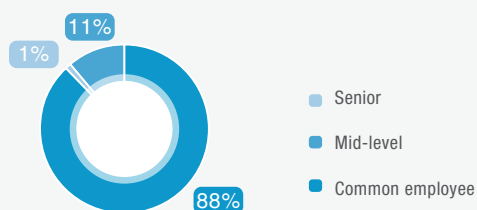
Establish education and training center

Establish an education and training center to have developed a series of training courses for employees of different sequences and job grades based on their career development planning to improve employees' business theories and job skill quality in a targeted manner;

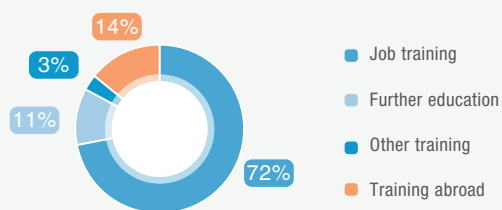
Diversified training method

Adopt "online", "offline" and other training methods and take advantage of Internet training, simulate training, remote education and electronic education, etc. and meanwhile flexibly choose multi-media, field observation, practice, experience exchange, contest, assessment and other approaches based on different training subjects and contents to improve the training effect.

Proportion of Trainees of Different Training Types



Proportion of Trainees of Different Training Contents



Case

Carry out "heat treatment" job skill training

From May to August 2019, the Company held the 4th Hot Treatment Operator Training Class to further enhance the job skills of hot treatment operators and to improve the management level of heat treatment in engineering projects. The heat treatment operator training class was also the first time for the Company to train the heat treatment operators and certify their qualifications by means of assessment for certificates, which further ensured the training quality and effect.



More Cares for Employees

B1 General Disclosure

The Group cares about employees' work and life as well as humanistic care. We take the initiative to solve the practical difficulties for employees and spare no effort to hold warm-giving activities as our true care for their life. For instance, visits are organised to hospitalised staff, poverty-stricken staff and female staff giving childbirth, and funeral arrangements and condolences are provided to the direct relatives of employees to extend sincere care for the employees, improving their happiness and sense of belonging. Meanwhile, the Group organises rich and diversified recreational activities for employees to provide them with opportunities to showcase different talents.

Assistance to Employee

The Group comprehensively implements the *Administrative Regulation of SINOPEC for Aid and Relief*, establishes the working system for each unit on aid and relief, sets up mutual aid fund and holds the "grassroots and then-thousand households visiting" activity to provide detailed and practical aid to employees under poverty and special circumstances; carries out "mutual aid plan" to organise employees

to "contribute love and donate in a day", provides poverty-stricken and seriously ill employees and visits hospitalised employees to truly care about their life; takes the initiative to promote the "loving mom's cabin" plan to provide female staff with heartwarming services, and provides them with insurance and security, paying attention to their physical and mental safety.

Recreational and Sports Activity

The Group adhered to the idea of "healthy life and happy work" and took the initiative to build recreational and sports activity platform for employees. We have formulated the Articles of Association and administrative measures for the special interest group of the recreational and sports committee of the Company's trade union, organised staff art troupe to carry out special performance on "chasing dreams in the new era and advancing for first class", held the "glorious 70 years and striving for the new era" photographic exhibition on fine

arts and calligraphy of employees; established special interest groups for employees on table tennis, badminton and basketball leagues, etc., and supported interest associations for mountain climbing, walking, bridge and football, etc. to enrich the spare-time recreational life for employees, cared for employees' physical and mental health, implemented the caring policies of the trade union, practically guaranteed employee rights and interests, improved communication and consolidation.



▲ A rich variety of recreational and sports activities



SAFETY AND HEALTH MANAGEMENT

- Safety Management
- Health Management

Safety Management

B2 General Disclosure

Work safety is the foundation of sustainable development of the Company. The Group strictly obeyed the *Law of the People's Republic of China on Work Safety*, *Administrative Measure for Architectural Construction Permits*, *Measure for Implementation of Fire Safety Responsibility System* and local laws and regulations on work safety. The Group implemented the general requirement of "work safety before, above and over all", established the idea of "constructing one project as forging a monument", aiming at international first class enterprises and laying enterprise management foundation. Through improvement of management system and institutional system integrated by quality and safety, the Group improved safety risk control level, promoted standardisation of safety, implemented work safety check, and was dedicated to promoting long-term work safety mechanism to comprehensively improve the work safety management level.

Safe Operation

B2.3

The Group has established a thorough safety responsibility management system and established safe development idea and red line consciousness during project management, improving work safety priority, reinforcing implementation of responsibilities, strictly pursuing responsibilities, treating risk control as key focus, and exercising essential safety management. In 2019, the Group focused on the improvement of safety management, prepared and issued the *Corporate Safety Management Improvement Scheme* specifying the orientation and content of progress, specifying functions and duties, enhancing responsibility pursuit, and practically promoting the continual improvement of performance on work safety management.

In the Reporting Period, the Group totally inputted RMB140 million on work safety including safety protective facilities and equipment, safety protective gears, work safety publicity, education and training, etc. to have realised 346,000,000 safe working hours, representing respective year-on-year growth rates of 48.94% and 19.87%. The work safety keeps moving towards the good direction.



Establish safety responsibility management system

- Establish top-to-bottom safety responsibility management system:** The Group has established a work safety management committee and professional sub-committee comprised of members of the Board of Directors and the Supervisory Committee and main leadership of subsidiaries in overall charge of safety management of the Group; the subsidiaries have established corresponding work safety management committees based on their own business characteristics and prepared the *Work Safety Responsibility System* which stipulates in detail the "three-level" safety responsibilities of "the Company, department and post". The subsidiaries also formulated the *Bylaws on Assessment of Work Safety Responsibility System* to promote effective implementation of the "responsibility system";
- Promote management of safety objectives:** Formulate the annual safety objectives and indexes and decompose them to the subsidiaries in HSSE Letter of Responsibility. The subsidiaries decomposed and implemented them from level to level based on the general objective of work safety and assessed the completion of safety objectives on schedule; the completion rate of safety objectives of the Group reached 100% in the current year;
- Improve safety management system:** Formulate the *Safety Risk Management Regulation of SINOPEC Engineering (Group) Co., Ltd. (Pilot)*, *Emergency Management Regulation of SINOPEC Engineering (Group) Co., Ltd.*, *Safety Management Regulation for Risky Operation of SINOPEC Engineering (Group) Co., Ltd.* and other management regulations and measures to further prevent safety risks.



Exercise essential safety design

- **Regulate safety design standard:** Formulate the *Management Manual on Essential Safety Design of Engineering Projects* to set the standards and requirements for safety designs and exercise "essential safety" from the source;
- **Carry out essential design safety risk troubleshooting:** Based on the update of standards and focusing on the risk of hydrogen sulfide leakage, risk control and hidden danger investigation from pipeline materials, equipment materials, instrument selection, pump sealing and hydrogen sulfide alarm detection have been conducted against 13 types of typical units designed since 2009, such as atmospheric and vacuum distillation and catalysis, involving 216 units from 95 enterprises. For the operation risks existing in the in-service equipment, the solutions and risk reduction measures are put forward to the owners.



Regulate construction risks

- **Implement operation licensing management for special operations:** Implement operation licensing management on electric operation, high-place operation, lifting operation and other dangerous operations, and strictly fulfill the approval procedure;
- **Carry out safety analysis on dangerous operations:** Identify dangers and harmful factors and formulate control measures before dangerous operations to ensure operation safety;
- **Regulate field safety signs:** Set up prohibition, warning and other safety signs on the construction sites based on the practical case to lead and warn the field operators to prevent accident.



Implement safety risk evaluation and level-to-level administration

- **Dynamically promote safety risk evaluation:** Formulate the administrative measure for risk evaluation and establish the mechanism to regularly identify risks. The subsidiaries have formulated the *Administrative Measure for Safety Risks*, *Safety Risk Identification and Evaluation Procedure* and other regulations based on their own business characteristics, and dynamically evaluated the safety risks on construction sites. The subsidiaries have determined different control levels based on the risk levels and carried out dynamic management of safety risk by means of monthly rotation management to periodically achieve early warning, update and announcement of risks. In 2019, the Company reorganised and reassessed 199 major safety risk operations reported by each unit, evaluated 14 major safety risk operations at the Company level. Currently 6 operations have been closed and other risks are under control.



Reinforce safety supervision and inspection

- **Establish thorough safety supervision mechanism:** Build a professional safety supervision squad and prepare the *Safety Inspection Outline*. The safety supervision squad was given sufficient power to assess safety, order shutdown on site, and penalize violations in a timely manner, etc. to reinforce frontline safety supervision;
- **Carry out diversified forms of supervision and inspection:** Combine key supervision by the Company and self-inspection and self-correction by subsidiaries. Adopt key project staged inspection, annual full inspection and random supervision, and cross inspection to check the subsidiaries and projects and look back in a timely manner to supervise the rectification of problems; in the current year, the Company organised 20 concentrated supervisions and 2 cross supervisions, covering 11 subsidiaries and 28 project departments. 831 problems were identified, 4 subsidiaries were brought to a conversation and all the problems were rectified;
- **Reinforce safety risk closed-loop management:** Trace and promote rectification of problems by issuing risk rectification notice, reporting and exposing problems found during supervision at levels of the Company and subsidiaries, and analysing the prominent problems and management causes on the safety committee, etc. to realise closed-loop management.



Emergency management

- **Establish thorough emergency management mechanism:** Establish an emergency management center and the subsidiaries have accordingly established a thorough "three-level" emergency management mechanism and formulate the emergency management regulation, contingency plan, emergency response procedure and emergency treatment card on key posts;
- **Carry out emergency training and drill:** Improve the popularisation of emergency common sense by contingency plan cards, key emergency process posts and portable transformation, etc. and study typical accident to improve safety consciousness; regularly organise comprehensive and professional emergency drills, evaluate emergency organisation, resources, procedures and practical operation level, and enhance emergency treatment ability continually.



Carry out compliance assessment

- **Assess abidance of relevant safety laws regularly:** The Group has established the list of application of safety-related regulations based on the areas where the domestic and foreign projects are operated, assessed the abidance of applicable clauses based on the implementation on site, and raised measures for correction and improvement concerning the partial noncompliant items.



Highlight overseas operation safety

- **Strictly obey local laws and regulations:** While the international businesses keep developing, the Group strictly obeyed the overseas local laws and regulations on safety and meanwhile formulated the *Administrative Measure for Overseas Public Security*, *Standard for Evaluation of Overseas Public Safety Risks* and other administrative measures based on the local practical cases;
- **Improve management mechanism:** HSSE management mechanism and "HSSE Committee" were established for overseas projects of the Group to specify the duties and working mechanism of the committee for overall safety management of overseas projects;
- **Carry out overseas safety risk evaluation:** Evaluate the dynamic risks of overseas projects and formulate effective precautionary measures based on the practical case of projects;
- **Reinforce overseas HSSE inspection and audit:** Established overseas public security supervision working team to perform itinerary inspection on safety management of overseas petrochemical projects. In 2019, the Company carried out 6 overseas HSSE inspections and audits on 12 overseas institutions and projects in Saudi Arabia, Kuwait and Russia and 87 problems were found. The Group urged their rectification to realise closed-loop management and further enhanced integrated control over overseas projects;
- **Pay attention to overseas security situation:** Keep paying attention to the security situation of the operating areas for overseas projects. In the Reporting Period, the Group issued the *Notice on Further Reinforcement of Overseas Public Security Risk Control* to raise the specific control requirements for units dispatched by the Group, overseas institutions and overseas projects, and took emergency evacuation measure as necessary to protect life and property safety.



Case

Mutual Inspection to Promote Improvement and Mutual Learning and Reference to Make Security

In 2019, the Group carried out mutual inspection, learning and reference to exchange good experience and practices. The activity covered 5 key supervision projects and 7 overhaul and maintenance projects in 10 subsidiaries. The Group focused on leadership contracting, subcontractor management, risky operational links, overhaul, maintenance and other businesses. A total of 168 problems of all kinds were found and 11 good experiences and practices were exchanged. Through the activity to promote correction with learning, the subsidiaries learnt from and exchanged with one another and gathered plenty of work experience to further improve the safety management level.



Safety Training and Publicity

The Group extremely focuses on safety training and publicity. As for the safety risks and hidden dangers during project management and construction, the “online + offline” approach is adopted to carry out safety training on all directions through cases, simulated training, visualized training and other diversified forms. The Group firmly lays the “three foundations” on safety, enhances the safety consciousness among all staff and improves safety skills, laying solid foundation for the ongoing stability and good trend of work safety.

In the Reporting Period, the Group organised 550 safety trainings of all kinds participated by 33,000 person-times totally. The Group conducted 10 special trainings, including 4 special training classes on heat treatment, 1 special training class on lifting operation and 5 training classes on improvement of ability to identify risks on construction site, and 1 NEBOSH training class participated by 499 trainees. The quality and safety management level of grassroots safety management were practically enhanced.

Meanwhile, the Group took the initiative to carry out themed speech, news publicity, accident warning, emergency drill, and problem rectification “look-back” activities based on the “work safety month” and other campaigns. The Group spared no effort to build an atmosphere of safety culture to improve the work safety consciousness of employees, troubleshoot and eliminate safety risks in a timely manner, and promote the level of safety management.

 **550** safety trainings
Joined by **33,000**
person-times

organised **10** special trainings
including **4** special training classes on heat treatment
1 special training class on lifting operation
5 training classes on improvement of ability to identify risks on construction site
1 NEBOSH training class
joined by **499** trainees



▲ Work Safety Month Comics

Health Management

B2 General Disclosure

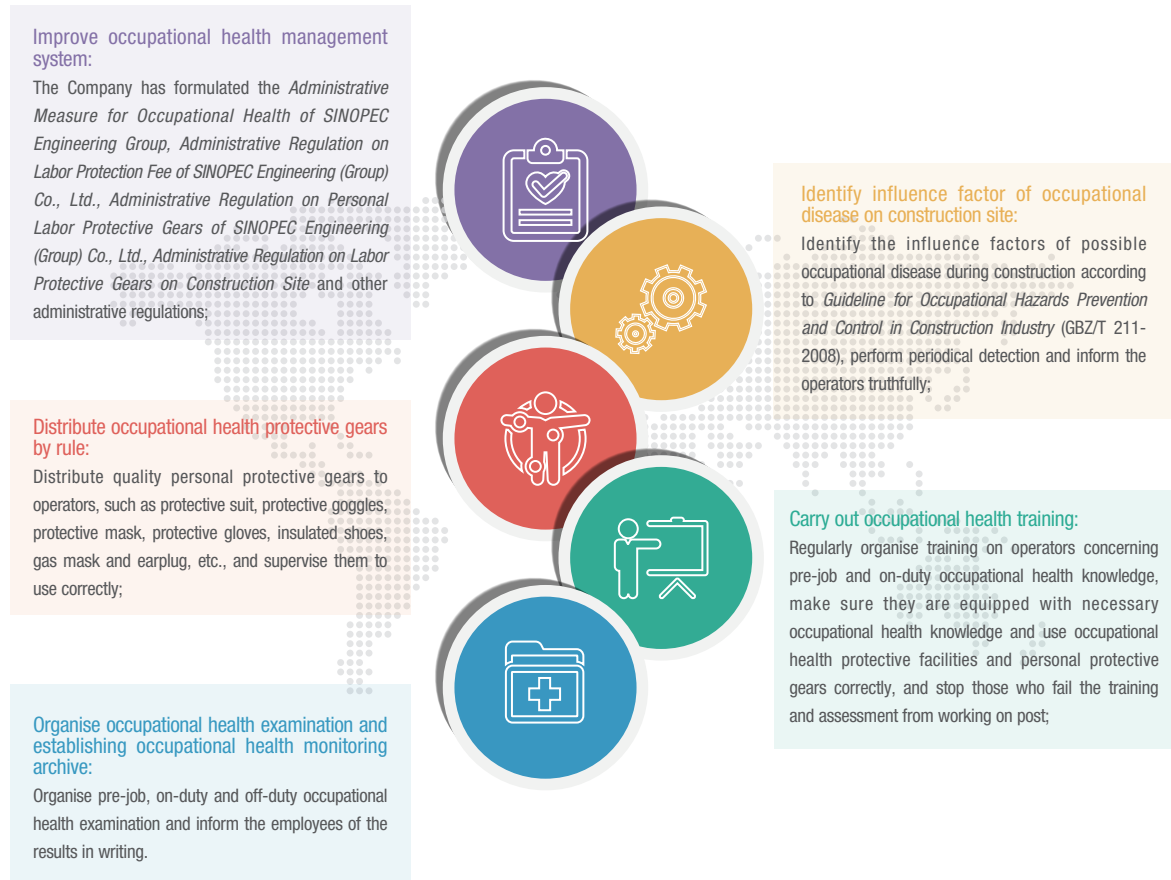
Staff health plays an important role for the foundation of enterprise development. In 2019, the Group followed the *SINOPEC Staff Health Management Regulation* to promote the management model of comprehensive health for all staff, which was to realise the mutual promotion and synchronous improvement of occupational health, physical health and mental health of all staff with occupational health as the foundation. Besides, the Group exercises the people-oriented idea to guarantee the health rights of employees.

Occupational Health

The Group has been upholding the policy of “prevention first and combining prevention with control”, adhering to the idea of “health and safety first”, and strictly obeying *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, *Administrative Measure for Occupational Health Examination*, *Administrative Regulation on Occupational Health Supervision in Workplaces*, *Guideline for Occupational Hazards Prevention and*

Control in Construction Industry and relevant laws and regulations where operations are located. In 2019, the Group further improved the occupational health and safety management system, reinforced measures for the prevention and control of occupational diseases, organised physical examination for employees on schedule, and ensured occupational health of employees.

No case of occupation disease is found in the Group in the Reporting Period.



Physical Health

To guarantee the health rights of domestic and overseas employees and promote comprehensive health of employees, in 2019, the Group revised and improved the *Guideline for Health Risk Evaluation of Overseas Employees*, *Guideline for Cardiovascular and Cerebrovascular Diseases Risk Prevention and Control of Overseas Employees*, *Administrative Regulation on Employee Health and Administrative Regulation on Health of Overseas Employees*, compiled the *Administrative Regulation on Site*, refined employee health management process, and determined standard for allocation of overseas medical resources; meanwhile, our key focus was the health of employees with cardiovascular and cerebrovascular diseases

in grassroots units. We supervised them to get treated in a timely manner, did not arrange heavy labor or other operation that might trigger the disease to attack, and never assigned employees with obvious cardiovascular and cerebrovascular disease on duty. In 2019, the Group organised 58 fundamental training classes on field first aid. Through training, employees preliminarily mastered the principle of first aid against cardiovascular and cerebrovascular diseases, field treatment of injury, bandaging method and fundamental first aid skills. The emergency handling ability of employees in daily work and life was improved.

Mental Health

The Group promotes the Employee Aid Plan (EAP) to help employees solve their occupational and mental health problems, cares about the conditions of employees beyond work, finds and relieves the unsafe and unhealthy behavioral pattern and bad mental state in life in a timely manner, guides and promotes self-health management among employees.



SUPPLY CHAIN MANAGEMENT

- Supplier Management
- Subcontractor Management

Supplier Management

B5 General Disclosure

The Group, strictly holds the principle of fair procurement, strictly controls the fairness of the process of selecting suppliers and meanwhile continues to promote the standardisation and informatisation of procurement to ensure a compliant, transparent, fair and just procurement process. For suppliers and subcontractors with which the Group has established cooperative relations, we have signed the *Responsibility Agreement for Honest Practice* with them to regulate transaction, in an effort to maintain fair competition, prevent commercial bribery, promote the building of a market integrity system and strive to build a positive and transparent material supply ecology.

Having fully considered suppliers' performance in environment, society, governance, etc., the Group formulated management regulations, including the *Regulation of SINOPEC Engineering (Group) Co., Ltd. on Supplier Management*, the *Regulation of SINOPEC Engineering (Group) Co., Ltd. on Supplier Access Management*, the *Measures of SINOPEC Engineering (Group) Co., Ltd. on On-site Inspection of Supplier Management*, and the *Measures of SINOPEC Engineering (Group) Co., Ltd. for the Management of Dynamic Quantitative Evaluation of Supplier Performance to Guide Ordering*, in order to standardise supplier access management and continuously optimise supplier network through qualification examination and site assessment, cultivating excellent supplier groups. Meanwhile we have actively implemented the concept of green procurement to optimise the products stipulated in the *Recommended Catalogue of Energy-saving Mechanical and Electrical Equipment (Products)*, and prohibited the procurement of obsolete, backward and energy-consuming materials expressly ordered by China while specifying the energy consumption indicators of equipment and pumps and purchasing equipment, motors, materials and other materials that meet the quality and green requirements. In the management of key projects, we have strengthened the expediting of materials delivery, paid field-visits to suppliers' workshops, checked production progress, coordinated the production plan and delivery order, as well as urged suppliers to take measures, ensuring the supply of materials for those projects. At the same time, we have set up an MSP platform (visual quality monitoring platform for material manufacturing), through which we realised the collaborative management of the contractors, suppliers (manufacturers), supervisors and owners of projects over the process of material manufacturing and the quality of engineering materials and thus achieved the traceability of the whole life cycle.

In 2019, the Group continued to strengthen the management of supply resources. It completed the audit materials of 657 suppliers throughout the year, and provided training classes for suppliers' managers to improve the management of supply resources; electronic material purchasing platforms like ERP, EC, CMIS and E&E began to be put into use in a comprehensive and standardised manner, and the construction of the second phase of ERP stepped up. By the end of the Reporting Period, the number of suppliers that had established service relations with the Group mounted by 334 to 2,875, the number of E&E suppliers by 3 to 656, the number of recorded suppliers by 236 to 339, and the number of overseas suppliers by 92 to 290.

Establish service relationship suppliers by

334 to 2,875

E&E suppliers by

3 to 656

File suppliers by

236 to 339

Overseas suppliers by

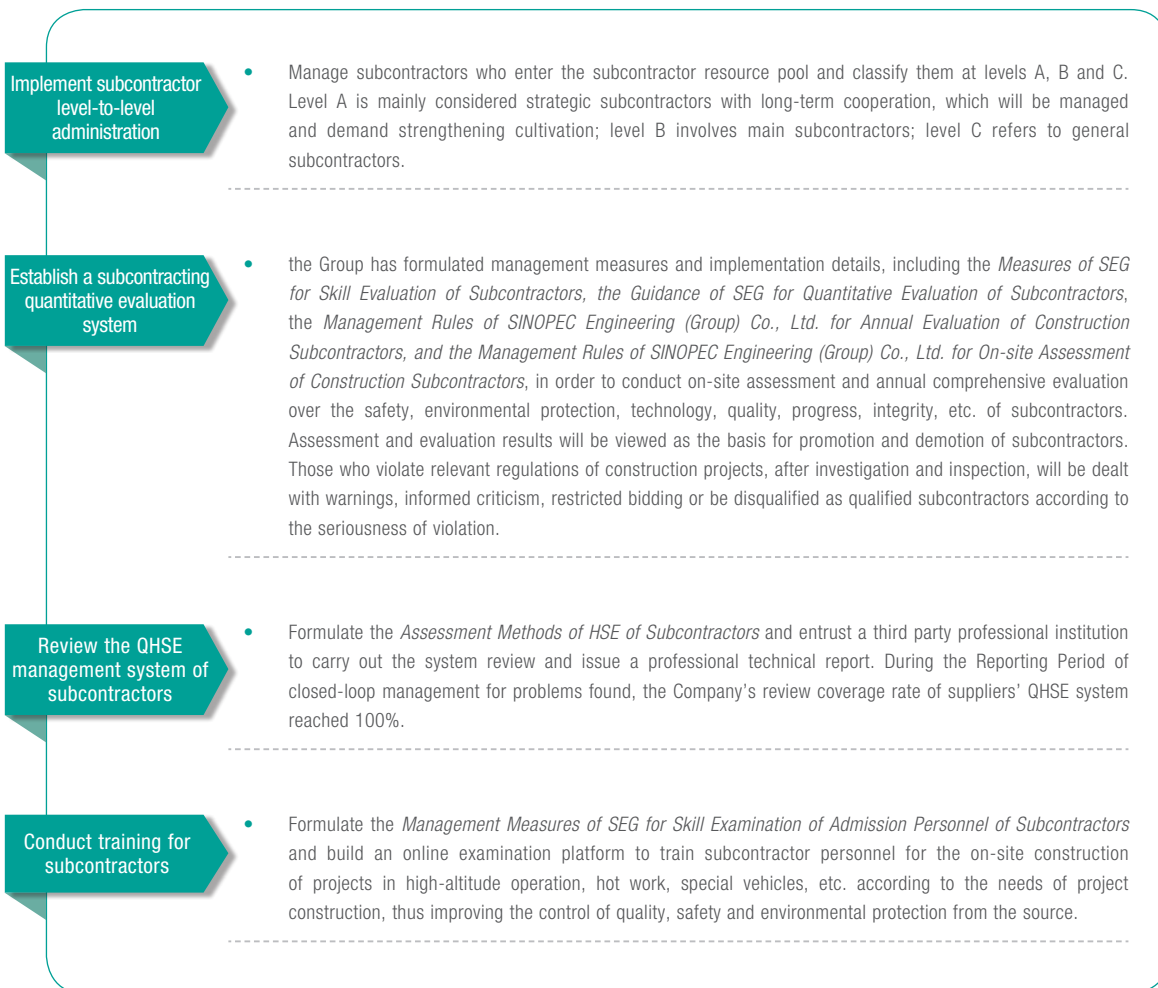
92 to 290



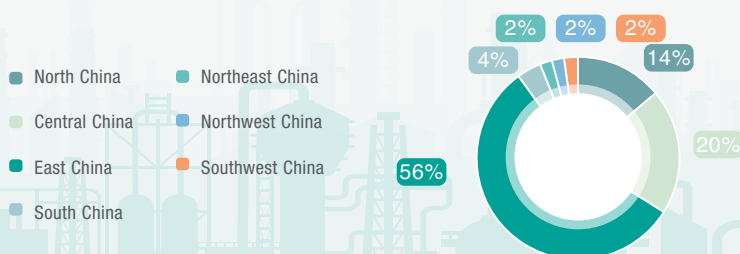
Subcontractor Management

B5 General Disclosure B5.2 B5.1

For subcontractors, the Group implements responsibility management with the management system, resource pool, assessment and evaluation of subcontractors and site management as its starting points to urge subcontractors to prevent environmental, safety, social and other risks during project implementation. During the Reporting Period, 511 subcontractors of the Group obtained QHSE system certification.



Proportion of Contractors/Subcontractors (by Region)





BUILDING HIGH-QUALITY PROJECTS

- Strict Control of Quality of Projects
- Promotion of Technological Innovation
- Expansion of Overseas Business

Strict Control of Quality of Projects

B6 General Disclosure

B6.2

B6.4

The Group is always committed to creating “model projects” and “excellent projects” and targeting national high-quality projects to ensure the “stability, long service life and excellent performance” of equipment after it is put into operation, which is also regarded as our core competitiveness. The Group strictly abides by the *Construction Law of the People’s Republic of China*, the *Regulation on the Quality Management of Construction Projects*, and other relevant laws, regulations, technical standards and regulatory requirements on project quality where operations are located such as the Road Construction Law of the Kingdom of Saudi Arabia. We have established a sound quality management system, optimised the project management mechanism and system, defined job responsibilities, monitored the process of projects, guaranteed the delivery quality of each project in an all-round way, established a good brand image and market reputation of the Company, and continuously promoted the Group’s competitiveness around the globe.

In 2019, **one** project undertaken by the Group won the China Construction Engineering Luban Prize, **two** won the Gold Award of National High Quality Projects, **five** won the Silver Award of National High Quality Projects, **fifteen** won the provincial and ministerial quality project awards, **twelve** won the provincial and ministerial excellent design awards, **one** won the Excellent Welding Project First Prize, **four** won the Excellent Welding Project Award, and **two** won the National Excellent QC Achievement Second Prize.

During the Reporting Period, the Group witnessed no material quality accidents, effectively ensuring the compliance and qualified rates of completion.

Establish a quality management responsibility system

- Establish a quality management responsibility system for engineering projects covering all companies and levels, defining the functional responsibilities of all companies, functional departments, project managers and related posts; for those projects undertaken, the Group implements quality objective management, e.g., setting quantitative indicators such as the compliance rate of individual projects and pass rate of welding once, and has, in combination with the requirements of project contracts and project characteristics, formulated documented quality control plans and project quality management regulations, and regularly inspected the completion of objectives.

Deepen the establishment of the quality management system

- Strictly in conformity with management measures including the *Quality Regulation of SINOPEC* and the *Regulation of SINOPEC on Engineering Quality Supervision* and subject to its reality, formulate the *Measures of SINOPEC Engineering (Group) Co., Ltd. for Quality Management* and the *Measures of SINOPEC Engineering (Group) Co., Ltd. for Quality Accident Management*, compile the *International Project Management Manual*, and further formulate the *Management Measures for Construction Procedures of Engineering Projects* and the *Management Measures for Construction Standards and Specifications* in line with the key links of project quality management.

Strengthen on-site quality management of projects

- Compile implementation details, including the *List of Quality Control Points for Projects*, the *Management Measures for Quality Inspection* and the *List of Partial Project Inspection*, for key nodes of project management, thus further standardising the quality, procedures and process of construction. Besides, the Group has fully activated the material supervision platform (MSP) for the manufacturing quality of materials to improve supervision efficiency and supply quality of material manufacturing, to raise risk awareness, to improve risk identification and assessment of special materials and accessories, to increase the proportion of inspection and re-inspection of risk materials, to reduce quality risks and to enhance quality management efficiency.

Carry out solid quality inspection

- Establish a reporting mechanism for quality control, in an effort to conduct quality inspection over all processes, materials used, accessories and parts as well as products finished through daily inspection, independent inspection, cross-project inspection and other modes, thus realising early detection, early treatment and early settlement when quality problems occur.

Improve the mechanism for solving project quality problems

- Formulate management measures including the *Management Measures for Reward and Punishment on Quality*, the *Management Measures for Non-conforming Products* and the *Management Measures for Quality Accident*; set the management target of project quality complaints and establish a hierarchical handling mechanism to supervise and solve complaints; formulate special rectification measures and correction and prevention measures for the links with recurring problems in projects, and educate construction and technical personnel, drawing inferences about other cases from one instance to avoid reoccurrence; establish a case base of construction quality to learn from cases.

Hold quality feedback activities

- Formulate the *Management Measures for Customer Satisfaction Survey* and the *Management Measures for Quality Feedback* and actively hold supervision and review and customer feedback activities in design, general project contracting, construction, etc. to accept the supervision of the owners.



Case

The Group First Won the China Construction Engineering Luban Prize (Overseas Projects)

In December 2019, a turn-key construction project in Atyrau, Kazakhstan concerning combination unit for refinery's oil deep processing, which was undertaken by the Group, won the China Construction Engineering Luban Prize (Overseas Projects). That was the first time that the Group contributed to China's overall export of refining engineering design technology to the Central Asian market. Also, it was an important measure and major achievement made by the Group to actively implement "the Belt and Road", which poses great importance to strengthen the long-term energy cooperation and deepens the friendship between China and Kazakhstan, to make China's refining and chemical technology a "new name card" for the country, and to help the economic and social development of the two countries.



Promotion of Technological Innovation

B6 General Disclosure
B6.3

Innovation is the source of enterprises' survival and development. In 2019, the Group, closely following the development needs of the era, taking the market as its direction, and considering the development needs of the country and the industry, continuously promoted technological innovation and yielded remarkable outcomes, which contributed to the sustainable development of the Company and industry.

Promotion of Technological Innovation

The Group, in accordance with the requirements stipulated in the *Guidance for Scientific and Technological Work* and the *13th Five-Year Plan for Development of Technical Work* (2016-2020) as well as the Company's overall strategic plan of "energy at the first place, innovation driven, global development and value focus", continues to adjust and deepen the target, mission and measures of the Company's technical work, proactively supports national major scientific and technological projects, undertakes major scientific and technological projects entrusted by SINOPEC Corporation, gives full play to professional advantages, studies specialised topics and boosts the development of the industry. Besides, it also continuously strengthens the cooperation with the SINOPEC research institute, pushing the transformation and industrialisation of scientific and technological achievements to move forward.

In 2019, the Group invested RMB2.136 billion in scientific and technological research and development and won 72 awards relating to scientific and technological progress in the Group during the Reporting Period, among which one was the National Science and Technology Advancement Award Second Prize, one the SINOPEC Scientific and Technological Progress Special Prize, one the SINOPEC Technological Invention First Prize, and three SINOPEC Scientific and Technological Progress First Prize, which proved a dramatic improvement in the Company's scientific and technological innovation capability.

The Group invested scientific research and development fund in 2019



2.136 billion RMB

It has obtained all kinds of awards of the group company's scientific development and research in the reporting period: totally



72 times

National Science and Technology Advancement Award Second Prize

- High efficiency catalyst and complete set of technology for dilute ethylene value-added conversion



SINOPEC Scientific and Technological Progress Special Prize

- Green and high-efficiency megaton ethylene complete set technology development and its industrial application

SINOPEC Technological Invention First Prize

- Research and development of key technologies of large-scale variable diameter fluidized bed reactor

SINOPEC Scientific and Technological Progress First Prize (3)

- Complete set of denitration technology for ethylene cracking flue gas
- Innovation and application of key preparation technology of high cost performance hydrogenation catalyst that meets the diesel oil production of National V emission standard
- Complete set of technology for producing ethylene glycol from 200,000 tons/year synthesis gas

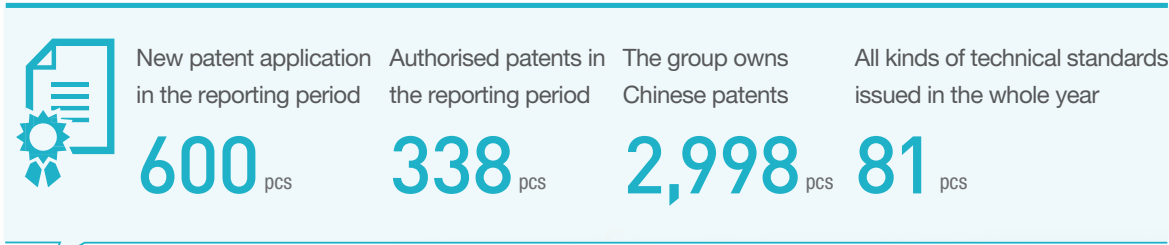
Strengthening of Intellectual Property Protection

The Group strictly conforms to the *Patent Law of the People's Republic of China* and laws and regulations on intellectual property protection where operations are located. The Company has successively issued regulations including the *Management Measures of SINOPEC Engineering (Group) Co., Ltd. for Patents*, the *Management Measures of SINOPEC Engineering (Group) Co., Ltd. for Protection of Intellectual Property Rights*, the *Management Measures of SINOPEC Engineering (Group) Co., Ltd. for Proprietary Technology*, the *Management Measures of SINOPEC Engineering (Group) Co., Ltd. for Classification and Compensation of Classified Technical Personnel*, and the *Management Measures of SINOPEC Engineering (Group) Co., Ltd. for Technical Confidentiality Agreement*, so as to protect the Group's legal intellectual property rights. All these aim

to protect the Company's patents and proprietary technology, raise the confidentiality awareness of technical personnel, and prevent the Company's intellectual property from being infringed.

In 2019, the Company strictly implemented the requirements of "integrated regulation and key technology protection", further strengthened the protection and management of intellectual property rights and improved the pertinence and effectiveness of protecting intellectual property rights in terms of technology isolation, cross-contamination, trace management and thoughts.

During the Reporting Period, the Group has completed 600 new patent applications, authorised 338 patents, owned 2,998 Chinese patents and issued 81 all kinds of technical standards.



Expansion of Overseas Business

In response to the “the Belt and Road”, the Group has been endeavoring to push forward the development of markets alongside it. It has also been making full use of the coordinated advantages of the Company’s industrial, technological and business chains, promoting advanced engineering technology and management concepts, providing customers with technological consultation, feasibility study and financial arrangement, and putting in place the planned “one-stop solution for the whole”, which gave an impetus to the coordinated development of host country’s economy, environment and society and enhanced the international brand image and social reputation of the Company.

During the Reporting Period, the Company has signed 38 new international business contracts with 10 countries and regions in Middle East, Central Asia, South Asia, Southeast Asia, etc. which “the Belt and Road” involves, totaling USD 799 million.

In the Reporting Period, new international business contracts signed in the countries and regions along the Belt and Road

38

In the Reporting Period, the total amount of the new business contracts signed in the countries and regions along the Belt and Road

799 million USD

Total countries and regions along the Belt and Road involved in the project

10



Case

The Company First Won the “Best Practice for Enterprises to Achieve SDGs”, Thus Building an International Image of Responsible Enterprises Directly under the Central Government

On December 13, 2019, the Company first won the Best Practice in Sustainable Development Goals of Target Enterprises (Global Partnerships) honored by the UN Global Compact Network China, which was based on the Company’s 14-year devotion to the Saudi Arabia market. It has always been sticking to the idea of “service, win-win cooperation and integration” and abiding by the ten principles of the United Nations Global Compact, remained committed to promoting China’s “the Belt and Road” and the “Saudi Vision 2030” and economic transformation plan, proactively performing its social responsibility, taking solid steps in improving global partnership and making win-win cooperation come true.





ANTI-CORRUPTION

Anti-corruption

B7 General Disclosure

B7.1

B7.2

The Group seriously abides by laws and regulations against bribery, extortion, fraud and money laundering, including the *Criminal Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Company Law of the People's Republic of China* and the *Interim Provisions on Banning Commercial Bribery*. In 2019, the Group continued to thoroughly perform relevant requirements of the country on combating corruption and upholding integrity and implemented its anti-corruption responsibility. The Group also, through improving supervision reforms, deepened system construction, strengthened risk prevention and control measures, and carried out multi-level anti-corruption education. It has been seen that anti-corruption made good progress. During the Reporting Period, the Group witnessed no lawsuits concerning corruption.

Promote supervision system reforms

Throughout the year, further integrate such supervision resources as discipline inspection, patrol inspection and audit, and establish and continuously improve the "five-in-one" pattern of "general supervision", including, the overall supervision of CPC committees, the special supervision of discipline inspection commissions, the functional supervision of the Party's working and business departments, the daily supervision of grassroots party organisations and units, as well as the democratic supervision of Party members and its staff. By doing so, the Board, management and the staff as well as all the institutions and corresponding personnel exercising operation and management have thus been under supervision.

Boost the building of a risk prevention and control system with integrity

Establish a risk prevention and control system with integrity to conduct risk troubleshooting and sorting for key and sensitive posts, which has identified 53 risk points, namely, six intermediate risk points and 47 low risk points. Also, it has released online key businesses like procurement, contracts and subcontracting of projects for online supervision by discipline supervision departments, and timely investigated, verified and solved problems, if found, after supervision, making every effort to combat corruption.

Improve the system for fighting anti-corruption and upholding integrity

Strictly conform to the regulations including the *Several Provisions on Honest Practice of Leaders of State-owned Enterprises*, the *Regulations on Discipline and Punishment of the Communist Party of China*, and the *Regulation of China Petroleum & Chemical Corporation on Disciplinary Punishment of Employees*. The Company has promulgated two policies in the year including the *Measures for Implementation of Patrol Work of the Party Committee of the Group (Pilot)* as well as the *Regulation on Coordination of the Party Inspection Group and Its Superior Party Committee with Patrol Inspection of the Party Committee of the Group*.

Enhance the efficiency of "general supervision"

Set up a joint inspection team consisting of specialised persons concerning supervision and auditing, project management, material procurement, etc. to jointly supervise key construction projects with large contract amount, short construction period and high risk in prevention and control. This year, the team carried out joint inspections three times, figuring out 240 various problems, accordingly putting forward suggestions for rectification, and urging to implement rectification, thus seeing that the effective standardisation of project management has driven the clean and efficient implementation of projects; meanwhile revised and released the *Working Rules of Supervision Committee of the Group*.

Open a reporting and punishment mechanism

Launch corruption reporting channels available for all, e.g., setting up a reporting mailbox in the office building and making public the reporting telephone number and email address, accept, keep clear about and check reports and feedback in a timely manner for timely, fair and effective solutions; in the meantime, it has, in accordance with relevant confidentiality provisions, imposed strict measures on managing reporting materials and records to protect the interests and personal safety of reporters.

Establish integrity files for leaders

Establish integrity files for middle-level leaders, which contains the integrity undertaking, accountability report, disciplinary punishment and other materials during their performing of duties and keeps them renewed, which will be considered an important basis for promotion, post readjustment, selection of excellent officials and accountability.

Hold education activities for popularizing integrity

Deepen honesty-themed education to upgrade thoughts inside itself from "I am asked to be honest" to "I must be honest". In 2019, the Company compiled the *Stories of Advanced Persons with Honest Practice*, gave full play to the leading role of advanced models with integrity, and encouraged and guided its employees to conduct well, in order to create an ecological environment of cleanness and doing business. The "six ones" learning and education activities for integrity popularisation includes: one special seminar, one activity concerning cartoon interpretation of the *Regulation on Disciplinary Measures for Employees*, one online answering activity, one knowledge competition, one speech themed "praise cleanness & popularise integrity & promote self-development" for young employees, and one collective education activity. The Group has also been devoted to reminding of integrity in time at important occasions and links. During the Reporting Period, about 14,000 staff received anti-corruption education.

Held “Six Ones” Learning and Education Activities for Integrity Popularisation

In 2019, the Company held “six ones” learning and education activities for integrity popularisation, including one special seminar, one activity concerning cartoon interpretation of the *Regulation on Disciplinary Measures for Employees*, one online answering activity, one knowledge competition, one speech themed “praise cleanness & popularise integrity & promote self-development” for young employees, and one collective education activity. By taking these steps, it managed to create a clean atmosphere, guiding all Party officials and staff inside the Group to establish the awareness of upholding integrity.





HARMONIOUS COMMUNITY

Harmonious Community

B8 General Disclosure

B8.1

B8.2

The Group, bearing in mind the concept of “benefiting from the society and serving it in return” as its starting point and target, has established a charity mechanism for helping and supporting the poor, giving financial aids to education and supporting earthquake rescue and relief, serving the community, carrying out public charity welfare activities for poverty alleviation, education donations, etc., and actively organising its staff to participate in volunteer and public welfare activities. It has also expanded the happy space for overseas communities and established a harmonious and win-win relation with the society to realise the integration of social benefit and economic benefit by supporting the development of overseas communities, providing services for overseas communities as well as making charitable donations. In addition, the Group has proactively carried out the activity named “public open day of SINOPEC”, inviting community members to visit the factory for close experience the culture of the Company. In this way it has deepened understanding, eliminated misunderstanding and improved understanding between visitors and itself, innovated a new model and channel for enterprises and the public to communicate, and set a good example and form a demonstration for the industry. During the Reporting Period, the Group has donated RMB1.2368 million to the society in total.

Targeted Poverty Alleviation

The Group, as an important force in eliminating poverty in support of achieving the first centenary goal--building a moderately prosperous society in all respects, has implemented the *Guiding Opinion on Promoting Poverty Relief through Consumption to Deepen Poverty Alleviation* issued by the General Office of the State Council and the *Implementation Plan of SINOPEC on Promoting Poverty Relief through Consumption to Deepen Poverty Alleviation*. Meanwhile, it has innovated its working mode, made full use of its advantages, mobilised all staff to participate in poverty relief through consumption, and cooperated with central agencies to solve problems

found in the process of “production, supply and marketing” of poverty relief through consumption. All this has contributed to increasing production and revenue of the poor and getting rid of poverty. Also, the Group has actively undertaken the task of poverty alleviation. By the end of the Reporting Period, it has invested more than RMB3.1 million in various funds for poverty alleviation, and dispatched 3 cadres for poverty alleviation, which involved various projects like promoting local employment, industrial construction, skills training, scientific and technological demonstration, cultural and educational industries, social assistance, etc.



It has invested more than

3.1 million RMB in various funds for poverty alleviation



dispatched **3** cadres for poverty alleviation



Dispatch Staff to Beat Poverty in Dongxiang County, Gansu Province, China

As the only autonomous county with the Dongxiang minority as the main residents in China, Dongxiang County, Gansu Province, lagged behind in economic and social development and was insufficient in self-development to shake off poverty due to lack of water, sparse vegetation and rare rainfall. On February 3, 2013, General Secretary Xi Jinping visited Dongxiang for directing poverty alleviation work, paying a field-visit to Bulenggou Village at the Gaoshan County, so as to have a deep insight into the production and living conditions of the people. He stated to “draw water, repair roads and build a new countryside”. In response to what Xi said, the Company dispatched Jiao Jianguo as the leader responsible for poverty alleviation to conduct poverty alleviation work in Dongxiang.

To take solid steps in poverty elimination, the Group, which only focused on infrastructure construction in the past, has extended its focus to poverty relief through agricultural science and technology, photovoltaic, consumption and employment, in a bid to help Dongxiang usher into a moderately society in all respects with the whole country at the same time. In 2019, on

top of previous work, we continued to expand the scale of poverty alleviation. It yielded a good harvest after planting 4,470 mu (a unit of area) of quinoa. The Group also supported the construction of quinoa processing workshops to create a complete industrial chain of planting, purchasing, processing, packaging and selling with full efforts which increased production and income of the poor. In the meantime, the Group organised local enterprises in Dongxiang actively in order to participate in a poverty alleviation trade show of SINOPEC in Huairou and an agricultural product production and marketing docking activity in the “three regions and three prefectures” which were defined as poor areas by the Ministry of Agriculture, and proactively promoted agricultural byproducts of Dongxiang, such as Dongxiang Hand-grabbing, babao tea and oil guoguo, thus actively assisting poverty alleviation and income growth there.

From 2018 to 2019, this example was highly praised as a success of poverty alleviation by relevant poverty alleviation offices and People's Daily and Jiao Jianguo was awarded the “outstanding cadre in poverty alleviation” by Linxia Prefecture.



Volunteer Activities

The Group has been always attaching great importance to the construction of spiritual civilisation; has remained committed to carrying out activities of learning from paragons of virtue such as Lei Feng, and promoted social public welfare undertakings. Up to now, it has gathered more than 1,600 volunteers and 120 volunteer groups, which conducted volunteer activities with distinct themes and various forms, in order to have Lei Feng spirit deeply rooted in the cultural construction of corporate social responsibility and thus regarded as an important part of the construction of spiritual civilization.



The Group has totally about

1,600 volunteers



totally about

120 volunteer groups



Case

Caring for Children of Migrant Workers

In November 2019, the Group sent 9 volunteers for activity themed “SINOPEC Warmth” on behalf of itself to the Party and mass service center of Yungushanzhuang to give left-behind children of “May Hope Come” a lively and interesting lesson on petrochemical, providing an opportunity for them to intuitively understand petrochemical, an industry closely relating to their lives. “My clothes are made of petroleum.” “Crayons and pencil sharpeners brought by those brothers and sisters are also from petroleum,” they said. The children rushed to point out the petrochemical products in front of them in the interactive session. Their clear and bright eyes and laugh on the faces were filled with happiness, touching all the volunteers there. Considering insufficient care from parents due to long distance, the volunteers visited them frequently, which better warmed children’s hearts and helped them grow up under care and love.



Case

Aid Zhuting Town, Hunan Province, China

In July 2019, the rain fell for consecutive days in Lukou District, Zhuzhou City, Hunan Province, causing floods in many villages, towns and farmland, as well as mountain torrents, mudslides, etc. When Zhuting Town was reported involved, the Group’s Qianjiang-Shaoguan Gas Transmission Pipeline Project Department immediately responded to dispatch a 15-member rescue team to fight the flood. As the flood turned worse, the team increased its members to 30, instantly carried out rescue work for the people trapped and important materials, and cooperated with local governments to properly resettle the affected people and distribute daily necessities so as to tackle potential problems.



Participation of Overseas Communities

As a large-scale engineering enterprise operating globally, the Group, gives paramount importance to overseas communities' participation, keeps improving the participation mechanism of overseas communities and supporting policies. While expanding overseas businesses, it undertakes international responsibilities of supporting the development of overseas communities, participates in overseas public welfare donations, and establishes a harmonious and win-win relation with them, thus making positive contributions to driving local economic development, social employment and people's well-being, and realising win-win development with inclusiveness.



Case

SINOPEC SAUDI Held a Charity Activity in Ramadan in Cuba

On May 17, 2019, SINOPEC SAUDI held a charity activity in the holy Islamic month of Ramadan in a mosque in Abudulaziz Bin Baz, Kuba, by distributing "special gifts" - food boxes to Muslim friends who break the fast during Ramadan. It is a tradition during Ramadan that Muslims fast from sunrise to sunset due to their religion, and the first meal at sunset is called "vegetarian meal". At 5:00 p.m. on May 17, the leaders and Chinese and foreign staff of SINOPEC SAUDI volunteered to drive to the mosque to deliver and arrange 200 food boxes ordered in advance. At 6:00 p.m., our friends arrived at the place consecutively to receive their gifts and they expressed their sincere gratitude "All ā h bless you" in local language. At 6:30 p.m., nearly 200 friends started to enjoy their meal in order. The activity attracted the attention and interest of many local residents and photography lovers.

For Saudis, Ramadan is not merely an important holiday but also represents love and a sense of social responsibility. 2019 was the second year that SINOPEC SAUDI held this charity activity. Through the activity, the Group has deepened cultural exchanges between China and Saudi Arabia and shortened the distance between them. The success of this charity activity was highly appraised by the China-Saudi Arabia Cultural Exchange Center and the local mosque. SINOPEC SAUDI has fulfilled its social responsibility and further established the corporate image of the Company in Saudi Arabia.



Vision for the Future

As spring goes back, everything is turning to a brand new beginning. 2020 is the concluding year of the “13th Five-Year Plan” (2016-2020) and the key year of beginning higher-quality development and striving for a world-class engineering company. In this new voyage, based on the new historical position and the new era, the Group is going to continue to unswervingly implement the vision of innovative, coordinated, green, open and shared development, carry out the positive interaction between enterprise development and fulfilling social responsibility, deepen management, transform and innovate, seek progress in stability, seize opportunities, ride the wave and deal with challenges calmly.

Strict management is required for quality management and safe operation. The Group will firmly establish the concepts of “life-paramountcy and putting safety first” and “always pursuing higher quality”, stick to the red line of safety and the bottom line of quality, and strictly impose all work measures. We will continue to promote the effective operation of the QHSE system and initially establish an overseas QHSE management system to guide the safe production of overseas projects; ensure risk control measures for safety in place, implement the responsibilities of staff at all levels, and continue to achieve hierarchical control and dynamic management; strengthen the management of subcontractors, carry out comprehensive system audit, and establish an evaluation mechanism with effective operation; conduct regular supervision for enterprise safety, and adopt various methods to check and supervise projects in an all-round way; rectify the operation problems of major projects and enhance its ability to handle emergencies. All these are done to pursue quality management and put the Group's quality and safety under control.

Green development is required to effectively utilise resources. The Group will keep sticking to the green development strategy, implement relevant laws, regulations and policies, and advocate the “Green Enterprise Action Plan” which demands all departments to build green construction sites and a green enterprise in all respects when carrying out their subordinate projects and to arrange staff for supervision and review, endeavoring to complete more than 30% of green construction sites by the end of 2020. During project construction, we will adhere to green development route, optimise business layout, promote industrial upgrading and build us as a green brand; continue green production, reduce pollutant emissions, prevent soil and water pollution, effectively control construction noise and other pollution, and deal with solid and hazardous waste; provide green services, reinforce the design concept of resource recycling, uphold the concept of green procurement, and build green

construction sites; strengthen green technology, develop green craft and technology, upgrade technology measures for green construction and establish an integrated management and control system. Meanwhile, the Group will continuously carry out green technological innovation, concentrate on the organisation and technical support of technical breakthroughs, and improve design and construction technology, thus actively driving itself to march towards a world-class engineering company.

The mission is to keep fulfilling corporate social responsibility. The Group will stick to international development alongside the “the Belt and Road”. Meanwhile, the Group shall comprehensively promote the team building composed of various talents and continue to set up a platform for the development of the Group and its staff through multilevel cultivation of talents, assisting staff in rapid self-development, expanding their development space, and realising the development of themselves and the Group as a whole. We will also focus on the health and safety of staff, impose measures on public security and personal health, and avoid any accidents concerning the health and safety of staff, so as to continuously enhance the management of their health and safety. We will keep in mind the concept of “benefiting from the society and serving it in return” as our starting point and target, and engrave the mission of state-owned enterprises as usual, serve the community, carry out public welfare activities for poverty alleviation, education donations, etc., and actively organise our staff to participate in volunteer and public welfare activities. In the meantime, we will expand the happy space for overseas communities, establish a harmonious and win-win relation with the society and realise the integration of social benefit and economic benefit by supporting the development of overseas communities, providing service for overseas communities as well as supporting public welfare undertakings.

It is the spring of hope. In 2020, we will always stick to the leadership of the CPC. Besides, we will also adhere to sustainable development, seize opportunities and remain practical, shoulder responsibilities and forge ahead, and focus on enhancing the core competitiveness in project construction of petrochemical engineering, in an effort to contribute first-class quality projects to China and the world with all endeavors. The Group will always forge ahead as a whole, remain true to our original aspiration and keep our mission firmly in mind while closely uniting all its members to deepen technological innovation, promote harmonious and sustainable development of economy, society and environment, and continuously march towards the goal of building a world-class engineering company.

Appendix

ESG Index

Classification	Content	Disclosure Media
A1 Emissions	General disclosure Those involve the emission of waste gases and greenhouse gases, the discharge of pollutants into water and land, and the generation of hazardous and harmless wastes:	P18
	(a) Policies; and	
	(b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
	A1.1 Type of emissions and relevant emission data.	P19
	A1.2 Total emissions (ton) and density (if applicable) (calculated on basis of each generation unit or each facility) of greenhouse gases.	P19
	A1.3 Total amount (ton) and density (if applicable) (calculated on basis of each generation unit, each facility, each official employee) of hazardous wastes.	P19
	A1.4 Total amount (ton) and density (if applicable) (calculated on basis of each generation unit, each facility, each official employee) of non-hazardous wastes.	P19
A2 Use of resources	A1.5 Description of measures for emission reduction and corresponding results.	P19, P23
	A1.6 Description of measures of disposing of hazardous and non-hazardous wastes and emission reduction and corresponding results.	P18
	General disclosure Policies of effective use of resources (including energy, water and other raw materials).	P20
	A2.1 Total consumption (in 1,000 kwh) and density (calculated on basis of each generation unit or each facility) of direct and/or indirect energy by type (e.g. electricity, gas or oil).	P21
	A2.2 Total water consumption and density (calculated on basis of each generation unit or each facility).	P21
	A2.3 Description of benefit plans for use of energy, and corresponding results.	P21, P23
	A2.4 Description of any problem in gaining applicable water sources, benefit plans for improvement of water use and corresponding results.	P21
A3 Environment and natural resources	A2.5 Total amount (ton) of packaging materials used for finished goods and amount per generation unit (if applicable).	Not Applicable
	General disclosure Policies on reduction of significant impacts caused by the issuer on the environment and natural resources.	P22
	A3.1 Description of significant impacts of business activities on the environment and natural resources, and actions that have been taken on control of relevant impacts.	P22
B1 Employment	General disclosure Those involve remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other treatment and benefits:	P25
	(a) policies; and	
	(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
B2 Health and safety	B1.1 Total numbers of staff by sex, type of employment, age and region.	P25
	B1.2 Loss rates of employees by sex, age and region.	P25
	General disclosure Those involve access to a safe working environment and protection of staff from occupational hazards:	P31-P35
	(a) Policies; and	
	(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
B2 Health and safety	B2.1 Number and ratio of deaths due to work.	Recommended disclosure, to be disclosed in the future
	B2.2 Number of working days lost due to work injury.	Recommended disclosure, to be disclosed in the future
	B2.3 Description of occupational health and safety measures adopted, and corresponding implementation and inspection methods.	P31-P35

Classification	Content	Disclosure Media
B3 Development and training	General disclosure	
	Policies for improving staff's knowledge and professional skills in performing their duties and description of training activities.	P27
	B3.1 Proportion of employees to be trained by sex and type (e.g. senior management, middle management).	P28
	B3.2 Average hours for completion of training for each employee by sex and type.	P27
B4 Labour standard	General disclosure	
	Those involve prevention of child labor or forced labor:	
	(a) Policies; and	P26
	(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
	B4.1 Description of measures for review of recruitment practices to prevent child and forced labour.	P26
	B4.2 Description of steps taken to eliminate any breach of regulation discovered.	P26
B5 Supply chain management	General disclosure	
	Environmental and social risk policies for managing supply chains.	P37-P38
	B5.1 Number of suppliers by region.	P38
	B5.2 Description of customary practices on employment of suppliers, number of suppliers subject to practices and implementation and inspection methods for such practices.	P38
B6 Product responsibility	General disclosure	
	Those involve health and safety, advertising, labeling and privacy and remedies of products and services provided:	P40, P10
	(a) Policies; and	
	(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
	B6.1 Percentage of products to be recycled due to safety and health matters in all products that have been sold or delivered.	Not Applicable
	B6.2 Number of complaints on products and services and corresponding responses.	P40
	B6.3 Description of customary practices on safeguarding and protection intellectual property rights.	P43
	B6.4 Description of quality inspection procedures and product recycling process.	P40-P41
	B6.5 Description of protection of consumers' information and privacy policies, and corresponding implementation and inspection methods.	P10, P43
B7 Anti-corruption	General disclosure	
	Those involve the prevention of bribery, extortion, fraud and money laundering:	
	(a) Policies; and	P46
	(b) information on compliance with relevant laws and regulations that have a significant impact on the issuer.	
	B7.1 Number of corruption lawsuit cases against the issuer or its employees during the reporting period that have been prosecuted and closed and the lawsuit results.	P46
	B7.2 Description of preventive measures and reporting procedures, and corresponding implementation and inspection methods.	P46
B8 Community investment	General disclosure	
	Policies for understanding the needs of the community under operation and ensuring the interests of the community taken into consideration in its business activities through community participation.	P49
	B8.1 Category of devotion and contribution (e.g. education, environmental matters, labour demands, health, culture and sports).	P49-P52
	B8.2 Resources used for category of devotion (e.g. money or time).	P49-P52

Reader's Feedback Form

Thank you for reading the Group's *Environmental, Social and Governance Report* for the year of 2019. To strengthen communication with you and other stakeholders and continuously improve the Group's performance of environmental and social responsibility as well as preparation of social responsibility reports, we would appreciate it if you share your opinions and suggestions with us. Look forward to your feedback in the following methods:

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Please fill in this feedback survey of this Report:

1. What is your overall evaluation?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

2. What is your impression on the clarity, accuracy and completeness of the information and data?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

3. What is your impression on the comprehensiveness of the economic responsibility undertaken by the Group?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

4. What is your impression on the comprehensiveness of the environmental responsibility undertaken by the Group?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

5. What is your impression on the comprehensiveness of the social responsibility undertaken by the Group?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

6. What is your impression on the convenience of the design and typesetting?

☐ Excellent ☐ Good ☐ Fair ☐ Bad

7. Which part needs improvement most?

☐ Governance ☐ Safety ☐ Service ☐ Supply Chains ☐ Staff ☐ Environment ☐ Society

8. Is there any content that you are interested in but has not been disclosed yet? Please write it down here if there is any:

9. Comments and suggestions on the Group's social responsibility and report preparation:



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This report is made of environmental paper