



**Sinopec Oilfield Service Corporation**

**2023 Environmental, Social, and  
Governance (ESG) Report**

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## About the Report

### Scope of the Report

The 2023 Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "ESG Report") of Sinopec Oilfield Service Corporation (hereinafter referred to as "Sinopec Oilfield Service" or the "Company" or "we") aims to give an objective and fair view of the management performance in the aspects of environmental, social and governance of the Company. For details of the governance part, please read in conjunction with the section "Corporate Governance" in *Sinopec Oilfield Service Corporation Annual Report 2023*, which will help readers understand the Company more comprehensively.

Unless otherwise specified, the scope of the Report includes Sinopec Oilfield Service Corporation and its subsidiaries, with the reporting period of the Report being from 1 January 2023 to 31 December 2023 (hereinafter referred to as the "Year" or the "Reporting Period"). In order to enhance the comparability and completeness of the Report, part of the disclosure also covers other time periods.

### Explanation of the Report

The Report has been prepared mainly pursuant to Appendix C2: *Environmental, Social and Governance Reporting Guideline* to the *Main Board Listing Rules of The Stock Exchange of Hong Kong Limited* (hereinafter referred to as "Hong Kong Stock Exchange" or the "Stock Exchange"), and *Chapter 8: Social Responsibility of The Guidelines No. 1 for the Application of Self-Regulation Rules for Listed Companies-Standardized Operation* of the Shanghai Stock Exchange.

The information and cases in the Report are extracted from the original records of the actual operations of Sinopec Oilfield Service Corporation and its subsidiaries. The Report is published in three languages: Simplified Chinese, Traditional Chinese and English. In case of discrepancy between the texts, please refer to the simplified Chinese version. The electronic version of the Report can be downloaded from and read on the official website of Sinopec Oilfield Service, the official website of the Shanghai Stock Exchange and the website of the Hong Kong Stock Exchange.

### Responses to Reporting Principles

**Principle of Materiality:** We have conducted stakeholder engagement, identified material issues, and defined the content and scope of the Report with reference to our identified results in compliance with the requirements of the *Environmental, Social and Governance Reporting Guideline* of the Hong Kong Stock Exchange. For specific details, please refer to the "Communications with Stakeholders and Assessment of Importance of Key Issues" of the Report.

**Principle of Balance:** The Report includes the disclosures of both positive and negative information, which ensures an impartial report on the ESG performance of the Company during the Reporting Period in its content.

**Principle of Quantitative:** The scope of data and the calculation methods employed in the Report have been indicated herein.

**Principles of Consistency:** Unless otherwise specified, the extent of disclosures of the Report has not been significantly adjusted as compared with that of the ESG Report of the previous year, and consistent disclosure and statistical methods have been used.

## Confirmation and Approval

The Report was approved by the nineteenth meeting of the Tenth Board of Directors on 26 March 2024 upon confirmation by the management.

### Board's Statement

Sinopec Oilfield Service Corporation is keenly aware of the importance of exceptional ESG management to the Company, and continuously strives for improvements of ESG management. Acting as the highest responsible and decision-making body for ESG matters, the Board of Directors of the Company mainly performs the overall ESG-related management of the Company, and is responsible for monitoring and coordinating the management of ESG-related risks. The Board of Directors takes full responsibility for the Company's ESG strategy and reporting.

The Company assesses the materiality of environmental, social and governance issues on a regular basis. The specific assessment process and results are outlined in detail in the subsection of "Communications with Stakeholders and Materiality Assessment of Substantive Issues" in the Annual ESG Report of the Company. The Board of Directors of the Company has assessed the potential impact and opportunities of ESG issues on the Company's overall strategies and reviewed the results of the materiality assessment of the ESG issues. The Board of Directors has gained a good understanding of the ESG-related issues of the Company and confirmed the current ESG-related management policies and ESG management concepts. Details of the Company's ESG issues concerning safe operation, green development, quality assurance, responsible operation, employee care and better society have been disclosed in detail in the Report.

The Board of Directors has continuously strengthened the supervision and participation in the ESG governance of the Company and reviewed the achievements of the ESG environment-related goals set by the Company. This Year, the Company has successfully achieved the goals in relation to greenhouse gas emissions, energy use efficiency, water conservation and waste management for 2023. In the meantime, the Company has set relevant environmental goals for 2024 based on its own development status which have been reviewed by the Board of Directors, in order to realize the Company's vision for sustainable development.

## Environmental, Social and Governance Management System

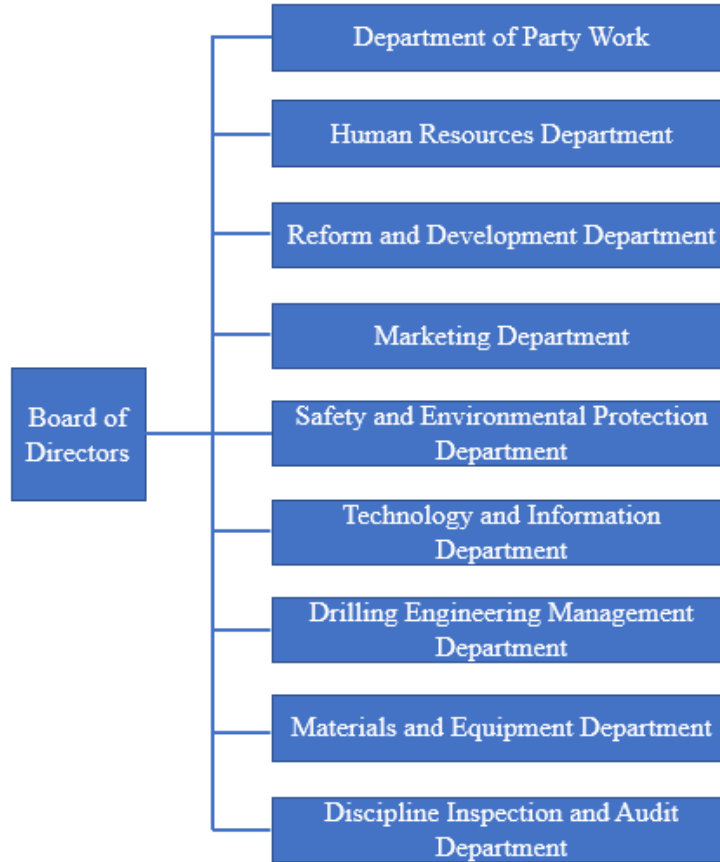
### ESG Philosophy

Sinopec Oilfield Service Corporation actively fulfills its corporate social responsibility, and ensures compliance with relevant laws and regulations in daily operations. Meanwhile, it implements the development strategy of "specialization, marketization, internationalization, high-end orientation, specialization", and practices the development philosophy of "serving customers, supporting oil and gas, taking the lead in technology, creating value", to fulfill its commitment to building a world-class tech-orientation oil service company.

We continue to improve corporate governance and integrate our environmental, social and governance philosophy into our corporate values, unswervingly moving forward to the path of sustainable development. We insist on paying heed to the health and safety of employees and provide a high-quality working environment for them. We value project quality control, pursue the goal of "zero injury, zero pollution, and zero accidents", achieve the economical use of materials and energy, lower waste emissions and minimize our damages to the environment, in order to achieve not only safe operation, but also green and low-carbon development with our endeavors.

### ESG Management Structure

The Company proactively improves its ESG management system, and continues to promote the orderly implementation of its ESG management. The Board of Directors of the Company assumes ESG-related responsibilities and is responsible for the formulation of the overall ESG strategy, the assessment of major ESG-related matters, and the regular review of the Company's ESG-related performance. The Company has established an ESG management organization structure, covering the Department of Party Work, Human Resources Department, Reform and Development Department, Marketing Department, Safety and Environmental Protection Department, Technology and Information Department, Drilling Engineering Management Department, Materials and Equipment Department, and Discipline Inspection and Audit Department. Each department in relation to ESG issues shall be responsible for promoting the implementation of ESG matters and conducting regular reporting to the Board of Directors at the Board of Directors' request.



## Honorary Awards

In 2023, the Company has successively won the following numerous ESG-related honors, demonstrating the high recognition we have received in the capital market in relation to the Company's ESG information disclosure and management:

- Awarded the 2023 "Top 100 Listed ESG Companies in China" by STCN;
- Achieved Grade A in Wind ESG Rating;
- Awarded the "2023 Excellent Practice of the Board of Directors of Listed Companies in China" by the China Association for Public Companies;
- In the selection of the 2023 Top 100 Companies in Beijing held by Beijing Enterprise Federation and Beijing Enterprise Directors Association, ranking 28th among the list of "2023 Top 100 Companies in Beijing", ranking 46th among the list of "2023 Top 100 Listed Companies in Beijing", and ranking 47th among the list of "2023 Top 100 Companies in Beijing-Tianjin-Hebei Region".

## Communications with Stakeholders and Assessment of Materiality of Key Issues

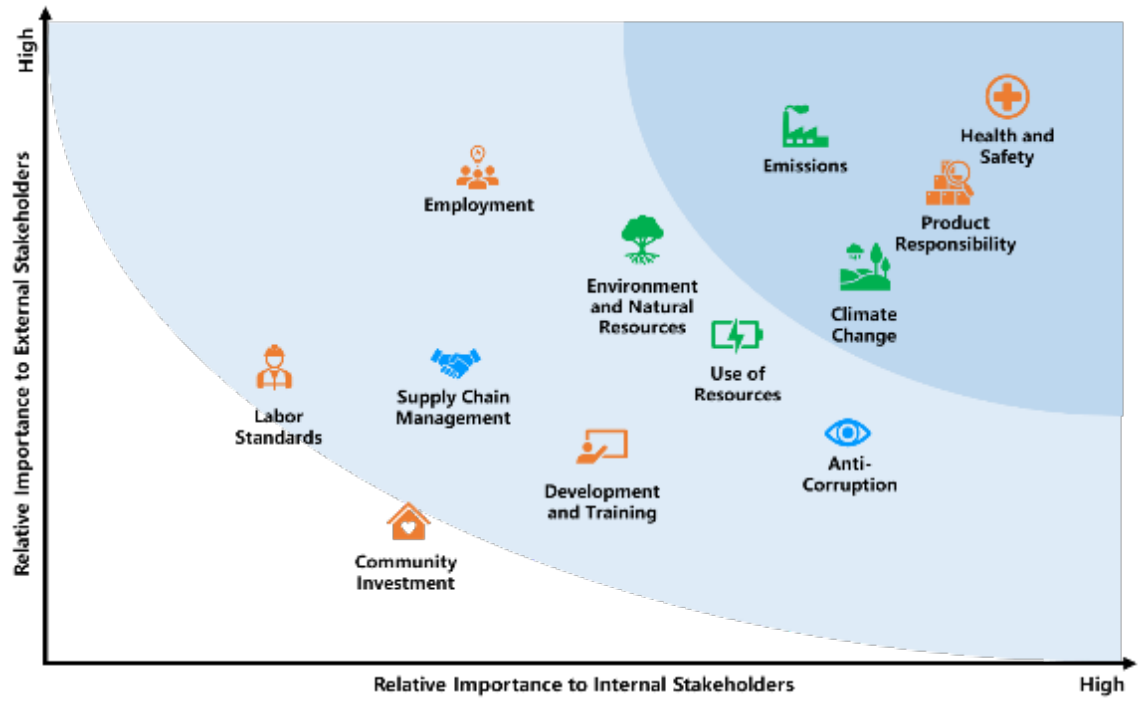
The Company continues to enhance its environmental, social and governance management. We have identified the major stakeholders, including government and regulatory agencies, shareholders and investors, customers, employees, suppliers, partners, communities and the public. In the process of ESG management, the Company constantly improves the communication mechanism to maintain good communication

with major stakeholders through multiple channels, deepens the understanding of the requirements of various stakeholders, and responds to the expectations and demands of stakeholders in a timely manner, in order to consolidate the mutual benefit and win-win results.

<b>Summary of major communication channels and concerns of stakeholders of Sinopec Oilfield Service</b>		
<b>Stakeholders</b>	<b>Communication channels</b>	<b>Topics of concern</b>
<b>Government and regulators</b>	Important conferences, Policy advisory, Case report, Inspection, Documents exchange, Information disclosure	<ul style="list-style-type: none"> <li>• Operation compliance</li> <li>• Corporate governance</li> <li>• Environmental management</li> </ul>
<b>Shareholder and other investors</b>	Shareholders' meeting, Periodical report, Interim report	<ul style="list-style-type: none"> <li>• Profitability</li> <li>• Operating strategy</li> <li>• Transparent disclosure</li> </ul>
<b>Clients</b>	Client visits, Client satisfaction survey	<ul style="list-style-type: none"> <li>• Service quality</li> <li>• Information security</li> </ul>
<b>Employees</b>	Employee satisfaction survey, Employee activity, Employee training, Internal publication	<ul style="list-style-type: none"> <li>• Salary and welfare</li> <li>• Development and training</li> <li>• Occupational health and safety</li> </ul>
<b>Suppliers</b>	Supplier identification, Communication meeting	<ul style="list-style-type: none"> <li>• Fair cooperation</li> <li>• Honest agreement</li> </ul>
<b>Partners</b>	Strategic cooperation talks, Bilateral talks	<ul style="list-style-type: none"> <li>• Fair cooperation</li> <li>• Honest agreement</li> <li>• Joint development</li> </ul>
<b>Community and the public</b>	Public benefit activities, Community activities, Recruitment talks, Opportunity of internship	<ul style="list-style-type: none"> <li>• Community relationship</li> <li>• Employment promotion</li> <li>• Community investment and public welfare</li> </ul>

The Company maintains communications with stakeholders through multiple channels. Based on the received feedback and the actual operation circumstance of the Company, we have summarized the stakeholders' focus on the Company's ESG fields. The key ESG issues identified by the Company include "health and safety", "product responsibility", "emissions", and "climate change", whereas the related topics include "environment and natural resources", "use of resources", "employment", "development and training", "labor standards", "supply chain management", "anti-corruption" and "community investment". We will respond to the content of each topic separately in the Report.





## Safe Operation

Upholding the concepts that "HSE<sup>1</sup> is the top priority" and "all accidents are preventable and avoidable", the Company unceasingly reinforces its safe production management through its continuous efforts in propelling and improving the HSE management system infrastructure, in order to provide a healthy, safe, environmentally friendly and comfortable working environment for the employees.

## Safety Management System

The Company attaches great importance to the construction of the HSE system. Adhering to the HSE policy of "people-oriented, safety first, prevention-prioritized and comprehensive governance", the Company actively promotes the operation of the HSE management system infrastructure and regulates the safety production system of the enterprise in a comprehensive manner.

The Company never ceases to identify and strictly observe relevant national laws and regulations. Taking into account the standards of national management systems including the *Occupational Health and Safety Management Systems – Requirements with Guidance for Use GB/T 45001*, and in accordance with relevant requirements of China Petrochemical Corporation (Group Company), the Company continued to strengthen its HSE management system infrastructure. We formulated the HSE management system manual and the enterprise-level management system, and clarified the management process to ensure the systematization, adaptability and effectiveness of the system documents. We have set up not only the HSE Committee but also the HSE Committee Office for Sinopec Oilfield Service and its 11 subordinate companies, respectively, where safety supervisors are assigned to. Following the concept of "Three Managements and Three Musts" under the principle of "industry management, business management, production and operation management must encompass safety management", we have reasonably adjusted the monitoring indicators of multiple HSE elements, established a working mechanism for monitoring, reporting, analysis and improvement of key elements, and gradually integrated the HSE management system into the daily management of various business departments.

In addition, we continue to strengthen the internal audit for our safety management system, and promote the construction of the safety management system at all levels:

- The Company held three publicity and training sessions at the enterprise level, professional business unit level and grassroots unit level throughout the year, with over 20,000 employees attending, creating a pleasant environment featuring "learning, understanding of, and compliance with the system";
- Organized 13 training sessions for HSE management system auditors, with a total of 905 system auditors and system element administrators attending, laying a solid foundation for the sound operation of the HSE management system.

### **Full-factor Matrix Audit**

In 2023, the Company organized and conducted its annual full-factor matrix audit. Adhering to the principle of "returning to universal elements in professional

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<sup>1</sup> HSE: Health, safety and environment.

management and embodying universal elements with professionalism", we organized the audit on a total of 10 subordinate companies, 33 professional operating units, as well as 144 grassroots units (including logistic yards). Through such an audit, we have further enhanced the concept of systematic management of all staff and optimized professional safety management. It has also standardized the operation of the enterprise system infrastructure, through which it has accumulated valuable experience for its upcoming full-factor audit and special audit of key elements.



▲ Auditing on working sites

## Production Safety Management

With the strict compliance with the requirements of laws and regulations including the *Production Safety Law of the People's Republic of China* and the *Special Equipment Safety Law of the People's Republic of China*, as well as those where our overseas operations are located, the Company regards safe production as its core enterprise value which is put in place in every aspect and sector of its production and operation. The Company reinforces the construction of safety and leadership, further promotes the requirements of "Three Managements and Three Musts", and continuously deepens its efforts in the "Three Fundamentals"<sup>2</sup>, in order to strive for the improvement in safety in its essence.

## Management and Security

Attaching considerable importance to the production safety management across its petroleum engineering construction sites, the Company formulated and conscientiously implemented systems including the *Ten Measures for Strengthening the Safety Management of Direct Operations*, the *Management Measures of Safety Score for All Staff*, and the *HSE Responsibility System* in order to continuously promote the standardized construction of on-site safety management.

The Company clarifies the responsibilities of its management and employees from different business departments at all levels in relation to safe production. With the

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<sup>2</sup> "Three Fundamentals": fundamental construction, fundamental work and fundamental function training

adoption of a cascade supervision model to address various safety production risks, we have implemented the assessment and accountability system in relation to our safety performance at all levels, broken down and implemented HSE responsibilities to relevant positions, and clarified the scope of responsibility of the person-in-charge. We have formulated safety production assessment standards, regularly conducted assessments, and incorporated the results into our employees' performance assessments to effectively promote on-site safety management.

During the Year, with the continuous use of its production video monitoring system platform, the Company has conducted video monitoring of all construction and operation sites of its subsidiaries. Also, the Company and its subsidiaries have arranged production, technology, equipment, safety and other professional management personnel to conduct regular video monitoring and safety observations, which has helped not only to timely discover potential safety hazards on our operation sites, but also to rectify and stop any unsafe practice of our employees. During the Year, all units of the Company have carried out safety observations for a total of 96,542 times, reported 23,564 potential hazards in total with a 100% rectification rate in potential hazards.

In 2023, the Company continued to carry out inspection and supervision under the principle of "Four Nos and Two Directs"<sup>3</sup>, innovatively conducted on-site inspections, and selected 52 on-site supervisors to supervise all domestic industrial areas and drilling and workover teams to achieve the goal of "three full coverages". The Company has conducted domestic supervision over 629 teams and 47 logistics yards, reported 2,585 potential violations and hazards as well as 181 environmental issues, and issued 53 notices for shutdown for rectification.

The Company continuously carried out investigation and rectification for the "five underperformances and unreliaables", reporting a total of 887 rectifications including "underperformed and unreliable employees, equipment and facilities, subcontractors, rules and regulations, environmental factors". The underperformed and unreliable employees were directly returned to the "talent pool", the underperformed and unreliable equipment and facilities were overhauled and replaced, and the underperformed and unreliable subcontractors were included into a "blacklist". The Company revised and improved the underperformed and unreliable rules and regulations and effectively implemented rectification for the underperformed and unreliable environmental factors.

### Emergency Control

Strictly complying with laws and regulations including the *Emergency Response Law of the People's Republic of China*, as well as those where our overseas operations are located, the Company continues to improve its emergency management command system, reinforce the emergency mechanism and capacity building, standardize emergency procedures, and promote the building of its on-site emergency control capabilities.

Based on the integrated cloud platform (ICP), the Company leveraged three sets of systems, namely the production operation system, the well-bore business integration platform and

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<sup>3</sup> "Four Nos and Two Directs" refers to: no prior announcement, notice, report, escort nor reception, and go direct to the frontline and the sites. Originally from the unannounced inspection and visit system regarding safe production established and implemented by the State Administration of Work Safety in September 2014.

the production video monitoring mechanism, forming an emergency command and management system with top-to-bottom linkage among the emergency command centers of subordinate companies, effectively improving the speed of emergency response and the efficiency of emergency incident handling.

In 2023, the Company carried out corresponding work in relation to its emergency response to sudden natural disasters. To effectively respond to the sudden cold weather and blizzard in North China in December, the Company conducted supervision over the shut-down of its 46 drilling teams, 1 project department, 2 workover teams, 13 projects, and 16 logging and perforating tasks, which effectively supervised and urged the implementation of preventive measures on our operation sites and ensured safe production during the winter.

### Safety Education

The Company actively promotes safety education for all employees and pays close attention to the top-level design of safety training. The Company further standardizes the operation of the frontline employees by developing a training matrix for 54 posts of 8 types of work (including oil drillers) and compiling video materials for standardized operations such as *Handbook on Receiving Investigation and Inspection on Drilling and Workover Site* and *Safety Education on Drilling Site Admission*. In 2023, the Company organized a training demonstration class for heads, team leaders and safety officers of frontline units to improve the professional skills and safety management capabilities of personnel in key positions through the publicity of laws and regulations, experience sharing of incidents and cases, as well as job operations. A total of 205 people participated in the training. In order to consolidate the achievements of safety education, the Company held the first frontline safety officer competition for the petroleum engineering section. 9 people were awarded individual gold, silver and bronze prizes, and 5 teams were awarded team gold, silver and bronze prizes.

#### **Demonstration training class on well-control technology**

In recent years, with the implementation of the "Shendi Project" in the Northwest and Southwest industrial area, the problem of "high temperature, high pressure and high sulfur content" has become prominent, with a relatively high risk of well control in the construction process. In order to further improve the safety of well control in its essence and enhance the capabilities of personnel in key positions of the construction team, the Company held two demonstration training classes for key well control personnel in the Southwest industrial area and Northwest industrial area respectively, with a total of 400 people involved, including 229 professional and technical personnel and 171 operators in key positions.



▲ Demonstration training class on well control technology for personnel in key positions in Southwest industrial area

In order to continuously raise the safety awareness of all employees, the Company conducts regular practical drills to improve its emergency plans and emergency response capabilities.

#### **Joint drill for well control and fire hazard**

In June 2023, the Company conducted a joint on-site drill for well control and fire hazard, simulated the emergency of sudden well kick and fire on the drilling floor in the drilling construction process. Such drill focused on the evacuation of staff and emergency disposal, which not only further standardized our well control and fire emergency reporting and disposal process, but also enhanced our practical well control and emergency response capabilities.



▲ Joint drill for well control and fire hazard

## Key Performance

In 2023, there were 3 fatal accidents<sup>4</sup> of worker in the Company. Over the last three years, the number of work-related deaths, ratios<sup>5</sup> and working days lost due to work-related injury per year are as follows:

Year	Employee Death (Person)	Employee Death Rate (%)	Number of working days lost due to work-related injuries (days)
2023	3	0.0047	341
2022	1	0.0015	838
2021	1	0.0014	543

## Empowerment through Technical Innovation

Information and technology construction is one of the core factors to enhance safety in its essence. The Company steps up efforts to promote internal scientific and technological information and actively carries out scientific and technological innovation activities with the aim to further improve the Company's production safety with technological strengths.

The Company has established the safety technology exchange platform for its headquarter and its subordinate companies and organized and released the 12th edition of the "Safety Technology Information of Petroleum Engineering" with contents including the domestic and foreign petroleum engineering safety technology trends, corporate safety technology, equipment innovations and safety standardization information, which has promoted the exchange of frontline safety technology information.

During the Year, the Company initiated a number of safety technology innovations and applications, such as "grouting buffer device", "belt hanger for drilling floor", "liftable guard railing for grey tanker roofs", "integral lifting device for blowout preventer stacks", "adjustable lift bracket for BOP manual lock lever" and "misconnection prevention method for liquid control line of BOP" and other technology research projects, providing more comprehensive protection for safe production.

### **Development of an integral lifting device for blowout-preventer stacks**

In 2023, the Company's intelligent information technology R&D team successfully developed the integral lifting device for blowout preventer stacks to address the potential safety hazards of lifting the stack when replacing the wellhead. New technology is adopted for the development of the device to meet the overall on-site lifting requirements of the blowout preventer stack. The integral device stack has

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<sup>4</sup> The work-related deaths occurred this year are related to failure to operate in accordance with the operating rules, and were dealt with in strict accordance with the *Regulations on the Management of Production Safety Accidents of Sinopec Group*. After the accident, the Company immediately conducted on-site emergency disposal, set up an accident investigation team to investigate and deal with the cause of the accident, and came up with solutions from the aspect of construction technology and management based on the cause of the accident to ensure the problem to be properly solved. Besides, we also held an emergency meeting to inform the accident and carried out investigation and rectification throughout the Company to avoid similar accidents from happening.

<sup>5</sup> Calculated by dividing the number of deaths due to work-related injury by the total number of employees at the end of the Year.





	<ul style="list-style-type: none"> <li>• Provide occupational health management personnel to instruct employees on the proper use of labor safety products.</li> <li>• Organize special inspections of labor safety products</li> </ul>
<b>Employee Health</b>	<ul style="list-style-type: none"> <li>• Organize regular medical checkups for all employees, occupational health checkups for personnel in hazardous positions, and provide EAP services such as mental health counseling.</li> <li>• Carry out health condition assessment and adjust the positions of those with health abnormalities such as occupational contraindications.</li> <li>• Formulate "one person, one plan" health intervention programs for high-risk personnel and follow up and monitor them.</li> </ul>
<b>Emergency Response</b>	<ul style="list-style-type: none"> <li>• Formulate internal systems such as emergency plans for construction work and guidelines for the provision of emergency medicines and equipment.</li> <li>• Configure emergency medical treatment and rescue equipment, and equip automatic external defibrillators (AEDs) in places with conditions.</li> <li>• Provide qualified medical personnel in large-scale living camps and large-scale project departments that are far away from medical institutions.</li> </ul>
<b>Training and drills</b>	<ul style="list-style-type: none"> <li>• Carry out various types of occupational health training</li> <li>• Organize occupational health emergency plan drills to improve employees' ability and level of emergency response.</li> </ul>

During the Year, aiming to further reduce the occurrence probability of incidents hazardous to employees' health and safety, the Company compiled the *Control List of High-risk Diseases on the Field Construction Sites of Petroleum Engineering* based on health hazard factors, the interactive effect of posts and diseases, and by giving full consideration to the special working environment, special operations and special labor requirements. The Company put forward control measures for high-risk diseases not suitable for field construction, such as Grade 3 hypertension and uncontrolled hypertension, chronic obstructive pulmonary disease and lower pulmonary function caused by pulmonary heart disease, heart disease and obvious abnormality of electrocardiogram, chronic nephritis and diabetes.

## Green Development

The Company has earnestly implemented the requirements of relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, as well as those where our overseas operations are located, and continued to improve its internal environmental management policies and systems, such as the *HSE Management System for Petroleum Engineering Company*. The Company has responded positively to the government's call for "focusing on the harmony between humanity and nature in planning China's development", and comprehensively promoted green and low-carbon operation. With its perseverance in the pursuit of the concept that "lucid waters and lush mountains are invaluable assets", the Company is committed to implementing the concept of green development in its entire business process. The Company continuously improves the cleanliness of its construction sites, optimizes and deepens the cleaner production model, reduces the consumption of energy and resources, and practices the action of "carbon peaking and carbon neutrality", so as to effectively reduce the Company's business impact on the environment.

## Responses to Climate Change

The Company has periodically identified and evaluated climate risks and opportunities in combination with climate change scenarios and its own business segments. It has also formulated the action plan of "carbon peaking and carbon neutrality" to continue promoting the cleanliness of fossil energy, the mass production of clean energy and the low carbonization of the production process. By controlling the intensity and total amount of carbon emissions year by year, we strive to reach the peak by 2030 and achieve net zero emissions in 2050, so as to fully achieve carbon neutrality.

The Company continues to identify and evaluate the risks and opportunities of climate change with reference to the Guideline on the Task Force on Climate-Related Financial Disclosure (TCFD). During the Year, the main risks we identified include:

Risk category		Risk description	Countermeasures
<b>Physical risks</b>	Acute risks: Extreme weather such as typhoons and heavy rains	<ul style="list-style-type: none"> <li>• Damage to construction sites, office buildings and equipment, causing asset losses;</li> <li>• Abnormal production affected by equipment damage, employees' inability to work, transportation interruption, etc., affecting stable production.</li> </ul>	<ul style="list-style-type: none"> <li>• Formulate emergency response plans for natural disasters, and continuously improve the emergency response mechanism for natural disasters;</li> <li>• Identify potential asset damage and purchase necessary insurance.</li> </ul>
	Chronic risks:	<ul style="list-style-type: none"> <li>• The rising temperature will require the</li> </ul>	<ul style="list-style-type: none"> <li>• Apply more energy efficient refrigeration equipment;</li> </ul>

	Continuous high temperature, drought, etc.	<p>Company to equip more refrigeration equipment, increasing its energy consumption and operating costs;</p> <ul style="list-style-type: none"> <li>• Employees may not be able to work outdoors for a long time during the hot season, which affects its operational efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Scientifically arrange production plans, deploy production organizations carefully, and improve operational efficiency.</li> </ul>
<b>Transition risks</b>	Policy and legal risks	The government may introduce more stringent policies and regulations to mitigate climate change, which may increase the workload of business compliance, and the number of related lawsuits or claims.	Closely monitor changes in environmental laws, regulations and policies and respond in a timely manner.
	Technical risks	Failure in identifying relevant risks and applying low-carbon technologies in a timely manner, resulting in the low-carbon transformation of products falling behind industry peers and affecting the efficiency of low-carbon transformation.	<ul style="list-style-type: none"> <li>• Increase the proportion of new energy use and actively carry out cooperation with peers;</li> <li>• Research new cooperation methods in technologies and equipment; improve the Company's own new technology and new equipment research and development ability.</li> </ul>
	Market risks	<ul style="list-style-type: none"> <li>• Increase in raw material and energy costs;</li> <li>• Decrease in demand for fossil fuels.</li> </ul>	<ul style="list-style-type: none"> <li>• Build an energy information platform to monitor and analyze energy use, and improve energy management and control capabilities;</li> <li>• increase market development and increase the proportion of external market business.</li> </ul>
	Reputational risks	Obtain negative feedback from stakeholders due to	<ul style="list-style-type: none"> <li>• Enhance the Company's</li> </ul>

		poor performance in climate change and sustainability.	sustainable development capabilities and actively respond to climate change; <ul style="list-style-type: none"> <li>• Enhance management transparency in relevant aspects and respond to the concerns of stakeholders.</li> </ul>
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Opportunities from climate change mainly include:

Opportunities		Countermeasures
<b>Resource efficiency</b>	<ul style="list-style-type: none"> <li>• Develop more energy efficient equipment, construction and technologies to meet the market's low-carbon demand;</li> <li>• Incentives of green transformation supportive policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Actively explore and apply new technologies, new equipment, and new processes to improve resource use efficiency and reduce energy costs;</li> <li>• Identify and respond to government support policies and green projects;</li> <li>• Strengthen the research and development of low-carbon technologies, and continue to increase the proportion of green and low-carbon emission products;</li> <li>• Identify and participate in emerging markets;</li> <li>• Promote the development and utilization of renewable energy.</li> </ul>
<b>Product and Services</b>	<ul style="list-style-type: none"> <li>• Research and development of green and low-carbon products;</li> <li>• Solutions for climate change in the industry.</li> </ul>	
<b>Market</b>	<ul style="list-style-type: none"> <li>• Changes in user preferences and expansion of green market demand;</li> <li>• Increased demand for integrated energy services;</li> <li>• International market expansion.</li> </ul>	

<b>Adaptability</b>	<ul style="list-style-type: none"> <li>• Energy substitution and diversified solutions;</li> <li>• Participation in renewable energy projects.</li> </ul>	
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### Emission Control of Greenhouse Gases

Based on the characteristics of petroleum engineering production and operation, the greenhouse gases generated during the Company's operations are derived from the use of electricity and energy converted from fossil fuels, mainly including carbon dioxide, methane and nitrous oxide. In 2023, the greenhouse gas emissions by the Company were 2.264 million tons, and our greenhouse gas emissions per RMB10,000 were 0.351 tons, which demonstrates our success in achieving the goal we set earlier in 2022 of limiting our greenhouse gas emissions to under 2.55 million tons.

During the Year, based on our own operating conditions, we have set the following greenhouse gas emission control target: the greenhouse gas emissions in 2024 shall not exceed 2.336 million tons.

The Company actively promotes carbon dioxide storage and the application of carbon dioxide-enhanced energy fracturing technology, adopts high-pressure to inject liquid carbon dioxide to make fractures, which improves reservoir permeability and effectively solves problems of poor gel breaking performance, difficulty in flowback, severe formation damage, waste of water resources and environmental pollution of traditional fracturing fluids, and reduces the external environmental emission of carbon dioxide. In 2023, the Company carried out carbon dioxide storage projects for 92 wells in industrial areas such as Northeast China, Central China, Shengli Oilfield, East China and Southwest, with a total of 1,403 layers stored and 179,000 cubic meters of liquid carbon dioxide injected, equivalent to 197,000 tons of gaseous carbon dioxide.

### Resource Usage Management

Strictly complying with the laws and regulations, including the *Energy Conservation Law of the People's Republic of China*, the *Renewable Energy Law of the People's Republic of China*, and the *Circular Economy Promotion Law of the People's Republic of China*, requirements of local energy-saving policies, as well as those where our overseas operations are located, the Company strengthens resources management, increases the proportion of clean energy usage, and constantly enhances the efficiency of energy and material use, so as to minimize its resource consumption.

### Energy Saving and Consumption Reduction

Holding energy saving and consumption reduction in high regard during its daily operations, the Company continues to promote energy efficiency transformation to increase the supply of clean energy and steadily improve the resource and energy utilization. During the Year, the Company has constantly implemented the "Energy Efficiency Improvement" plan with an investment of RMB77.83 million, saving about 29,000 tons of standard coal. As of 2023, we invested a total of RMB109.21 million, saving

more than 138,000 tons of standard coal. Meanwhile, the Company has adopted the following key measures to promote energy saving and consumption reduction:

#### Promoting Clean Energy

- Accelerated the implementation of clean energy projects such as grid electric drilling, grid electric fracking, gas power and solar energy to replace high energy-consuming and high-emission equipment and facilities. During the year, the Company's investment in equipment upgrades totaled RMB 3.411 billion, with the ratio of rig electrification reaching 63%. By 2023, the Company will have cumulatively replaced about 335,000 tons of diesel fuel through the promotion of grid-electric drilling rigs, equivalent to saving about 375,000 tons of standard coal and reducing carbon dioxide emissions by about 1.02 million tons.

#### Adoption of Low Energy Consumption Technologies

- Continuously promote energy-saving technologies such as oil-to-gas conversion, oil-to-electricity conversion and waste heat and pressure recovery, and widely use new energy-saving devices such as dual-fuel engines, energy-saving variable-frequency motors, electric fracking skids, and dynamic powerless compensation.

#### Improving the Environmental Protection Awareness of Employees

- The company has issued and posted initiative letters and energy-saving reminder cards to guide employees to work in a green office; carried out the "Empty Plate Campaign" to guide employees to practice saving; organized public open days to promote low-carbon concepts; and called on employees to participate in green and low-carbon activities.

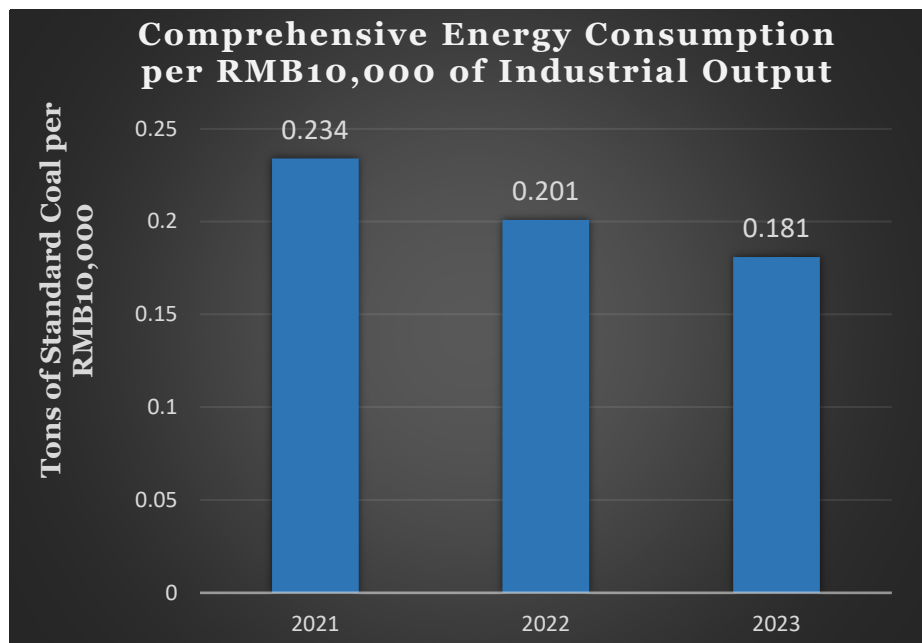
During the Year, the Company and its subsidiaries actively explored the application of photovoltaic power generation technology under the guiding principle of diversifying energy consumption structure and carried out pilot applications in fixed places such as office buildings, workshops and employee apartments. The total power generation of the year reached 456,000 kWh, which is equivalent to standard coal of 139.1 tons and a reduction of carbon dioxide emission of approximately 378.2 tons. Among them, the installed capacity of the photovoltaic power generation project of the Pipe Technology Service Center of Shengli Oil Engineering Company reached 37.1KWp, the installed capacity of the Tarim drilling photovoltaic power generation project of Shengli Oil Engineering Company stood at 500KWp, and the installed capacity of distributed photovoltaic power generation carport project of Zhongyuan Engineering came up to 195KWp.

### Solar PV Power Generation Equipment



▲ Solar PV Power Generation on the Roof of the Pipe Fittings Center

In 2023, the Company's comprehensive energy consumption per RMB10,000 of industrial output was 0.181 tons of standard coal, representing a decrease of 0.02 tons of standard coal per RMB10,000 as compared with 2022, which demonstrates our success in achieving the goal we set earlier in 2022 of limiting our energy use intensity to be under 0.218 tons of standard coal per RMB10,000.



On this basis, our energy use target for 2024 is under 842,578 tons of standard coal, and the energy use intensity shall not exceed 0.197 tons of standard coal per RMB10,000.

## Energy use (Scope: domestic projects of Sinopec Oil Services and its subsidiaries)

Indicators	2023 Data	2022 Data
<b>Total energy consumption (MWh)<sup>1</sup></b>	6,476,180.37	7,420,244.06
<b>Direct energy consumption (MWh)</b>	4,524,269.54	5,546,469.21
Petrol (MWh)	81,089.00	200,715.87
Diesel (MWh)	3,924,160.59	4,951,888.89
Natural gas (MWh)	487,286.49	352,958.35
Coal (MWh) <sup>2</sup>	-	138.28
LPG (MWh)	433.76	3,100.21
Crude oil (MWh) <sup>3</sup>	-	2,395.83
Other energy (MWh) <sup>4</sup>	31,299.70	35,271.78
<b>Indirect energy consumption (MWh)</b>	1,951,910.83	1,873,774.85
Purchased Electricity (MWh)	1,836,106.41	1,732,130.14
Heating Power (MWh)	115,804.42	141,644.71
<b>Comprehensive energy consumption of industrial output value (ton of standard coal / RMB10000 )</b>	0.181	0.201

### Notes:

1 Energy consumption data is calculated according to the consumption of petrol, diesel, natural gas, coal, liquefied petroleum gas, crude oil, electricity, heat and other energy and the conversion factors listed in the national standards of the People's Republic of China of General Principles for *Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

2 During the Year, the Company vigorously promoted clean energy, and carried out technological transformation, with coal no longer used as the fuel.

3 During the Year, the Company continued to advance energy-conserving technologies and new energy-saving devices, with crude oil no longer used as the fuel.

4 Other energies mainly refer to the fuel converted from fossil fuels such as waste oil.

5 The operation of the Company does not involve the use of packaging.

### Water Conservation

The Company attaches great importance to water resource management. With the formulation of the *Energy Saving Management Regulations*, we have not only fully optimized our water usage structure, but also continuously reduced the use of water



resources and improved the efficiency of the use of water resources through the application of water-saving technologies, wastewater recycling process, project operation and management and other aspects. The water sources of the Company are mainly surface water, groundwater and municipal water supply, and there has been no shortage of water resources.

The Company continues to standardize the process management of keeping statistics, analysis and improvement of water resource consumption, and greatly reduces the consumption of freshwater through the treatment and utilization technology of fracturing flowback fluid, so as to achieve the goal of water-saving and control. In 2023, the planned industrial water used was 6.723 million tons, and the actual water used was 6.406 million tons. The annual industrial water used target per RMB10,000 of output was 1.979 tons, and the actual water used was 1.709 tons per RMB10,000, which demonstrates our success in achieving the goal for 2023.

During the Year, the water-saving goal we set is that the total water usage shall not exceed 660.4 tons and the water use intensity shall not exceed 1.833 tons per RMB10,000 in 2024.

## Pollution Prevention and Control

As a non-key pollutant discharge unit, the Company has earnestly adhered to the requirements of relevant laws and regulations of China, local policies, as well as those where our overseas operations are located, and formulated relevant internal systems, including the *Environmental Protection Management Measures*, the *Pollution Prevention and Control Management Measures*, and the *Radiation Management Measures*. It has also strictly implemented the *Special Emergency Plan for Environmental Emergencies of Sinopec*, so as to specify the requirements, responsibilities, processes and contents of cleaner production. Committed to establishing cleaner production works, we also regularly assign special personnel to check the implementation of environmental protection policies and systems by means of HSE Management System review, HSE inspection, special environmental protection inspections, etc. We continue to carry out air pollution, wastewater treatment, waste disposal and other pollution control work, in order to ensure all subordinate companies pay taxes related to environmental protection in accordance with the provisions of relevant local government authorities. During the Year, the Company did not face any penalties in relation to environmental matters.

### Air Pollution Control

The air pollution generated during the operation of the Company mainly comes from the unorganized emissions of various non-road mobile machinery, diesel and gasoline vehicles and other equipment, as well as the dust generated at the construction sites. During the construction and operation of projects, we have adopted measures such as increasing the frequency of water spraying and laying dust-proof nets to effectively reduce our dust and exhaust gas emissions.

## Dust Prevention Measures



▲ Spraying water at well sites to reduce dust



▲ Laying dust-proof nets at construction sites

## Wastewater Treatment

The Company earnestly implements relevant standards and regulations for sewage discharge. At the construction sites, construction teams at all levels carry out anti-seepage, anti-overflow, and anti-leakage measures, in order to continuously strengthen the centralized treatment of industrial wastewater and domestic sewage. Based on actual requirements, we actively promoted the use of eco-friendly restrooms, regularly conducted environmental emergency drills, and increased the reuse of industrial wastewater and domestic wastewater, thereby continuously reducing wastewater discharge.

In 2023, the Company continued to promote the use of environment-friendly toilets on the frontline of production. With the addition of 67 sets of various kinds of environment-friendly toilets throughout the year, the total amount of such toilets has reached 893 sets. Meanwhile, in response to environmental emergencies such as any leakages of construction wastewater, the Company has formulated environmental emergency plans for all levels, equipped itself with emergency supplies including dirt collection bags, oil dispersants, woven bags and absorbent felts, and rolled out environmental emergency drills on a regular basis. During the Year, 480,000 cubic meters of domestic sewage, 217,000 cubic meters of drilling wastewater, and 460,000 cubic meters of operation wastewater were treated by the Company in compliance with relevant regulations.

## Wastewater treatment facility



▲ Centralized treatment of industrial wastewater and domestic sewage

## Waste Disposal

The waste generated during the operation of the Company includes general industrial solid waste and hazardous waste. In 2023, the Company has generated a total of 21,000 tons<sup>6</sup> of general solid waste, all of which has been treated through harmless treatment of solid waste or treated by category through comprehensive utilization in accordance with the requirements of the place of operation. For the disposal of hazardous waste, the Company has set up temporary storage sites for its hazardous waste in compliance with relevant requirements and conducted monitoring of the external parties engaged by it in relation to the management of hazardous waste disposal and their relevant measures. During the Year, the Company has generated 3,300 tons of hazardous waste, all of which has been delivered to qualified third parties for disposal in compliance with relevant regulations. In 2024, we will continue to have all general solid waste treated in accordance with the requirements of the place of operation, and all hazardous waste delivered to qualified third parties for disposal in compliance with relevant regulations.

## Waste Disposal Facilities



▲ Waste disposal device

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<sup>6</sup> Since 2022, the Company has adjusted the management mode for general solid waste. As for waste mud and cuttings of water-based drilling, the Company, as the agent, will no longer count the production volume of such waste. General solid waste statistics include packaging drums, rubber parts, impervious membranes, etc.

## Ecological Protection

Committed to reducing the impact on the local environment during its operation, the Company never ceases to build green and environmental protection projects, and restore the ecological environment of its operation areas properly, in a bid to contribute to the environmental beautification and greening. We strictly comply with the requirements of the *Water and Soil Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on Appraising of Environment Impacts*, as well as those where our overseas operations are located. We also adhere to the use of environmental-friendly and technological construction methods, optimize the brand services for rock cuttings reinjection by efficiently utilizing the pore spaces of the reinjection strata, in order to protect the ecological environment of the place of operation of our projects.

### Overseas Ecological Protection

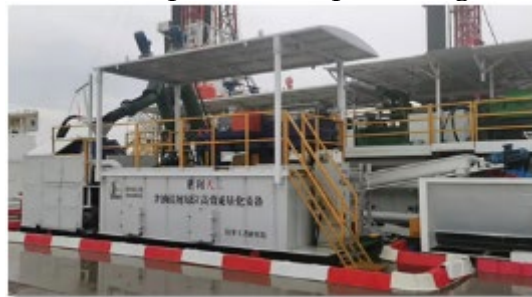
The Company undertakes its social responsibility in protecting the environment in its overseas constructions on its own initiative. The Ecuadorian project of East China Oil Engineering Company takes the on-site ecological environment into full consideration, strictly cleans the well site and campsite on a regular basis, strengthens the daily inspection of equipment and facilities, and prohibits leakage. By making full use of the rejected formation pores, we manage to exceed the design limit of reinjection capacity, optimize the quality brand service of cuttings reinjection, accomplish the treatment of hazardous pollutants in a safe, environmentally friendly and efficient manner, and effectively protect the diversity of local primordial ecosystem.



▲ Working site of Ecuadorian project

### In situ reduction of oil-based drilling cuttings

In 2023, Shengli Oil Engineering Company continued to propel the "Green Enterprise Campaign", and applied an "in situ reduction device of oil-based drilling cuttings" in the "Niuye District 1" as a pilot for the first time. It accumulatively treats about 10,600 tons of oil-based drilling cuttings and recycles 388 tons of synthetic drilling fluid and actively practices its waste utilization concept of "in situ processing and turn waste into wealth".



▲ In situ reduction device of oil-based drilling cuttings

## Quality Control

The Company always adheres to the quality policy that "quality is always one step ahead". We further strengthen the awareness of quality first and customer service, effectively prevent and control quality risks, and build competitive edges based on the Sinopec Oilfield Service brand, standard, quality and services to continuously improve the quality of products, engineering and services. During the Year, the application for the establishment of "National Metrology and Testing Center for Petroleum Drilling Instrument Industry" by the Company was approved by the State Administration for Market Regulation, and it will become the first industrial metrology and testing center of the petroleum industry at the national level when completed. The Company will build a complete industrial and technical service system based on the center, speed up the improvement of metrology and testing technology series of oil drilling instruments, and develop a technical service chain by integrating detection, inspection, calibration and evaluation to further improve quality.

## Optimizing Management System

The Company strictly abides by the *Standardization Law of the People's Republic of China* and the *Metrology Law of the People's Republic of China*, while all production and business units have established a quality management system and passed the certification in accordance with the requirements of GB/T 19001. The construction of each subsidiary is based on quality risk-based thinking, and adopts the PDCA<sup>7</sup> cycle method which integrates standard requirements into the business process of each unit. At the same time, the Company organizes each subsidiary to regularly conduct internal audits and management reviews. By conducting inspections on the effectiveness of the quality management system and carrying out audit observation, the Company guides its subsidiaries to effectively control quality risks to ensure the quality stability of its products, projects and services.

The Company continues to promote the transformation of the management model from "functional management based" to "project management based" and forms a management system under the core of "project management". Meanwhile, guided by the *Research Report of Digital Transformation Strategy of Sinopec*, we strive to build our digital oil service through digital transformation and intelligent upgrades. The Company has developed the "Services Integrated Cloud Platform (SICP)", covering various areas to meet the needs of users at all levels, forming a dynamic management model as a whole

## Ensuring the Quality of Projects

The Company continues to abide by the *Malfunction Management Measures for Drilling Engineering*, the *Wellbore Engineering Expert Database Management Measures*, the *Twelve Measures to Strengthen the Control of Complex Malfunction*, the *Quality Management Measures for Petroleum Engineering Company* and other quality management systems, so as to continuously improve the quality management level and scientifically ensure the quality of its projects. The Company has established a malfunction management system, and continues to implement engineering quality control in the entire process. We analyze and map out the key issues that occurred before and during the

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<sup>7</sup> PDCA is a quality management system that combines Plan, Do, Check and Action

construction and conduct level-by-level approvals and hierarchical management, so as to continuously strengthen the dynamic management and risk control of key wells, and provide technical guidance for key wells and wells with complex malfunctions.

The Company has established a complete failure management system according to the principle of minimizing losses to make prompt decisions and solve failures as soon as possible. To further strengthen the capability for prevention and handling of issues of complicated engineering failures, we further revise the Petroleum Engineering Company's Malfunction Management Measures for Drilling Engineering in order to continuously improve the applicability of such measures. The Company further strengthens source risk control, carries out drilling geological design of key projects, hierarchical review of construction design, major risk assessment of drilling safety conditions, continues its path on migrating quality management gates, reduces construction risks from the design source, and lays a solid foundation for construction quality control. During the Year, the Company has not received any complaints related to its project quality, with no products (or services provided by the Company) recalled.

The Company conducts comprehensive online tracking of key well construction conditions, construction parameters, construction curves and other aspects based on systems such as production operation, support for key wells, reports on key wells and remote video. SICP, the Company's applied information platform is leveraged to carry out remote real-time tracking and analysis of key wells, identify risks, advise key technical measures to ensure that risks are under control during construction and consolidate the foundation for production operation. Besides, for key wells of high risk, the Company sets up technical and operational support groups of all levels and selects experts in geology, directional drilling, logging and rotary steering to provide on-site guidance to implement the integral geological engineering work.

### **Yuejin 3-3XC well drilling**

In 2023, in view of the technical problems and guarantee demands in the drilling process of Yuejin 3-3XC Well, the Company formulated the Construction Support Plan for Yuejin 3-3XC Well and set up a technical support group and a field operation support group to provide full-process drilling support for the Yuejin 3-3XC Well. The Company held regular on-site expert group meetings for regular inspection and flaw detection, summarized the phased construction results and jointly developed solutions. The drilling of the Yuejin 3-3XC Well was successfully completed on 26 October, with a depth of 9,432 meters.

### Quality Training

During the Year, the Company's quality training continued to focus on key work, key technologies and key posts, and carried out quality training activities of all categories and at all levels for key personnel such as technical management and operation staff at all levels. During the Year, the Company kept holding all kinds of regular training courses for employees, as well as seminars on deep and ultra-deep drilling technology, complicated failure prevention training courses, and training of key technologies in the quality management of drilling wells (including drilling technology, drilling fluid technology, well control and the prevention and treatment of complicated failures), further enhancing the engineering quality awareness and technical level of key personnel.

### "Quality Day" and "Quality Month" Campaigns

In 2023, the Company continued to carry out "Quality Day" and "Quality Month" campaigns. The campaigns revolved around the theme of "Consolidate foundations for quality improvement, cultivate quality-first culture and enhance quality competitiveness" and "enhance quality awareness and promote high-quality development", with various thematic activities being arranged. Through various forms of activities, we have improved our quality management, raised the awareness of all staff towards quality, optimized the quality of our products, services and projects, and promoted the overall sustainable high-quality development of the Company.



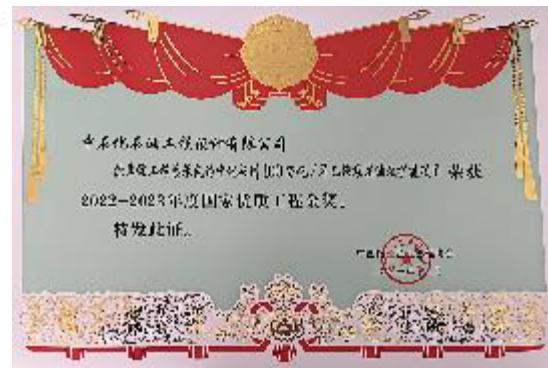
▲ "Quality Day" and "Quality Month" Campaigns

### Social Recognition

The quality of the Company's projects has been recognized by the industry. During the Year, the Company has won multiple engineering awards, including 4 "National Quality Project Awards", 24 national excellent welding engineering awards, 8 national excellent survey and design awards, 19 national excellent QC achievements and 26 excellent QC achievements at the provincial level.



▲ National Quality Project Award



▲ National Quality Project Award

### Pursuing Quality Service

The Company has been insisting on being customer-oriented to continuously optimize the customer feedback system and create more value for customers. We organize teams of different levels, regions and specialties according to market regions and specialties to meet and visit project owners to get to know customers' needs. We test and evaluate the level of

customer satisfaction with scientific and effective methods through the user satisfaction evaluation index system, measurement model, statistics analysis, digital computing and other methods. We arrange and adjust the service mode, content and scale in a timely manner based on customer feedback to ensure service quality.

The Company continues to be market-oriented, prioritizes efficiency, and improves our service quality. With the production scheduling system, the Company discovers and collects problems and defects in production, notifies the subordinates to deal with them according to the types of problems and defects, and reports to the leaders in charge to track the process. The Company also establishes a market information management system to receive customer feedback in time and standardizes the problem-solving process to improve the efficiency of customer feedback reception, complaint and suggestions processing as well service quality. If a complaint is received at the corporate level, it will be assigned to a certain business department according to its content, nature and severity. If a complaint is received at the subordinate unit level, the subordinate unit will respond according to the handling process. We keep improving the return visits mechanism for market quality, carrying out service quality feedback and special project connection, investigating the difficulties in the process of market operation, focusing on the changing market demand, and responding to customers' concerns in terms of team allocation and service prices. Dedicated personnel are assigned to be responsible for the tracking and implementation to continuously improve customer satisfaction.

In addition, the Company values overseas markets and promotes the cooperation mechanism for mutual visits and mutual trust with major overseas customers. Through the establishment of a normalized cooperation communication and coordination mechanism for national market projects with overseas regions, the Company gains an in-depth understanding to satisfy the different needs of customers.



## Responsible Operation

Responsible operation has been the foundation of the Company's steady development. In order to ensure sustainable development, the Company strictly abides by the national laws and regulations to promote anti-corruption work, implements the protection of intellectual property, ensures the safety of the information network, improves the supplier management system and creates a green supply chain.

## Promote anti-corruption and integrity

The Company pays particular attention to improving the integrity of the Party members and anti-corruption efforts in strict compliance with national laws and regulations including the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Audit Law of the People's Republic of China* and the *Provisions on the Integrity of State-owned Enterprise Leaders*, and effectively implements the rules and regulations for enterprises including the *Working Rules of the Commission for Discipline Inspection*, *Working Rules of the Supervisory Commission*, and *Working Measures for Inspection of Party Committee*. The Company further promotes daily supervision, integrity risk prevention and control and anti-corruption, advances corporate governance system construction, and creates a fair and honest corporate atmosphere to enhance the Company's compliance management and management by law.

### Strengthening responsibility implementation

During the Year, the Company formulated and earnestly implemented the List of Responsibilities for Strictly and Comprehensively Governing the Party. The Company's Party Committee regularly listened to working reports from the Commission for Discipline Inspection, and studied and analyzed the situation and tasks of party integrity building and anti-corruption work. The Company regularly listened to reports from the leadership team on the implementation of "one post with two responsibilities"<sup>8</sup> to solidify the responsibilities of each main body to strengthen the implementation of "two responsibilities"<sup>9</sup>.

### Implementing inspection and supervision

The Company's Party Committee carried out anti-corruption inspections and completed routine inspections on 12 professional operating units and special inspections on 4 professional operating units. We make full use of inspection and rectification results, promote the prevention and recovery of loss, push forward reform, enforce accountability, and effectively improve corporate governance efficiency.

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<sup>8</sup> Leading cadres shall not only be responsible for the specific business work they should undertake, but also be responsible for the responsibility system for the construction of the Party's work style and clean government.

<sup>9</sup> The Third Plenary Session of the 18th Central Committee of the Party proposed that the responsibility system for building a clean and honest government should be implemented, with the Party Committee taking the main responsibility and the Discipline Inspection Commission taking the supervisory responsibility, formulating and implementing a practical accountability system.

### Solidifying daily supervision

The Company brings the role of the Supervision Committee mechanism into full play. During the Year, the Company regularly carried out supervision by the head and leading group of the Company in promoting the implementation of major decisions and preventing and mitigating operational risks. Meanwhile, we arranged and deployed 9 key supervision matters throughout the Company including receiving payment by violating regulations of leading cadres, obtaining engineering projects against laws and regulations, contract management and disposal of waste materials. We paid closer attention to the supervision of various resource integrations to enhance the Company's supervision system construction.

### Regulating the handling of letters and visits

The Company has established smooth channels with the public and internal employees for reporting letters and visits, including reporting telephone numbers, reporting mailboxes, and reporting boxes. During the Year, the Company strictly followed the principles of "centralized management, collective deliberations, scientific authorization, full-process tracking, and closed-loop operation" to register reported cases, assessed and assigned clues to issues in a comprehensive and accurate manner, rigorously verified and actively addressed related issues, achieving a 100% rate in the handling for reporting letters and visits.

### Carrying out integrity education

The Company conducts anti-corruption and integrity education continuously. During the Year, the Company organized and carried out the anti-corruption and integrity education month of "strictly observing discipline and rules, promoting a clean and decent atmosphere". We improved employee's awareness to fight against corruption by organizing special learning sessions, providing integrated warning education, conducting integrity talks at graded level, and publicizing the rules and regulations of the Company. The Company makes full use of internal and external resources to regularly promote integrity practices in business for all employees. In 2023, the Company did not have any concluded legal cases regarding corrupt practices.

## Intellectual Property Protection

The Company strictly complies with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other laws and regulations. The Company continues to implement *Intellectual Property Management Measures* and other rules and regulations to provide standardized guidance for the application and use of intellectual property rights. We protect self-owned intellectual property rights while avoiding infringement of other parties' intellectual property rights.

In 2023, the Company applied for a total of 1,004 domestic patents, including 593 invention patents; obtained 541 authorized patents, including 204 invention patents; applied for 9 PCT patents and 3 authorized patents.

## Information Security Management

The Company strictly follows the *Network Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Management Measures for Information Security Protection* and other relevant laws and regulations, and continues internal systems such as the *Management Measures for Cyber security of Petroleum Engineering Companies*, adopting multiple network safety management measures and put emphasis on the supervision of related work for the purpose of meeting the Company's objective of "practical, systematic and normalized" cyber security work and safeguarding the Company's overall cyber security.

Comprehensive network security management system

During the Year, the Company continued to improve its information security management system. We have established a Network Security and Informatization Leadership Group in the Company and its subsidiaries and set up offices and working groups to clarify the management responsibilities of network security and informatization. Among them, the Company's Chairman and General Manager jointly serve as the leaders of the Network Security and Informatization Leadership Group, with the Deputy General Manager responsible for information work serving as the deputy leader of the group.

At the same time, we set up an "information security post" with designated personnel responsible for information security management related matters and included the leaders in charge of network security, the person in charge of the information department and the network security personnel of the Company into the scope of the liaison staff of the network security notification mechanism, and revised the *Network Security Notification Management Regulations for Petroleum Engineering Company* in accordance with the latest management requirements, so as to effectively promote the construction of network security management system.

The Company actively carried out network security self-examination, evaluation and rectification work, and inspected the infrastructure, information system and desktop computer information to ensure the effectiveness of various systems and minimize network security risks. For the Company's self-developed application systems, we have conducted a corresponding level protection certification for information in accordance with the national *Information Security Level Protection Management Measures* (Level Protection) requirements.



▲ Certification for level protection issued by the Ministry of Public Security

Strengthening network information emergency handling capabilities

During the Year, the Company updated the *Emergency Plan for Cyber Security Assurance of the Petroleum Engineering Division* in accordance with the *Emergency Response Law of the People's Republic of China*, the *Cyber Security Law of the People's Republic of China*, the *Guidelines for the Management of Information Security Technology and Information Security Incidents*, and the *Information security technology - Guidelines for the category and classification of information security incidents*, and organized network security emergency personnel and system maintenance staff from subsidiaries to conduct emergency drills and training, ensuring they can respond to network security incidents quickly, effectively, and accurately.

The Company carried out hierarchical handling of network security emergencies, which continuously improved the handling efficiency of emergencies. In the process of hierarchical handling, we obtain sufficient and accurate information in a timely manner in accordance with the mechanism of handling priority and rapid response, and promptly deal with it in accordance with relevant emergency plans, so as to minimize the harm and impact of network security emergencies. We also fully utilize the existing network security emergency support service facilities, and integrate the existing information security emergency force to carry out information security emergency work. Additionally, based on the emergency plan, we select a portion of application systems each year to conduct drills as required, simulating scenarios where the system is attacked or paralyzed due to other unforeseen circumstances. We require system maintenance and emergency personnel to handle the situation according to the designed flow of the emergency plan. We also insist on combining emergency response and prevention work, carrying out proper risk assessment, monitoring and early warning and plan revision during normal times, regularly backing up data in the information system, and strengthening promotion, training and education work. We organized network security management and operational staff from subsidiaries to participate in a 3-day offline intensive training to enhance the emergency handling capabilities of personnel in related positions and to strengthen the Company's overall defense level of network security.

#### Carrying out cyber security activities

During the Year, the Company continued to create a proper atmosphere of "enhancing cyber security awareness and jointly creating a cyber security ecosystem" by organizing a series of cyber security activities. Each subsidiary was organized to conduct network security promotion work in the form of official documents to raise employees' awareness of cyber security and improve their security protection skills. We mobilized employees to participate in extensive cyber security promotion and education activities to spread cyber security knowledge. At the same time, the Company organized talks on information security and confidentiality and invited external experts to give talks on the protection of personal privacy information. The Company engaged employees in learning cyber security-related knowledge, enhancing cyber security awareness and proficiency in cyber security protection skills in an entertaining manner. In addition, the Company actively organized cyber security management personnel from subsidiaries to discuss work-related issues, share experiences, and exchange insights on encountering challenges in cyber security protection.

#### **Win-win Cooperation with Partners**

The Company continues to optimize the supplier management system to protect the legitimate rights and interests of suppliers, as well as to promote a win-win cooperation

with partners. To this end, we strictly abide by relevant regulations such as the *Management Measures for Material Supply*, *Management Measures for Material Purchase* and *Management Measures for Material Purchase and Supply Resources*, formulating a cooperation channel between the Company and our suppliers to seek for mutual growth. Following the principle of "High Transparency in terms of Qualification Review and Measurable Evaluation; and Resource Sharing for Win-win Cooperation", we have improved our dynamic supplier management mechanism which covers aspects of supplier registration, review, usage, evaluation, information feedback, warning and handling.

The Company continues to reinforce supplier risk management, strengthens supplier qualification review and site visits, incorporates health, safety, environmental protection and other qualifications into the supplier review process and provides guidance to suppliers based on the review results. Besides, we actively carry out various compliance promotion activities to convey the concept of honesty and lawful operation to all suppliers. In order to align with the Group to carry out annual quality management evaluations of related parties, we give extra points to suppliers making major contributions in emergency rescue and disaster relief and suppliers providing steady supply in emergencies to encourage suppliers to jointly promote good business ethics. In addition, the Company will clearly specify equipment replacement or renewal due to the restrictions of carbon emission policy in the technical requirement, and require suppliers to comply with relevant regulations.

The Company actively implements green procurement and follows rules and regulations such as the *Management Measures for the Green Procurement of Materials* and the *Catalogue of Green Materials Procurement*. We insist on selecting environmentally friendly and low-carbon materials when purchasing, use biodegradable and recyclable packaging materials and replace small packaging with large packaging to reduce the amount of packaging materials used for the same disposals.

In 2023, we continued to consolidate partnerships with various domestic and overseas suppliers to realize win-win cooperation. The Company's domestic and international suppliers are set out below:

Supplier location		Number of suppliers
<b>Total number of suppliers</b>	Total number of suppliers	9,158
<b>Number of suppliers in Chinese mainland</b>	Number of suppliers in East China	4,554
	Number of suppliers in South China	402
	Number of suppliers in Central China	1,459
	Number of suppliers in North China	1,312
	Number of suppliers in Northwest China	506
	Number of suppliers in Southwest China	547
	Number of suppliers in Northeast China	308

<b>Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)</b>	Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	70
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At the same time, the Company constantly strengthens subcontractor management, pays close attention to assessment supervision and dynamic management, and further enhances risk prevention and control. We have completed the upgrading of the information platform for petroleum engineering subcontractors and project subcontracting management, realized basic information inquiry and subcontracting information announcement, and improved the information management capability and transparency of subcontractors. We organized all units to carry out training on the adoption of the new system and the subcontracting management system, revised the Management Measures on Engineering Subcontractors and Project Subcontracting of Petroleum Engineering Companies, and improved the service quality of the new subcontracting management information system.

## Employee Care

The Company strives to create an equal and harmonious working environment for employees, actively protects the legitimate rights and interests of employees and promotes a diversified and inclusive corporate culture. The Company always attaches great importance to the welfare and long-term training of employees, strictly implements various welfare systems, builds a smooth development platform and promotion channel, and is devoted to helping employees develop together with the Company.

## Paying Attention to Staff Care

During the Year, the Company continued to deepen the practical activities featuring "I do practical things for the people", which made precise efforts for daily lives, working environment and physical health of employees in urgent problems, comforting staff in need with subsidies and emotional support. During the Year, the major tasks carried out by us included:

- Replacing 1,790 camping houses;
- Providing 42 new composite drillers' duty rooms;
- Purchasing or leasing 60 environmentally-friendly toilets;
- Providing more than 20,000 industrial washing machines, disinfection cabinets, fitness equipment and other living facilities;
- Renovating driller duty room with installation of refrigerators, multifunctional drinking water (beverage) machines, etc.;
- Establishing baby care rooms and bookstore services;
- Equipping with blood pressure monitors, effective heart-relief pills, holiday gifts, etc. to employees;

During the Year, we continued to improve the health service protection for our front-line employees. Health services were introduced to front-line teams and "cloud" medical consultation services were realized to serve the front-line drilling, downhole, and logging team members. We provided 15,000 service accounts and more than 7,500 daily consultations, conducted a thorough investigation for high-risk front-line staff, and organized health check-ups for employees of the headquarter. We also held activities such as walking campaigns, exchange meetings of retired employees and cultural exchange at the Dragon Boat Festival of Ecuador Company to enrich employees' lives and enhance employees' sense of belonging and team spirit.



▲ Autumn walking event for subsidiaries based in Beijing



▲ Exchange activities for retired employees



▲ "Sharing of Zongxiang Love" cultural exchange event in Ecuador

### Safeguarding Employees' Interests

The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Special Provisions on Labor Protection of Female Employees*, etc. and advocates and implements the philosophy of equality, mutual trust, consultation, and win-win. We establish a legal employment relationship with every employee and fully protect the legitimate rights and interests of employees. The Company adheres to the principle of fairness and justice and is committed to creating a diverse, inclusive and non-discriminatory working environment for employees. The Company strictly eliminates inequality and discrimination caused by other factors, and employees have equal opportunities regardless of ethnicity, race, gender, age, family status, etc. The Company continues to care for the rights and interests of female employees and ethnic minority employees, protects the rights and benefits of female employees during pregnancy, childbirth and breastfeeding, respects the customs and culture of ethnic minorities, and ensures that ethnic minority employees enjoy their traditional ethnic festivals. The Company strictly prohibits the employment of child labor, forced labor, employment discrimination, gender discrimination and other violations of laws and regulations, and strictly supervises labor practices in daily work; if such behavior occurs, we will strictly deal with it in accordance with laws and regulations and the



requirements of the Group. In 2023, none of the above violations of laws and regulations occurred within the Company.

#### Employment Performance Index <sup>1</sup>

Indicators		2023
<b>Number of employees</b>		63,392
<b>By employment category</b>	Management personnel	7,302
	Professional technicians	26,648
	Skilled operators	29,442
<b>By employment type</b>	Full-time	63,392
	Part-time	0
<b>By gender</b>	Male	54,918
	Female	8,474
<b>By age</b>	35 or younger	5,178
	35-45 years old	16,448
	45-50 years old	16,782
	50 or older	24,984
<b>By region</b>	Mainland	59,361
	In regions other than Mainland China (International, Hong Kong, Macao and Taiwan)	4,031

#### Employee Turnover Rate Performance Index <sup>2</sup>

Indicators		2023
<b>Employee turnover rate by gender (%)</b>	Male	0.51
	Female	0.51
<b>Employee turnover rate by age (%)</b>	35 or younger	2.99
	35-45 years old	0.46
	46-50 years old	0.11
	51 or older	0.07
<b>Employee turnover rate by region of work (%)</b>	Mainland	0.51
	In regions other than Mainland China (International, Hong Kong, Macao and Taiwan)	0

1: Statistical data of employees covers the headquarter of the Group, its branches and subordinate companies.

2: Calculation formula for employee turnover rate: turnover in each category this Year/the total number of employees in each category at the end of the Year

## Emphasis on Welfare Protection

The Company continues to improve its employee salary and welfare protection system, regularly benchmarks performance and salary market with peers for improvement based on the results, and reasonably adjusts the salary levels based on performance levels, salary levels, and income ranges. In the Year, the Company facilitates diversified mid-to-long-term incentives, implements management measures for key core problem-tackling teams and wages specifically managed for the backbone talents of enterprises in the "Science and Technology Reform Demonstration Action", to stimulate employees' enthusiasm and enthusiasm for work, and provide employees with market-competitive remuneration and benefits. We provide employees with additional health check-ups, psychological counselling, corporate annuities, supplementary medical insurance and other welfare programs on the basis of meeting the national, regional and overseas standard social insurance benefits. Also, we strictly implement policies related to employee benefits such as maternity leave and parental leave. For overseas employees, we provide additional overseas subsidies and leave for home return, and timely adjust the standards for overseas risk subsidies to provide protection for them.

The Company formulates a corporate annuity plan, which covers in-service contract employees in key positions and major positions and former formal employees in ordinary positions. We improve the enterprise annuity model according to the principles of favoring core talents in key positions and taking job differences into account to enhance employees' sense of belonging.

## Facilitating Employee Development

The Company is devoted to building a platform for sustainable development for employees, further promoting the strategy of strengthening the enterprise by talents, continuously improving the talent training system and policy, establishing multi-channel career promotion opportunities, and continuously carrying out job competition and competitive selection to stimulate talent innovation and creativity and team vitality

We provide employees with a wealth of training resources and carry out special training activities for talents in order to boost the professional capacity and skillset of employees. The Company has established a training center to provide systematic support for organizing diversified training, and further standardizing staff training and management so as to help employees grow and develop their careers. In 2023, the Company officially published 13 training material series on skill training for major petroleum engineering occupations and distributed over 70,000 copies to help improve the quality and ability of front-line employees.

The Company continues to promote online learning, combining technology to refine the remote training system. Through the adoption of mobile terminals to promote learning courses, we have increased the efficiency of remote training. Meanwhile, we have expanded online and offline training methods to carry out more systemic training for employees.

### **Provide multi-level special training to improve talent training**

The Company has always attached great importance to the construction of the front-line operation technician team, unblocked the growth channel for skilled talents, vigorously selected chief technicians and senior technicians, actively built platforms, and constantly improved the quality and ability of first-line employees. In March 2023, the Company participated in the four-day "National Industry Vocational Skills Competition-Drilling Fluid Worker Competition" and won 5 individual awards (5 gold awards, 5 silver awards and 5 bronze awards) and 3 group awards in total.



▲ National Industry Vocational Skills Competition-Drilling Fluid Worker Competition

In 2023, the Company successfully held two sessions of advanced training courses on improving the capabilities of petroleum engineering project managers, with a total of 83 participants. The training covers modules on petroleum engineering project management and benefit creation through operation, market development, professional technology & safety and risks, and project manager experience and knowledge management. It aims to improve the management ability of project managers of large and medium-sized petroleum engineering projects.



▲ The second session of advanced training courses on improving the capabilities of petroleum engineering project managers

Employee Training Performance Indicators:

Indicators		2023
Percentage of trainees by gender (%)	Male employees	84.9
	Female employees	72.8
Percentage of trainees by employee level (%)	Management personnel	81.0
	Professional technicians	76.0
	Skilled operators	92.7
Training hours per employee by gender (hours)	Male employees	88.1
	Female employees	47.0
Training duration per employee by employee level (hours)	Management personnel	59.6
	Professional technicians	59.6
	Skilled operators	112.3

## Better Society

The Company always adheres to the concept of "integrity and standardization, win-win cooperation, return to the local community", earnestly fulfills its social responsibility and makes full use of its own resources to empower people in building a better society. We attach great importance to giving back to the society and sharing the results of economic development with all sectors of society, hence we have become a proactive force in rural revitalization, participated in voluntary activities and conducted emergency rescues, working hand in hand to ensure the well-being of all. Moreover, we attach great importance to enhancing our international collaborations relationship, all of us putting in effort to create harmonious and stable community relations together. During the Year, we formulated and issued the *Administrative Measures for External Donations* to further standardize the external donation process. In 2023, the Company donated a total of approximately RMB1,163,000 to external charities and spent approximately RMB26,050,000 on purchasing products for rural revitalization.

## Rural Revitalization

During the Year, the Company has become a proactive force in rural revitalization and increased the income of villagers through enterprise-local cooperation, partner assistance, consumption assistance and other ways, pragmatically solving actual problems faced by those living in rural areas, the Company takes practical actions to consolidate and enhance the achievement of poverty alleviation and contribute to rural revitalization.

### **Cooperation between Enterprises and Local Governments to Promote Rural Revitalization**

Sinopec Oilfield Service has always been adhering to the principle of "supporting aspiration and wisdom", taking "running a high-quality school, bringing convenience to people" as its own responsibility, and providing all-round and high-standard assistance from every aspect. In October 2023, Zhongyuan Petroleum Engineering Company and Southwest Petroleum Engineering Company officially started the ceremony of pairing up to provide help to primary and secondary schools in Sanhekou Town, Mabian Yi Autonomous County. The two companies signed the Education Assistance Agreement with Mabian County Education Bureau respectively, unveiled the "paired assistance school" together with the principals of Sanhekou Town Middle School and Primary School, donated 18 smart blackboards and 40 teaching computers to the school, built 3 new biochemical laboratories, and provided scholarship for 40 students with excellent academic performance. The total donation amounting to RMB863,000 has greatly improved the schools' teaching and learning conditions, elevated the school running quality, and created an excellent environment for educating the students.



▲ Carrying out paired assistance to fulfill social responsibility

In 2023, Sinopec Oil Service actively participated in the compilation of *Arousing the Sleeping "Black Giant": How is Oil Mined?*, a scientific literacy book on petroleum engineering for young people, and donated books to students from Petrochemical Middle School in Luxi County, Xiangxi Autonomous Prefecture, Hunan Province, helping students to know more about petroleum engineering to enrich their after-school life and broaden their horizon.



▲ Donated scientific literacy books to students

## Green and Environmental Protection

During the Year, the Company actively practiced the concept of building a green enterprise. While promoting the green and low-carbon development of production engineering, we actively carried out green activities such as afforestation to promote the concept of green environmental protection among employees.

### **Voluntary afforestation**

On the arrival of the 45th Tree-planting Day, Zhongyuan Petroleum Engineering Company and its subordinates actively carried out a voluntary tree-planting campaign, and practiced the development concept of "Lucid waters and lush mountains are

invaluable assets" with actions. Employees of the Engineering Service Management Center involved in tree planting activities in Lankao County, Chengbei Petroleum Base. Guided by the afforestation concept of "afforestation makes life more enjoyable", the Engineering Service Management Center built the former "No.1 sandstorm mouth" into a tree-lined "home" for the petroleum engineering staff.



▲ Tree-planting activity in Lankao base

## Volunteer Activities

The Company encourages and supports employees to participate in voluntary activities, creating a civilized and harmonious living environment and promoting traditional virtues. During the Year, we held activities such as caring for left-behind children to help people in the places where we operate to solve problems.

### **Taking Practical Action for the Public and Fulfilling Corporate Responsibility**

In March 2023, the Oilfield Engineering Service Branch of Sinopec Southwest Petroleum Engineering Company integrated the public open day activities with the "Learn from Lei Feng Day" volunteer activities, and went to Guixi Ping An Hope Primary School in Guixi Village, Beichuan Qiang Autonomous County, Mianyang City, Sichuan Province, to carry out the activity of "bring love and warmth in a sunny spring" to care and show love for left-behind children.

Volunteers from the Company went to Guixi Ping An Hope Primary School to learn more about the life difficulties of the left-behind children, expressed concern and sympathy, and paired up with two left-behind children to build a "heart-to-heart connection" to provide long-term assistance to left-behind children in difficulties. In addition, the volunteers donated football, basketball, stretch bands, drawing paper, books and other cultural and sporting goods to the mountain schools to enrich children's after-school life.



▲ Volunteers donate cultural and sports supplies to schools

## Emergency Rescue

The Company has been actively giving back to the society by leveraging its own skills to participate in emergency rescues so as to protect the life and property of citizens, fully demonstrating its corporate responsibility.

### **Maritime rescue**

In May 2023, Exploration No.225 of the Ship Branch of Offshore Oil Engineering Company was informed that a fishing boat nearby was out of control and that five people on board were in need of rescue. The crew contacted Zhanjiang Traffic Control Center immediately and responded as soon as the rescue instruction was given. It took them less than 3 hours to successfully rescue the trapped people. The Company has practiced the concept of "people-oriented, life comes first" with practical actions, demonstrated the good image of the ship branch to take responsibility, and highlighted the duly corporate responsibility of Offshore Oil Engineering Company to proactively fulfill their social responsibilities.



▲ Deck sailors rescue the trapped



### **Fire rescue**

In February 2023, when the No.70738 drilling team employees in the Southwest industrial area of Zhongyuan Petroleum Engineering Company were celebrating the Lantern Festival in Qishui Village, Nuojiang Town, Bazhong City, Sichuan Province, a fire broke out in the home of residents about 1 kilometer below the well site. The drilling crew immediately organized rescue and suppressed the fire in time, ensuring the personal and property safety of two 80-year-old people living in adjoining houses. They were praised as "the beloved iron army".

### **Deepening International Collaborations**

In 2023, the Company continued to respond to the State's "Belt and Road Initiative" and strengthen strategic cooperation with the world's renowned enterprises to boost the development of participating countries. Overseas, the Company has also proactively fulfilled its social responsibilities, implemented the strategy of harmonious development, and maintained a stable cooperative relationship with overseas communities.

### **Assistance to the local development of Uganda**

During the Year, at the 4<sup>th</sup> annual localization meeting in Uganda, the Uganda project of Sudan Company of Zhongyuan Petroleum Engineering Company was awarded two local honor certificates of "Corporate Social Responsibility" and "Technical Training", which were jointly issued by Uganda Petroleum Bureau and Energy and Mining Council. The two certificates demonstrate the recognition of the local work by the Uganda Petroleum Bureau and the project owner. It is of great significance to further expand the Ugandan market, and also shows the responsibility of Sinopec Oil Services in the construction of the "Belt and Road Initiative". It helps to establish the brand image of an iron army of Sinopec Oilfield Service.



▲ Ceremony of donation to school in Uganda

## Appendix: Hong Kong Stock Exchange ESG Reporting Guidelines Index Table

Issue	Issue Description	Corresponding Report Chapter
Governance Structure	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board’s oversight of ESG issues;</p> <p>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>	Board's Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About the Report-Responses to Reporting Principles
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should</p>	About the Report-Scope of the Report

	explain the difference and reason for the change.	
<b>A Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Green Development
KPI A1.1	The types of emissions and respective emissions data.	Green Development-Responses to Climate Change
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development-Responses to Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development-Pollution Prevention and Control
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development-Pollution Prevention and Control
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development-Responses to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development-Prevention and Control
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development-Resource Usage Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Development-Resource Usage Management

KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development-Resource Usage Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development-Resource Usage Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development-Resource Usage Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Development-Ecological Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development-Resource Usage Management
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development-Responses to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development-Responses to Climate Change
<b>B Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employee Care-Safeguarding Employees' Interests

KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Employee Care-Safeguarding Employees' Interests
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Care-Safeguarding Employees' Interests
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Safe Operation-Production Safety Management
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Operation - Protection of Occupational Health
KPI B2.2	Lost days due to work injury.	Safe Operation - Protection of Occupational Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Operation - Protection of Occupational Health
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Care-Facilitating Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Care-Facilitating Employee Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Care-Facilitating Employee Development
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Employee Care-Safeguarding Employees' Interests

	relating to preventing child and forced labour.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Care-Safeguarding Employees' Interests
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Care-Safeguarding Employees' Interests
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Operation- Win-win Cooperation with Partners
KPI B5.1	Number of suppliers by geographical region.	Responsible Operation- Win-win Cooperation with Partners
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Operation- Win-win Cooperation with Partners
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Operation- Win-win Cooperation with Partners
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Operation- Win-win Cooperation with Partners
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Control-Optimizing Management System
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Because the company's business is mainly for oilfield technical services

		and does not include producing products, this indicator is not applicable.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Control-Ensuring the Quality of Projects
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operation-Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Because the company's business is mainly for oilfield technical services and does not include producing products, this indicator is not applicable.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Responsible Operation-Information Security Management
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	Responsible Operation-Promote anti-corruption and integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Responsible Operation-Promote anti-corruption and integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Operation-Promote anti-corruption and integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Operation-Promote anti-

		corruption and integrity
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Better Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Better Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Better Society