



中国石化  
SINOPEC

2024

# Environmental, Social and Governance Report

SINOPEC ENGINEERING(GROUP) CO.,LTD.

Stock Code: 2386.HK



About the Report

This Report is the 12th Environmental, Social and Governance ("ESG") report (hereafter "the Report") of Sinopec Engineering (Group) Co., Ltd. ( hereafter "the Company") since its going public. The Report outlines our social responsibility initiatives and performance in economic, social and environmental dimensions.

Report Information

**Reporting Period:** January 1, 2024 to December 31, 2024 ("the Reporting Period"). To enhance the comparability and forward-looking nature of this report, some content appropriately references previous years.

**Reporting Cycle:** Annual, covering the year 2024.

**Report Coverage:** This Report encompasses the Group's key ESG initiatives and performance indicators throughout the Reporting Period.

**Information Sources:** The report contents are compiled from corporate documentation, statistical reports, and aggregated performance data from our affiliated companies. All information has been reviewed by the management of the Group. Some operational and financial data in this report is extracted from the Company's 2024 annual report. In case of discrepancies, the 2024 annual report shall prevail. Unless otherwise specified, all amounts disclosed in the report are measured in RMB.

**Report Availability:** This Report is available in electronic and printed versions. The electronic version can be downloaded and viewed on the website of the Stock Exchange of Hong Kong at [www.hkexnews.hk](http://www.hkexnews.hk) and in the News and Announcements section of Sinopec Engineering (Group) Co., Ltd. at [www.segroup.cn/segroup/en/](http://www.segroup.cn/segroup/en/).

Compliance Guidelines

This report has been prepared in accordance with *the Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited ("HKEX"), with reference to *the GRI Sustainability Reporting Standards 2021 (GRI Standards 2021)* issued by the Global Sustainability Standards Board (GSSB), *the ISO 26000 Social Responsibility Guidance Standard*, and *the International Financial Reporting Sustainability Disclosure Standards* issued by the International Sustainability Standards Board (ISSB), including *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*.

Disclaimer

This report contains forward-looking statements. Except for historical facts, all statements about events that may or will occur in the future (including but not limited to premises, objectives, estimates, and business plans) are considered forward-looking statements. Due to the influence of external variable factors, the actual future development outcomes or trends may differ from those stated in this report. The forward-looking statements in this report were made in March 2025. Unless otherwise required by regulatory authorities, Sinopec Engineering (Group) Co., Ltd. has no obligation or responsibility to update the aforementioned forward-looking statements.

Reader Feedback

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# Chairman's Statement

Dear Shareholders ana Friends,

On behalf of the Board of Sinopec Engineering (Group) Co., Ltd., I would like to express our sincere gratitude for your continued attention and support!

We are committed to integrating environmental, social, and governance (ESG) principles into our corporate development strategies and operations, steadfastly pursuing a low-carbon, green, safe, and responsible path of sustainable development. Through advanced technologies, we cultivate green and efficient productivity, strengthening the foundation for the high-quality development of China's petrochemical industry while fostering synergy between business development, the environment, and social responsibility. Through the establishment of an integrated ESG framework, we have strengthened ESG awareness internally and improved information disclosure externally, earning widespread recognition from stakeholders.

In 2024, we focused on the following key initiatives:

## Robust Governance for Enduring Value

We successfully completed the strategic equity investment by China National Petroleum Corporation, marking a substantial change in shareholding since our listing and further optimising our shareholder structure. We remained committed to shareholder returns by maintaining a robust dividend policy and consistently implementing share buybacks to enhance shareholders' value. We successfully completed the elections for the Board of Directors and Board of Supervisors, enhancing board diversity and strengthening decision-making effectiveness. We reinforced compliance management by optimising multiple governance policies and tools, ensuring a robust globalisation-targeted strategy. Our ESG management achievements have been recognised, with several leading rating agencies upgrading our ESG ratings. According to Wind and MSCI, we are ranked at the top of the sector among Chinese companies

## Technological Innovation for New Industrialisation

We strengthened support for research institutions by establishing key entities like the Key Laboratory for Refining and Chemical Process Re-Engineering and Multi-Energy Coupling Utilisation and the Biomass High-Value Utilisation Engineering Research Centre. These initiatives promote external collaboration and are result-oriented, driving technological progress in the industry. We advanced the industrial application of critical technologies, achieving breakthroughs in DMTO-III, CHPPO, RTC, and Helium Purification. We strived to become a pioneer in new industrialisation by excelling in standardised lean design, integrated collaboration, industrialised smart manufacturing, information management, digital delivery, intelligent operation and maintenance, and robot substitution. Typical projects, such as the World's First Digital Twin-Enabled Smart Ethylene Plant and the Industry's First Large-Scale Intelligent Laboratory, achieved phased milestones.



## Green Engineering for a Sustainable Future

We progressed into the second phase of our Green Enterprise Campaign, enhancing corporate green competitiveness and management by focusing on carbon reduction, pollution control, efficiency improvement, and environmental enhancement. We developed a systematic climate governance framework, embedding climate risk into enterprise risk management framework and core operational processes, ensuring risk awareness permeates all levels of the organisation. We made significant advancements in clean energy, with new developments in LNG, hydrogen, and biomass engineering and applications. Key green engineering projects achieved breakthroughs, including the industrial application of purification technology in the Natural Gas Fields in Western Sichuan, the commissioning of the world's largest single-train green Purified Terephthalic Acid Production Facility, and the successful start-up and stable operation of the world's first Esterification-Based Cyclohexanone Production Facility. By optimising petrochemical processes from the source, we create greater social, economic, and environmental value.

## Safety and Quality Underpins the Business We Do

We launched Safety Management Enhancement Year Campaign, implementing a dynamic, digitalised, three-tier control mechanism for high-risk operations for the first time. We conducted comprehensive QHSE inspections covering both domestic and international operations, reinforcing safety responsibilities. We achieved 380 million safety man-hours for the year, a 21% increase from the previous record. We enhanced self-monitoring equipment configuration, optimised working conditions, and advanced corporate workplace health initiatives, prioritising employee occupational health and well-being. We are committed to creating 'model projects' and 'quality masterpieces.' To this end, we launched several quality improvement initiatives, strengthened quality performance assessments, and significantly enhanced the compliance, standardisation, and systematic management of engineering projects, maintaining a 100% quality acceptance rate.

## Sharing Value for a Better Society

We uphold a people-oriented approach, ensuring equal opportunities for employees and fostering their joint growth with the Company. We conducted an internal employment equality survey to safeguard gender equality in career development for the first time. Adhering to the principles of social contribution and shared growth, we focused on infrastructure, education, and consumption-driven improvements to support rural revitalisation strategies. We actively participated in public welfare initiatives, leveraging our proprietary safety education resources to host branded public safety awareness campaigns, fulfilling our corporate social responsibilities. We embraced a philosophy of fusion symbiosis, building robust community engagement mechanisms, respecting local cultures and religious beliefs of where we operate, and creating employment opportunities to promote the co-development of the Company and society.

As 2025 approaches, marking the final year of China's 14th Five-Year Plan, we are entering a pivotal moment in advancing the national strategy for clean fossil energy and the green transformation of the petrochemical industry. In response to the reshaping of the global industrial landscape and the ongoing technological revolution, we will continue to enhance our ESG governance framework and build a multidimensional competitive framework for high-quality development. We will strengthen technological innovation as a core driver, accelerate the transition toward greener and more efficient productivity, and extend the advantages of low-carbon services deeper into the value chain. We will strengthen collaborations with stakeholders, explore innovative ESG practices, contributing to the sustainable development path for our industry. With unwavering dedication and an unyielding pursuit of progress, we look forward to partnering with all stakeholders to co-create a cleaner, low-carbon energy industry and build a green, intelligent value chain!

**JIANG Dejun**  
Chairman of the Board  
Beijing, China  
14 March 2025

# Board's Statement on ESG Governance

The Board of Directors of Sinopec Engineering (Group) Co., Ltd. is committed to complying with all requirements of the Stock Exchange of Hong Kong's *Environmental, Social and Governance Reporting Guidelines*, continuously promoting the improvement of the Company's environmental, social and governance (ESG) governance system, enhancing the Board's supervision and participation in the Company's ESG affairs, and proactively integrating ESG into the Company's major decisions and business practices.

## Board of Directors' Role in ESG Governance

The Board of Directors of the Company assumes ultimate responsibility for the Company's ESG governance work. The ESG Committee under the Board of Directors is responsible for overseeing the Company's ESG commitments and performance on key issues, collaborating with other special committees and management departments to integrate ESG into internal control, risk management, strategic planning, compensation incentives and other areas, and reporting ESG implementation results and major plans to the Board. The ESG Committee consists of 5 directors, with the Chairman of the Board serving as the Committee Chair. The Committee meets at least once a year, with additional meetings convened when necessary, and communicates with the Board on ESG-related matters as appropriate. During the Reporting Period, the ESG Committee of the Board of Directors of the Company convened one meeting.

## ESG Management Philosophy and Strategy

The Company recognises the potentially significant impact of ESG risks and maintains an ESG issues database based on ESG risk identification, macro policies and trending topics, and stakeholder communication results. Through stakeholder surveys and expert assessments, the Company conducts materiality assessments of these issues to prioritise them and determine the focus areas for ESG governance.

## ESG Performance and Progress Review

The Company has implemented a key ESG performance metrics framework that encompasses critical indicators such as greenhouse gas emissions, resource consumption, pollutant discharge, occupational health and safety, and integrity and anti-corruption, with regular monitoring of progress against these targets. The Company integrates ESG performance metrics - including safety standards, environmental protection measures, and compliance requirements - into the evaluation frameworks for key management teams and subsidiaries, ensuring organisational alignment with and accountability for our ESG commitments. To ensure the reliability of the Company's ESG performance indicators, the Company engaged Grant Thornton (Special General Partnership) to provide independent assurance on the *SINOPEC Engineering (Group) Co., Ltd. 2024 ESG Report* and issue an independent assurance opinion on 16 ESG performance indicators.

The Board of Directors of Sinopec Engineering (Group) Co., Ltd.  
March 14, 2025

# About SEG

## Corporate Profile

The Group is an energy and chemical engineering company with a long history and strong international competitiveness and is committed to providing global clients with overall solutions for petrol refining, petrochemicals, aromatics, new-type coal chemicals, inorganic chemicals, pharmaceutical chemicals, clean energy, storage and transportation facilities, environmental protection and energy saving, among other industry sectors. The Group can provide whole industry chain services including engineering consulting, technology licensing, project management contracting, financing assistance, EPC (engineering, procurement and construction) contracting, as well as design, procurement, construction and installation, lifting and transportation of large equipment, pre-commissioning and start-up.

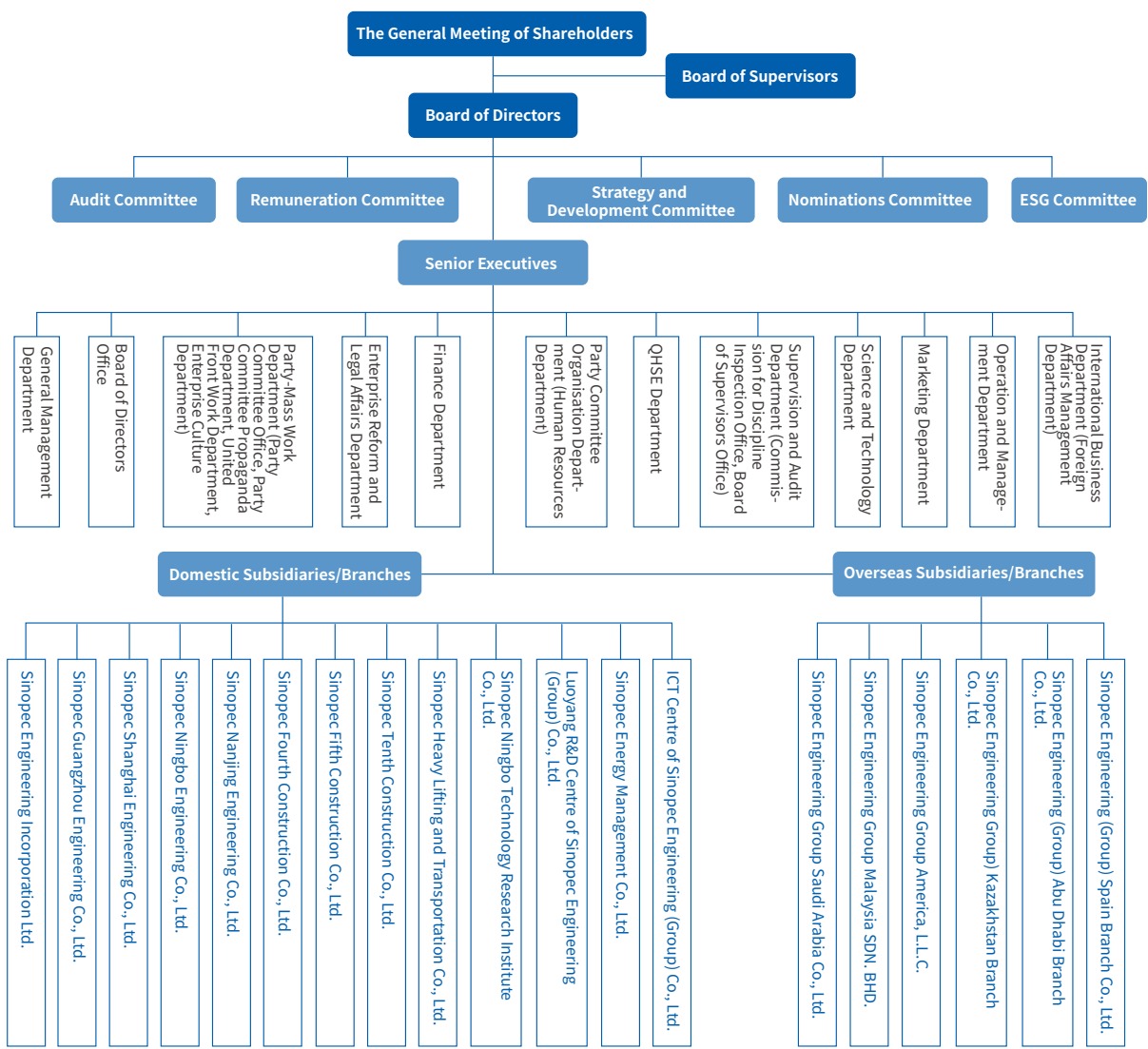
The Group has two academicians of the Chinese Academy of Engineering and nearly 10,000 high quality professionals. The Group owns and co-owns advanced patents and know-how in core business areas. The Group has delivered on schedule hundreds of modern factories with high investment, complicated processes, advanced technology and high quality to clients in more than 20 countries and regions around the world, established long-term and steady cooperative relationships with large energy and chemical enterprises at home and abroad, maintained an extensive and stable client resources, and enjoys remarkable industrial influence and social reputation.

In the future, adhering to the development orientation of "Integrated Service Provider with Whole Industry Chain and Whole Life Cycle in Energy and Chemical Industry" , the Group will base in the energy and petrochemical engineering construction industry, continuously broaden its business scope and extend its value chain, and comprehensively improve the quality level of safe, efficient, green and low-carbon service in the business chain, to create a new momentum in achieving the company vision of "Building the World's Leading Technology-oriented Engineering Company" .

The Group has 11 wholly-owned enterprises in China: Sinopec Engineering Incorporation Ltd., Sinopec Guangzhou Engineering Co., Ltd., Sinopec Shanghai Engineering Co., Ltd., Sinopec Ningbo Engineering Co., Ltd., Sinopec Nanjing Engineering Co., Ltd., Sinopec Fourth Construction Co., Ltd., Sinopec Fifth Construction Co., Ltd., Sinopec Tenth Construction Co., Ltd., Sinopec Heavy Lifting and Transportation Co., Ltd., Sinopec Energy Management Co., Ltd., and Sinopec Ningbo Technology Research Institute Co., Ltd., as well as 2 branches: Luoyang R&D Centre of Sinopec Engineering (Group) Co., Ltd. and ICT Centre of Sinopec Engineering (Group) Co., Ltd.



Organisational Structure



Development Strategies

The Group's vision is to become a world-leading technology-oriented engineering company. We position ourselves as a comprehensive service provider covering the full industrial chain and lifecycle in the energy and chemical sectors. The Group implements six development strategies: value-oriented, innovation-driven, green & clean, talent-based, globalisation-targeted, and fusion symbiosis, aiming to achieve sustainable development.

Value-Oriented	<ul style="list-style-type: none"><li>• Our MSCI ESG rating has been upgraded to BB, the highest rating in China's engineering sector</li><li>• We earned our first-ever listing in the S&amp;P Sustainability Yearbook (China Edition), becoming one of just two engineering companies to achieve this distinction</li><li>• Completed the strategic investment by China National Petroleum Corporation</li><li>• Readmitted into the Stock Connect</li><li>• Maintained a dividend payout ratio of 65% for the fourth consecutive year</li></ul>
Innovation-Driven	<ul style="list-style-type: none"><li>• Invested RMB2.515 billion* in R&amp;D</li><li>• Undertaken 31* national research projects and 16* major specialised projects from Sinopec Group</li><li>• Received a total of 70 science and technology progress awards at or above the provincial/ministerial level in technological innovation and engineering construction*</li><li>• New patent applications totalled 762* with a total of 4,589<sup>#</sup> patents granted</li></ul>
Green &Clean	<ul style="list-style-type: none"><li>• Total investment in clean technology: RMB227 million*</li><li>• Advanced 245* design and construction projects in clean energy technologies, including LNG, hydrogen energy, and biomass energy</li><li>• 3 Sinopec Green Factories *, 90 Sinopec Green Construction Sites *, 9 Sinopec Green Enterprises *</li></ul>
Talent-Based	<ul style="list-style-type: none"><li>• 2 Academicians from the Chinese Academy of Engineering, 36 recipients of government special allowances, 1 national candidate for the 'Hundred Thousand Talents Project', and 10 National Masters of Engineering Survey and Design</li><li>• 5,810 professionals with senior or higher technical qualifications</li><li>• 22.52% of employees hold postgraduate degrees and 47.39% hold bachelor's degrees</li></ul>
Globalisation-Targeted	<ul style="list-style-type: none"><li>• Throughout the year, newly signed overseas contracts reached USD5.349 billion, a year-on-year increase of 79.6%</li><li>• Throughout the year, overseas revenue reached USD1.49 billion, a year-on-year increase of 91.5%</li></ul>
Fusion Symbiosis	<ul style="list-style-type: none"><li>• Established collaborative research projects with 18 universities and research institutes*</li><li>• Secured RMB19.469 billion* worth of projects through consortium arrangements with strategic industry-partners</li><li>• Global partner suppliers: 4,355<sup>#</sup></li><li>• Global subcontractors: 1,113<sup>#</sup>, Key strategic subcontractors: 99<sup>#</sup></li></ul>

Note: \* indicates data for the current Reporting Period, <sup>#</sup> indicates data as of the end of the current Reporting Period.



# 01

## CORPORATE GOVERNANCE

- ESG Management
- Corporate Governance System
- Compliance and Risk Management

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### Supporting UN Sustainable Development Goals

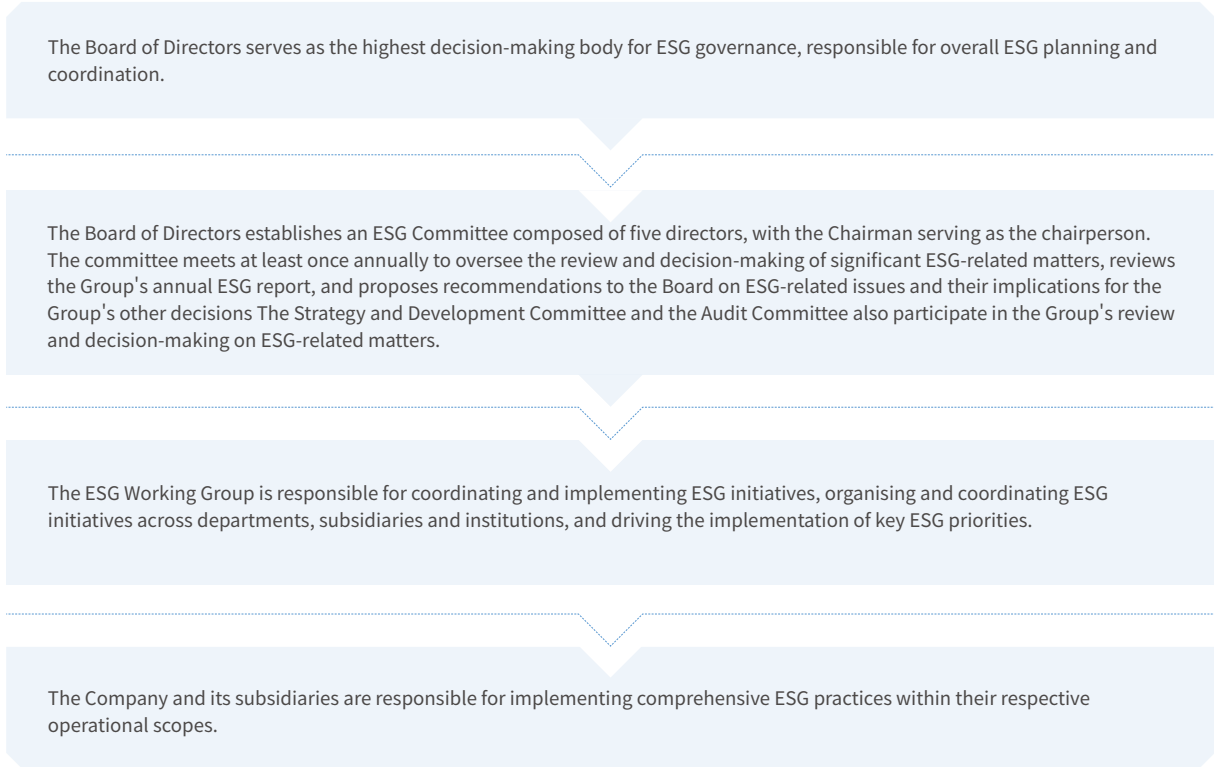


- Female directors account for 11.1% of the Board
  - Independent Directors account for 33.3% of the Board
  - The Company, SEI, and GPEC obtained ISO 37301 Compliance Management System Certification
-



# ESG Management

The Group integrates ESG into its corporate governance system, refining the ESG governance framework to establish a top-down sustainable management and practices architecture.



During the Reporting Period, the Group formulated and issued the *Sinopec Engineering (Group) Co., Ltd. Social, Environmental and Governance (ESG) Reporting Management Regulations*, further improving the reporting mechanism for ESG information and the collaboration with Subsidiaries. This has resulted in a standardised tool for collecting and reporting ESG information. In addition, the Group organised specialised ESG training for Subsidiaries, effectively improving the Group's ESG management and ESG information disclosure.

During the Reporting Period, the Company's MSCI ESG rating was upgraded from B to BB, which was the highest rating among engineering and construction companies in mainland China at the time of rating publication. The Company was selected for inclusion in the *"S&P Global Sustainability Yearbook 2024 (China Edition)"*, being one of only two companies selected from the construction and engineering sector. The Company was also included in Wind's "Top 100 ESG Best Practices of Chinese Listed Companies".

The Company's MSCI ESG rating

Upgraded to BB level

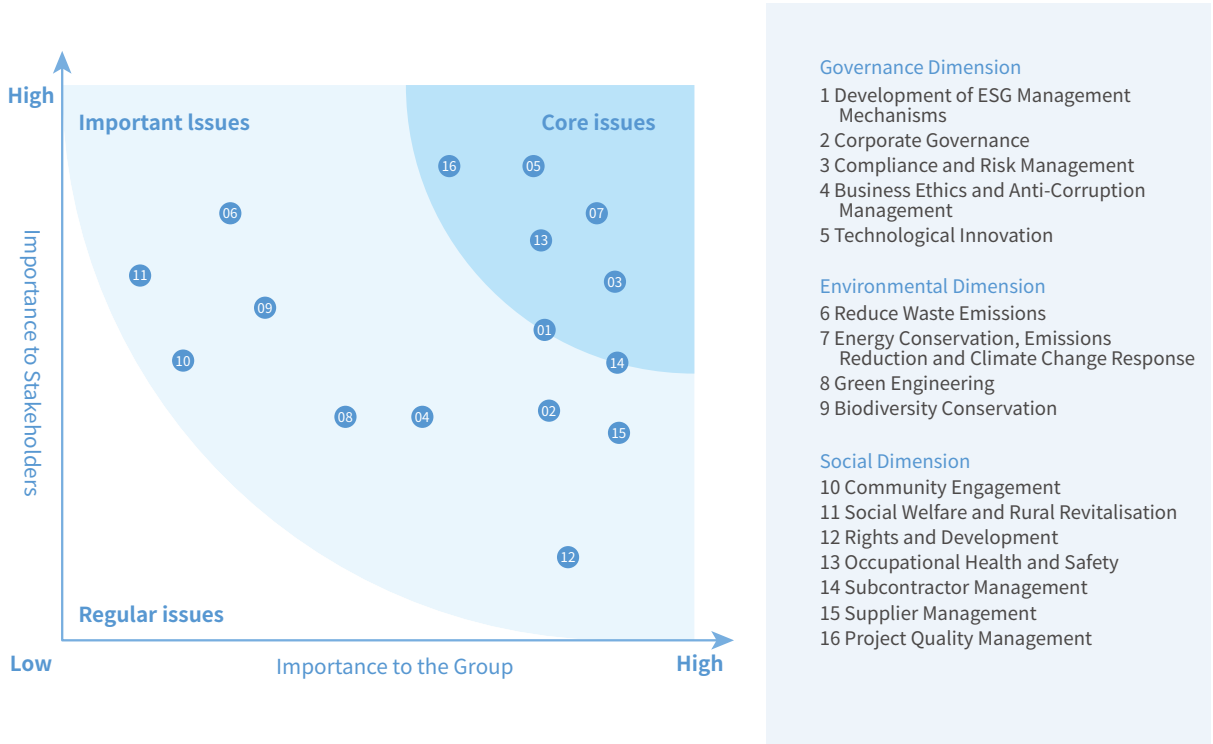
Included in

the S&P Global Sustainability Yearbook 2024 (China Edition)

## Identification of Key Issues

In 2024, the Group continued materiality assessment and identification of key ESG issues.

Identification	Through comprehensive analysis of macro policies, industry trends, and peer sustainability benchmarking, we identified 16 material sustainability issues that are significant to both our company and stakeholders.
Assessment	We invited stakeholders to assess the significance of these issues, resulting in materiality assessment.
Selection	Based on the assessment results, we developed a prioritised matrix of issues by their significance.



Included in Wind's

Top 100 ESG Best Practices of Chinese Listed Companies

ESG Value Management and Stakeholder Communication

The Group proactively identifies and engages with various stakeholders, understanding the expectations and demands of five stakeholder categories through effective communication channels, upon which we develop sustainable initiatives and solutions.

Stakeholders	Key Communication Topics	Communication Channels
Government and Regulatory Authorities	Development of ESG Management Mechanisms Compliance and Risk Management Biodiversity Conservation Reduce Waste Emissions	Daily Communication Reports Project Approval Government Oversight Statistical Report Filing
Shareholders and Investors	Corporate Governance Energy Conservation, Emission Reduction and Climate Change Response Business Ethics and Anti-Corruption Management Technological Innovation	Annual Reports and Other Statutory Information Disclosure Annual Result Announcement Capital Market Communications Website, hot-line, visits, roadshows, etc.
Employees	Rights and Development Occupational Health and Safety	Trade Union Corporate Culture Activity
Value Chain Partners	Green Engineering Subcontractor Management Supplier Management Project Quality Management	Daily Business Communication Strategic Cooperation Negotiations Questionnaire Official Website and WeChat Interaction
Community	Charitable Activities Community Relations Social Welfare and Rural Revitalisation	Community Outreach Events Open Day Respond to External Investigations

Corporate Governance System

Corporate Governance Structure

- General Meeting of Shareholders

The General Meeting of Shareholders serves as the supreme governing body of the Company, exercising its statutory powers and responsibilities in compliance with applicable laws and regulations. The Company ensures equal treatment of all shareholders and safeguards their lawful rights and interests. During the Reporting Period, the Company held four meetings, including the shareholders' general meeting and class shareholders' meetings, reviewed and adopted 19 resolutions.
- Board of Directors

The Board has established five specialised committees: the Nomination Committee, Remuneration Committee, ESG Committee, Strategy and Development Committee, and Audit Committee. Through their respective expertise, these committees provide strategic guidance and recommendations to strengthen the Board's decision-making process. Independent Directors fulfil three key roles - participating in decision-making, maintaining oversight and balance, and offering professional consultation - while exercising their authority with independence and objectivity. A dedicated meeting mechanism and support platforms have been established for Independent Directors, protecting the interests of all shareholders, especially minority shareholders.
- Board of Supervisors

The Board of Supervisors oversees the Company's finances and monitors the legal compliance of Directors and Senior Executives in performing their duties. The Board of Supervisors reports to the General Meeting of Shareholders with a three-year term of office. The Fifth Board of Supervisors consists of 9 members, including 4 Employee Representatives, accounting for 44 %.
- Senior Executives

The Company's Senior Executives team now consists of 5 executives. They are appointed by and report to the Board of Directors to implement Board resolutions and manage business operations. The Senior Executives are accountable to the Board.

In compliance with laws and listing regulations, the Company has established 17 governance policies, including the *Articles of Association*, ensuring robust corporate governance. The Company monitors domestic and international regulatory developments, updating its policies promptly to maintain advanced corporate governance standards.

Preventing Conflicts of Interest

The Company requires relevant personnel to uphold integrity in performing their duties, actively identify potential conflicts of interest, and maintain impartiality and objectivity. They must avoid situations where personal interests may conflict with corporate duties.

The Board of Supervisors, in accordance with laws and the *Articles of Association*, oversees the Company's operations, ensures proper performance by the Board and Management, and when necessary, urges corrective actions.

Enhancement of the Board of Directors

Effectiveness of the Board of Directors

Board Meeting Attendance	All Directors of Board diligently discharge their duties, exercise authority in compliance with laws and the <i>Articles of Association</i> , and implement shareholders' resolutions. During the Reporting Period, the Board held 7 meetings, approved 43 resolutions.
Other Positions Held by Independent Directors	To ensure Independent Directors can effectively fulfil their duties, the <i>Articles of Association</i> states that Independent Directors must comply with the <i>HKEX Listing Rules</i> and relevant regulations.
Board of Directors Elections	Directors of Board are elected by the General Meeting of Shareholders with each term of the Board lasting three years, re-electable upon the expiration of their terms. Candidates for Independent Directors are nominated by the Board of Directors of the Company, the Supervisory Board, or shareholders holding more than 1% of the total voting shares of the Company, either individually or in combination. Other Director of Board candidates, excluding independent directors, are nominated by the Board of Directors, the Supervisory Board, or shareholders holding more than 3% of the total voting shares of the Company, either individually or in combination, and the list of director candidates is submitted to the shareholders' meeting for resolution.

Diversity of Board of Directors

The Company establishes a *Diversity of Board of Directors Policy*, stipulating that nominations and appointments of Board members shall be based on the skills and experience required for effective Board operation, while considering diversity objectives and requirements. The Company's Diversity of Board of Directors considerations include, but are not limited to, professional experience, skills, knowledge, length of service, regional background, cultural background, educational background, gender, and age. The current Directors of Board come from diverse backgrounds with extensive work experience, covering professional fields including petrochemicals, engineering construction, process safety, project management, green and low-carbon development, finance, and ESG, which enables informed decision-making by the Board. As of the date of this report, female directors account for 11.1% of the Board.

Gender of Directors

Male 88.9% Female 11.1%

Education Background

Doctoral Degree 33.3% Master's Degree 44.5% Bachelor's Degree 22.2%

Qualifications

Industry Expertise 77.8% Financial Expertise 11.1% Risk Expertise 11.1%

Independence of Board of Directors

The Board of Directors consists of 6 Non-executive Directors, accounting for 67% of the Board, including 3 Independent Directors. Independent Directors do not hold any other positions in the Company apart from their directorship.

Operating Framework for Independent Directors	The Company's <i>Rules for Independent Directors stipulates</i> that Independent Directors shall comprise at least one-third of the Board, and sets forth provisions regarding their qualifications, nomination, election and replacement, duties and rights, and support measures for performing their duties.
Election Procedures and Qualifications for Independent Directors	The nominator of Independent Directors shall verify the candidate's qualifications, eligibility, competence, and potential conflicts with independence requirements, and provide a declaration and commitment regarding the verification results. The nominees shall make a confirmation regarding their compliance with independence and other conditions for serving as independent directors. The Nomination Committee of Board examines the nominees' qualifications. Independent Directors must conduct annual self-assessments of their independence and provide written confirmations to the Company.
Performance of Independent Directors	Two Independent Directors serve as the Chairman of the Remuneration Committee and Audit Committee respectively. They fulfil their roles of decision-making, maintaining oversight and balance, and offering professional consultation by diligently performing their duties and participating in major corporate decisions. During the Reporting Period, Independent Directors issued opinions on key corporate matters including board nominations, executive appointments, related-party transactions, dividend distributions, auditor reappointment, and share repurchases - exercising their oversight role to protect the interests of the Company and its shareholders. Independent Directors demonstrated their commitment by conducting thorough research and staying well-informed about the Company's operations. During the Reporting Period, they conducted site visits in Saudi Arabia to review the execution of international projects.



Board Committees

The Board has established five specialised committees: the Strategy and Development Committee, Audit Committee, Nomination Committee, Remuneration Committee, and ESG Committee.

Names of Committees	Committee Responsibilities	Composition and Annual Work Summary
Strategy and Development Committee	Responsible for developing the Company's long-term strategic planning and overseeing major capital investments and financing decisions.	<p>The Committee consists of 2 Executive directors, 3 non-executive directors, and 1 independent director.</p> <p>During the Reporting Period, the Committee held 1 meeting.</p>
Audit Committee	Provides recommendations on the appointment, reappointment or removal of the Company's independent auditors, as well as their audit fees. To review the financial statements to be submitted to the Board of Directors , and to examine the Company's financial policies, internal audit procedures, internal control systems, and risk management frameworks.	<p>The Committee consists of 3 independent directors, including auditing expert.</p> <p>During the Reporting Period, the Committee held 2 meetings.</p>
Nominations Committee	The Nominations Committee makes recommendations to the Board regarding director appointments, reappointments and succession planning. It identifies qualified candidates for directorship and nominates or advises the Board of Directors on the selection of such individuals.	<p>The Committee consists of 2 Executive Directors and 3 independent directors.</p> <p>During the Reporting Period, the Committee held 1 meeting.</p>
Remuneration Committee	The Remuneration Committee studies and recommends to the Board the remuneration structure and policies for all Directors, Supervisors and senior executives. Upon Board authorisation, it either determines or makes recommendations on compensation and benefits packages for individual Executive Directors and senior executive's members. The remuneration of Board Directors shall be determined in accordance with relevant national laws and regulations as well as the Company's compensation management policies.	<p>The Committee consists of 3 independent directors.</p> <p>During the Reporting Period, the Committee held 1 meeting.</p>
ESG Committee	The ESG Committee advises the Board of Directors on major decisions relating to the Company's ESG development. The ESG Committee oversees the implementation and progress of the Company's ESG development strategies and plans, supervises the Company's commitments and performance on key issues such as climate change, health and safety, and social responsibility, and advises the Board of Directors accordingly. Tracks important ESG developments relevant to the Company's business operations, studies ESG-related matters, and advises the Board of Directors accordingly. Reviews the Company's annual ESG report and provides recommendations to the Board of Directors.	<p>The Committee consists of 3 executive directors and 2 independent directors.</p> <p>During the Reporting Period, the Committee held 1 meeting.</p>

Management of Remuneration for Board Directors and Senior Executives

The Company has established and continuously improves directors' and senior executives' remuneration and evaluation management system, formulating and implementing *SEG Senior Executives Remuneration Management Measures* and *SEG Executives Performance Evaluation Management Measures*. Their evaluation indicators include metrics for economic performance, operational management, risk control and compliance, key tasks indicators, as well as ESG-related indicators such as safety, environmental protection, quality, and integrity. Performance-based compensation is awarded according to evaluation results.

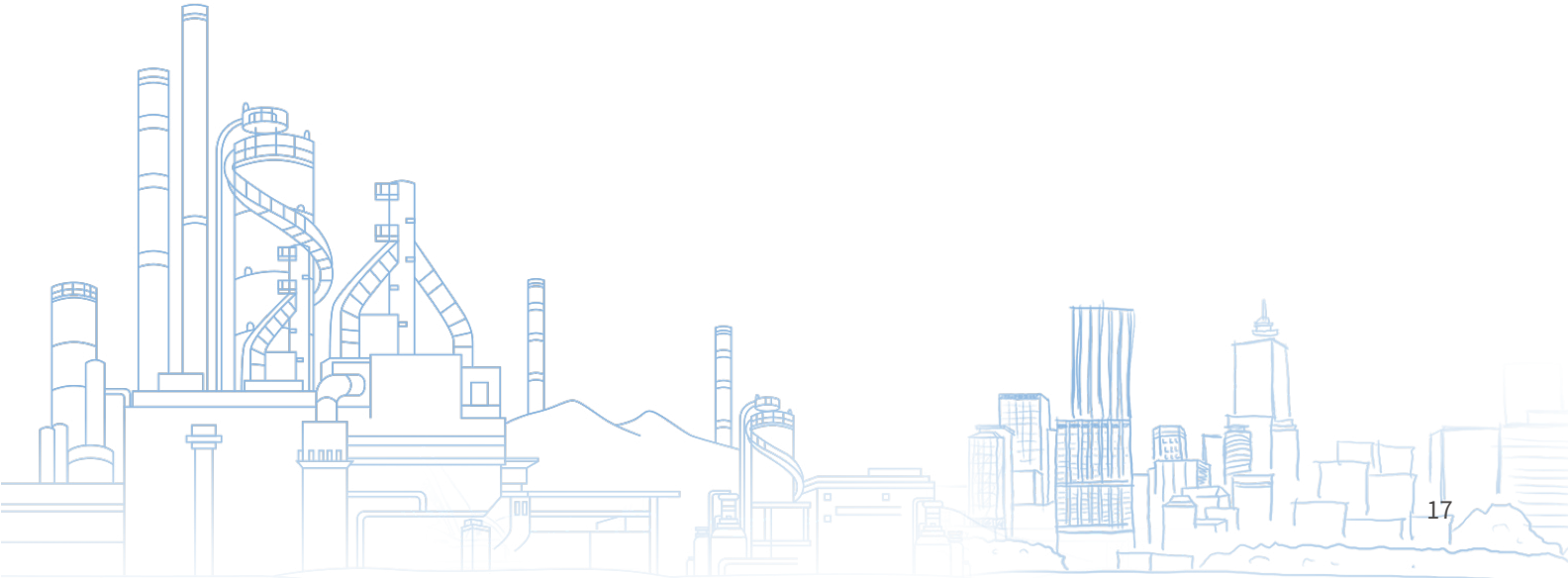
The Remuneration Committee of Board makes recommendations to the Board regarding compensation plans and evaluation matters for Directors, Supervisors and other senior executive members. In determining compensation, the Remuneration Committee considers factors including company objectives, industry compensation levels, as well as the duties and performance of Board Directors and senior executives. Senior executives' compensation consists of base annual salary, performance bonus, and term incentives, with annual performance bonus accounting for no less than 60% of total annual remuneration.

The Company has established a clawback mechanism for senior executives' performance-based compensation. According to the *SEG Senior Executives Remuneration Management Measures* and other regulations, for senior executives who violate national laws and regulations during their tenure or cause enterprise asset losses due to dereliction of duty, the Company will, based on disciplinary results and asset loss responsibility, deduct their current year performance pay and annual salary, or recover part or all of their previously paid annual performance bonuses and term incentive payments. The clawback policy also applies to former senior executives who have resigned or retired.

Information Disclosure and Investor Relations

The Company rigorously adheres to disclosure obligations in its listing jurisdictions, refines both the content and format of disclosures while continuously enhancing disclosure effectiveness.

The Directors of Directors and senior executives engage with investors and other stakeholders, listening to their opinions and suggestions while responding promptly to their concerns. The Company expands the breadth and depth of stakeholder communication through various channels including shareholders' meetings, results announcements, roadshows, reverse roadshows, analyst meetings, site visits, hotlines, company website sections, and new media platforms, to enhance their understanding of the Company.



# Compliance and Risk Management

## Compliance Management

### Compliance System

The Group is committed to integrating compliance management into corporate governance, and strengthening our comprehensive compliance management framework. The Company successfully completed its ISO 37301 compliance management system recertification audit. By the end of the Reporting Period, the Company, SEI and GPEC had obtained ISO 37301 compliance management system certification.

We introduced a *Compliance Obligations Checklist*, which maps legal requirements to specific policy provisions, enabling staff to conduct compliance checks throughout their work processes.

During the Reporting Period, the Company developed *Compliance Business Guidelines for Overseas, Saudi Region Project Compliance Guidelines Manual* and *Saudi Region Subcontracting and Procurement Management Contract Templates*, formulating an enhanced overseas internal risk management system, ensuring compliant operations in Saudi Arabia.

During the Reporting Period, the Company's compliance project *Innovation and Practice of the 'Six Integrations' Compliance Management System: An International Certification Perspective* received the Second Prize in Sinopec Group's Management Innovation Awards.

### Anti-Corruption Management

The Group continuously strengthens its anti-bribery and anti-corruption systems and procedures, reinforces integrity culture, and prohibits any form of commercial bribery or corruption in any country or region under any circumstances.

The Group strictly complies with relevant laws and regulations including the *Criminal Law of the People's Republic of China, the Supervision Law of the People's Republic of China*, the *Administrative Punishment Law for Public Officials of the People's Republic of China* , and the *Regulations on Disciplinary Actions for State-owned Enterprise Management Personnel*, applicable local anti-bribery, anti-extortion, anti-fraud and anti-money laundering regulations in its operating locations, as well as international conventions such as the *UN Convention Against Corruption*, while complying with integrity and anti-corruption regulations of both the Company and its business partners, firmly opposing corruption and unfair competition practices.

The Group has formulated institutional documents including the *SEG Strengthening Supervision Responsibility List for the Top Executives' and Management Team*, the *SEG List of Exemptions for Errors by Headquarters Executives*, and the *SEG Management Measures for the Registration of Gifts and Cash Received in Domestic Business Interactions*, continuously improving the anti-corruption management system and effectively creating a clean and honest business environment. During the Reporting Period, we have newly formulated the *SEG Implementation Rules for Strengthening Daily Supervision Talks (Trial)*, revised the *SEG Supervisory Committee Work Rules*, *SEG Implementation Measures for Party Inspection Work*, and the *Regulations on the Cooperation of Inspected Party Organisations and Their Superior Party Committees with the Party Inspection Work of SEG*, further improving anti-corruption management work.

The Group strictly manages commissions and intermediary fees for overseas projects. In recent years, unless mandated by local regulations, the Group has rarely incurred commission fees. During the Reporting Period, we revised our *Regulations on Commission and Intermediary Fees for Overseas Projects* to minimise compliance risks.

## 2024 Anti-Corruption Highlights

Anti-corruption Awareness Programmes	The Group delivers coordinated integrity and compliance training programmes targeting employees across all levels. Full training coverage is achieved through centralised warning sessions, compliance reminder interviews, and the communication of case studies.
Routine and Special Inspections	<ul style="list-style-type: none"><li>• Clear accountability has been established at all levels, with regular supervision mechanisms in place to identify and resolve operational and management issues in a timely manner.</li><li>• We organise integrity risk assessments and specialised rectification campaigns, with risk prevention measures via various approaches for key engineering projects.</li><li>• Implemented rectifications based on the feedback from the supervisory authorities.</li></ul>
Overseas Specialised Management Framework	As part of our global compliance initiatives, we conducted comprehensive research on anti-corruption and anti-bribery frameworks across our key markets in Central Asia, Southeast Asia, and North Africa. This systematic study mapped local legal requirements, regulatory landscapes, and significant precedents to establish robust compliance guidelines.

## Reporting Channels and Whistle-blower Protection

The Group has enhanced and published its *Whistle blower Protection Policy*. We support employees, customers, suppliers, subcontractors and other external stakeholders in reporting illegal or inappropriate conduct to us. We have established multiple reporting channels for integrity concerns, including whistleblowing hotlines, reporting mailboxes, and email addresses, to receive reports of violations and misconduct through various means.

The Group's contact information for petitions and complaints is as follows: Phone: 010-56730699, Email: segjwb@sinopec.com, and the mailbox address is located at the west side staircase of the 7th floor of the Company's headquarters.

The Group has established a sound whistle-blower protection mechanism. We process anonymous reports in accordance with established protocols and regulations. The policy strictly prohibits unauthorised investigations of handwriting, IP addresses, or other identifying information. Any investigation into a whistle-blower's identity requires prior approval through official review procedures. For non-anonymous reports, we maintain strict confidentiality protocols, protecting all report contents and personal information including names, addresses, and phone numbers. Investigations are conducted without revealing whistle-blowers' identities, and we strictly prohibit the disclosure of original or copied reporting materials during investigations.

The Group's *Integrity and Compliance Management Manual* explicitly states that the Group has zero tolerance for retaliation. Severe penalties will be imposed on those who deliberately disclose whistleblower information or retaliate against individuals who report suspected violations or potential business risks.



Business Ethics

As the supreme oversight authority for business ethics and anti-corruption management, the Board's ESG Committee maintains supervisory responsibility over the Company's management practices in these areas. The Company conducts regular business ethics training programmes encompassing professional conduct, anti-corruption measures, conflict of interest management, and insider information protocols. A comprehensive monitoring framework is in place to enforce strict disciplinary actions against business ethics violations. During the Reporting Period, the Company completed the annual ISO 37301 compliance management system third-party surveillance audit, which incorporated the annual assessment of corporate business ethics practices.

The Group has established comprehensive governance frameworks including our *Integrity and Compliance Management Manual*, *Code of Business Ethics*, and *Employee Code of Conduct*. These documents govern corporate and employee conduct and set forth specific requirements regarding safety, environmental protection, employee health and public safety, anti-bribery and anti-corruption measures, information confidentiality, anti-money laundering and insider trading controls, customer rights protection, equal employment opportunity and anti-discrimination practices, conflict of interest management, fair competition practices, and whistleblowing procedures. An internal review mechanism has been established by the Group to periodically update our business ethics standards, ensuring ongoing regulatory compliance.

Regarding conflicts of interest, the Group requires all employees to fulfil their reporting obligations and voluntarily recuse themselves from related decision-making and handling processes.

Regarding insider information, the Group requires Directors, Supervisors, and senior Executives to maintain strict confidentiality of non-public information and prohibits disclosure of such information to any organisation or individual through any means. Employees with access to insider information are prohibited from using such information for securities trading or advising others to trade based on this information.

The Group firmly opposes money laundering and terrorism. We strictly comply with Chinese regulations, local laws in our operating jurisdictions, and international requirements. We conduct thorough due diligence and identity verification of counter parties and business partners, and strictly prohibit any assistance or facilitation of money laundering or terrorist activities.

Other business ethics management matters are described in the relevant sections of this report.

Tax Management

The Group places high priority on tax compliance and engages professional tax consultants to provide compliance and tax advisory services, so as to ensure strict adherence to tax laws and regulations of all countries or regions where we operate. We disclose our tax compliance status annually through our Annual Report to ensure stakeholders remain informed of the Company's tax affairs.

During the Reporting Period, the Company was not involved in any significant litigation or arbitration matters related to taxation.

Cyber and Information Security Management

The Group strictly complies with laws, regulations, and administrative provisions regarding cyber and information security, upholds business ethics, and effectively protects state secrets and trade secrets. We have formulated and implemented the *Cybersecurity Management Regulations of SEG* and other information and cybersecurity management systems, continuously strengthening systematic management with technical documents. By the end of the Reporting Period, SNEC obtained ISO 27001 Information Security Management System certification.

To enhance employees' awareness of data security, the Group regularly conduct data security training, covering topics such as information confidentiality, network security protection, and emergency response. We require employees to protect company data and information security in compliance with laws and regulations, and have established a reporting mechanism for information and cyber security issues, with designated specialists responsible for handling such matters.

During the Reporting Period, the Group maintained its track record of zero major information and cybersecurity incidents, with no reported impacts on customers or employees from cybersecurity-related events.

Risk Management

An effective risk management framework has been implemented across the Group, operating through multiple lines of defence. The Risk Management Committee and enterprise-level risk management leadership teams maintain ultimate oversight of internal controls. Core operational units serve as primary risk owners, while specialised support functions including Legal, Risk Management and Compliance provide second-line risk management assistance. Independent assurance is provided by the Supervision and Audit Department through systematic evaluation of risk management and internal control systems.

The Group promptly identifies, analyses, and evaluates risk factors in our production and operations. We integrate risk management with internal control systems, and QHSE management. Specific control measures and solutions are developed and embedded into key internal control points.

The Group has formulated and implemented a series of management policies including the *SEG Comprehensive Risk Management Regulations*, *SEG Major Operational Risk Control Manual*, and *SEG Overseas Operations Standardisation Framework*. These documents establish robust risk control procedures for both domestic operations and international expansion. During the Reporting Period, the Group updated its *SEG Comprehensive Risk Management Regulations* and enhanced its major operational risk early warning system. Key improvements include establishing project-level risk indicators and developing risk coefficient testing methods. We piloted these indicators on selected domestic and international projects to verify their feasibility.

For details of the Group's risk identification, please refer to the section "Report of the Board- Risk Factors" in the 2024 Annual Report



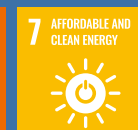


# 02

## TECHNOLOGICAL INNOVATION

- Technological Innovation Management Mechanism
- Green Engineering Technology
- Leading through Technology
- Contribute to the New Industrialisation

Support for the United Nations Sustainable Development Goals



- New patent applications: 762, including invention patents: 584; New authorised patents: 384, including invention patents: 201
- Undertook 31 national-level projects, 33 key-breakthrough projects, and 16 major projects, with smooth progress



# Technological Innovation Management Mechanism

## Intellectual Property Protection

The Group strictly adheres to the legal requirements of the *Patent Law of the People's Republic of China* and the *Copyright Law of the People's Republic of China*, and has formulated and implemented management procedures such as the *SEG Intellectual Property Protection Management Regulations*, *SEG Patent Management Regulations*, and *SEG Proprietary Technology Management Guidelines*. Each subsidiary conducts regular risk detection, management system transition and updates, changes in patent ownership, and relevant property rights management training according to the headquarters' requirements. During the Reporting Period, the Group was not involved in any intellectual property infringement litigation.

During the Reporting Period, the Group filed 762 new patent applications, of which 584 were invention patents, accounting for 76.6% of the total. 384 new patents were granted, including 201 invention patents, accounting for 52.3% of the total. As of the end of the Reporting Period, the Group owned a total of 4,589 patents, of which 2,320 were invention patents.

Totally owned **4,589** patents

owned **2,320** invention patents

### Case

Building on its 2021 *Intellectual Property Compliance Management System Certification*, SEI successfully obtained certification under the new standards for this management system.



## Innovation Management Mechanism

During the Reporting Period, the Group developed several key policies: *Guidelines for External Technical Cooperation Agreements*, and *Special Action Plan for High-Quality Development and Technological Innovation*. We also revised our *Technical Cooperation Management Measures*. These initiatives standardise key terms for external technical partnerships, continuously enhancing our technological development capabilities and market competitiveness.

The Group has signed strategic cooperation agreements with multiple institutions including Guangdong University of Technology, Tsinghua University, Shanghai Institute of Organic Chemistry (Chinese Academy of Sciences), and Chinese Research Academy of Environmental Sciences. Research and development efforts are concentrated on strategic areas encompassing lignin valorisation, mixed olefin polymerization technologies, plastic waste upcycling, and hydrogen-based esterification synthesis processes.

The Group continuously develops its innovation talent incentive system. The Group has implemented an innovation workshop programme featuring multiple employee-led innovation centres, highlighted by the prestigious Tang Yuansheng National Master Craftsman Workshop.

During the Reporting Period, SEM was recognised as a "National High-tech Enterprise" by the Ministry of Industry and Information Technology. As of the end of the Reporting Period, 12 subsidiaries within the Group are named as High-tech enterprises.

### Case The Establishment of the Biomass High-Value Utilisation Engineering Research Centre

The Group signed a strategic cooperation agreement with Guangdong University of Technology to jointly establish the "Engineering Research Centre for High-Value Biomass Utilisation." We have initiated five specialised research projects on high-value lignin utilisation, including "Research on Technology for Converting Lignin into Aviation Fuel."



### Case The Establishment of Sinopec Key Laboratory for Refining and Chemical Process Re-Engineering and Multi-Energy Coupling Utilisation

The laboratory undertakes multiple national-level key research and development projects. It conducts in-depth research on safety production "smart transformation and digital conversion" technology pathways for chemical industry parks, as well as specialised technologies and ecosystem development in chemical new materials. Additionally, focusing on multi-energy coupling utilisation, the laboratory conducts research on large-scale, low-cost green hydrogen production technologies.



## Green Engineering Technology

The Group remains committed to green and clean development, exploring new pathways for efficient energy and resource utilisation while providing the industry with efficient, low-carbon, and sustainable green engineering solutions.

### Case Low-Carbon Purification Technology Successfully Implemented for High-Sulphur, High-Acid Natural Gas in Western Sichuan

The Western Sichuan gas field, a super-large high-sulphur gas field, has faced numerous engineering and technical challenges during its development. The Group developed an integrated short-process, low-carbon purification technology for high-sulphur and high-acid natural gas, including proprietary desulphurization agents, catalysts, and key equipment. This technology has been successfully implemented and is operating steadily at the Western Sichuan gas field. The project will be fully completed and put into operation in 2024, producing 2 billion cubic meters of natural gas per year, as well as 130,000 tonnes of sulphur as a by-product.





Case Sinopec's First Industrial Facility for Biodegradable Materials

The 60,000 tonnes/year PBST continuous polymerization project in Hainan, constructed with the Group's participation, has been completed. PBST, poly(butylene succinate-co-terephthalate), characterised by its excellent thermal stability, mechanical properties, and biodegradability, can be widely applied to disposable daily necessities and packaging materials, representing a significant solution to address plastic "white pollution" challenges.



Case The World's First Esterification-Based Cyclohexanone Production Facility Has Started Up and Achieved Stable Operation

Line B of the esterification-based cyclohexanone facility at Hunan Petrochemical, which was technically developed and engineered by the Group has successfully completed its initial startup. This technology converts low-value acetic acid into higher-value anhydrous ethanol, achieving a carbon atom utilisation rate of over 95% while reducing waste emissions (solid, liquid, and gas) by 90%, delivering significant economic and social benefits.



Case World's Largest Single-Train PTA Production Facility with 3 million Tonnes Annual Capacity Begins Operations, Advancing Green Development of the Aromatics Industry Chain

The Group has designed and constructed a PTA (Purified Terephthalic Acid) plant with an annual capacity of 3 million tonnes, representing the world's largest single-train PTA production facility. Through the implementation of innovative technologies, processes, and equipment, the production process has been streamlined, significantly reducing energy consumption to 30 kg standard oil equivalent per tonne of product.



Case The Group's Soil Remediation Technology Has Won Multiple Awards

The project "Key Technologies and Applications for In-situ Green Chemical Remediation of Heavily Polluted Industrial Sites," developed by SFCC has won both the 2024 Jiangsu Province Science and Technology Second Prize and the 2024 China Chemical Industry Association Technology Innovation Second Prize. The "Research on Efficient Microbial Remediation Technology for Persistent Petroleum Hydrocarbon Pollutants in Soil" project won the second prize of the China Chemical Society's Technology Invention Award for 2024.



▲ Jiangsu Province Science and Technology Second Prize



▲ The Chemical Industry and Engineering Society of China (CIESC) Technology Invention Award Second Prize

Leading through Technology

During the Reporting Period, the Group received a total of 70 science and technology progress awards at or above the provincial/ministerial level in technological innovation and engineering construction. Among them, "Design, Manufacturing and Maintenance Technology for Long-life Large-scale Ethylene Cracking Reactors" won the National Science and Technology Progress Award (Second Prize), "Research and Application of Key Technologies for Long-term Safe Production in High-acid Gas Fields" won Sinopec Science and Technology Progress Award (First Prize), and "Development and Application of Crude Cracking Pyrolysis Process (CCPP) Technology" won Sinopec Technical Innovation Award (Second Prize). Two national-level excellent design bronze awards and two National Quality Project Awards were received. The 31 national-level research projects, 33 key breakthrough projects, and 16 major special projects undertaken by the Group are progressing smoothly.

Case Residue to Chemicals (RTC) Technology Enters into Application

In 2023, the world's first 3 million tonnes/year residue to chemicals (RTC) industrial demonstration unit designed and constructed by the Group was successfully commissioned at Sinopec Anqing Petrochemical Company. This project is a successful practice of transforming a traditional refinery into a chemical. The said technology has entered into application in the Reporting Period.



Case Major Breakthrough in Helium Purification Technology

In 2023, a joint research team led by the Group successfully developed a new technology for efficient helium extraction from the tail gas of natural gas (shale gas) liquefaction devices.

During the Reporting Period, we produced ultra-pure helium products with a purity of 99.9999% (6N), meeting the national standard GB/T 4844-2011 Helium, High-Purity Helium and Ultra-High Purity Helium for ultra-pure helium. This marked a successful breakthrough in solving the technical challenges of ultra-pure helium refinement for the electronics industry.



Case

The Group developed a technical package for 20,000 tonnes/year of ethylene tar pitch, enriching the types of refining products and meeting the development needs of lithium-ion battery anode materials.

Case The DMTO-III Technology Successfully Implemented

The third-generation methanol-to-olefins (DMTO-III) technology jointly developed by the Group and the Dalian Institute of Chemical Physics, Chinese Academy of Sciences, has been successfully applied at Baofeng Energy in Inner Mongolia. The facility represents the world's largest single-plant coal-to-olefins operation and stands as the only commercial-scale project globally utilising green hydrogen to substitute fossil fuels in olefins production.



Case

The Group took the initiative to develop the hydrocracking technology for vacuum residue using a boiling-solid composite bed, significantly enhancing the processing capacity and efficiency of traditional refining units. After optimisation, it is expected to generate an average annual comprehensive benefit of over RMB70 million.

Case Independently Developed CHPPO Technology Reaches World-Leading Standards

In 2023, the Tianjin Petrochemical 150,000 tonnes/year Cumene Hydroperoxide Process for Propylene Oxide (CHPPO) unit, contracted by the Group for EPC, successfully started up on the first attempt.

During the Reporting Period, the project completed full-load calibration, with the purity of the Epichlorohydrin product exceeding 99.99%. This technology comes with low material consumption, low energy consumption, low investment, small footprint, and low wastewater discharge, presenting great significance for the development of the green high-end materials industry.



# Contribute to the New Industrialisation



The Group is spearheading new industrialisation initiatives across the engineering sector. The Group has championed 12 specialised research initiatives, making significant headway in areas including standardised lean design, integrated collaboration, industrialised smart manufacturing, information management, digital delivery, intelligent operation and maintenance, and robot substitution. The Group continues to develop and deploy construction technologies such as automated welding robots and smart welding demonstration lines, along with high-efficiency production equipment. The Group advanced the development of refining and petrochemical engineering capabilities by streamlining management systems and project workflows, while establishing a comprehensive, unified Information Technology Architecture 2.0. We launched research initiatives in AI-driven design, pioneering the shift from traditional to generative design approaches.

As of the end of the Reporting Period, SEI, GPEC, SSEC, and SNEI have obtained the AAA level certification of the Integration of Information Technology and Industrialisation Management System, while SNEC has obtained the AA level certification.

Design Standardisation and Optimisation	<ul style="list-style-type: none"><li>The Group leveraged AI technology to enhance cross-disciplinary data sharing and intelligent collaboration, while implementing automated alerts for design data anomalies.</li><li>We integrated design processes with standards and regulations, enabling automated compliance checks and information modelling, thereby enhancing design intelligence capabilities.</li></ul>
Integrated Collaboration	<p><b>Case</b> the Group's smart 3D design platform for petrochemical static equipment earned recognition as a 2024 Digital Innovation Excellence Case in the energy sector.</p> <ul style="list-style-type: none"><li>We compiled the <i>Standards and Guidelines for Integrated Collaboration in Engineering Projects</i>.</li><li>We established an integrated project management framework, developed a data-driven collaboration mechanism, and launched a unified project collaboration platform.</li><li>Implemented data-centric integrated management across project execution, encompassing data storage, communication, resource allocation, schedule planning, cost control, and QHSE monitoring.</li></ul>
Modular Construction and Industrialised Intelligent Manufacturing	<ul style="list-style-type: none"><li>We streamlined and established comprehensive modular design management processes, workflows, and protocols. Developed modular design guidelines, enhanced the modular management system, and completed the <i>Application Guide for Intelligent Equipment and High-Efficiency Tools in Engineering Construction</i>.</li><li>The Group implemented the modular construction framework: Applied modular solutions across eight specialised. This approach enhanced safety performance while significantly improving efficiency and cost-effectiveness.</li><li>We established pipe prefabrication facilities: Implemented an integrated approach combining "factory prefabrication + mobile production lines + on-site platform assembly." Utilised welding robots, and manipulator arms to develop a streamlined, automated, and digitalised pipe prefabrication operation.</li></ul> <p><b>Case</b> The Group implemented precast concrete pipe rack components across multiple projects. This implementation delivered significant improvements: shortened construction time, reduced working at heights, and minimised scaffolding requirements.</p> <p><b>Case</b> The Group employed prefabricated steel construction techniques across multiple projects. By assembling factory-manufactured components, the Company significantly improved construction efficiency and reduced construction waste by over 50%.</p> <p><b>Case</b> The Group introduced laser rust removal technology in the Longkou LNG project. The approach significantly reduced manual labour intensity and material costs, resulting in a three to five-fold increase in construction productivity.</p>



Modular Construction and Industrialised Intelligent Manufacturing	<p><b>Case</b> 4 New Technologies Devoted to the Lifting Industry Evolution</p> <p>The Group launched several advanced technical solutions, including a 14,000 tonnes multi-condition modular rail crane, a mobile heavy-load dock system for varying water levels with 10,000 tonnes capacity, hydraulic lifting technology, 400 tonnes per unit jacking modules, and integrated lifting systems with capacities ranging from 1,000 to 10,000 tonnes.</p>	
Information Management	<ul style="list-style-type: none"><li>• We established and implemented <i>SEG Information and Digital Management Regulations</i> and <i>SEG IT Project Development Management Guidelines</i>. During the Reporting Period, five new policies were issued, including the <i>SEG Information and Digital Planning Management Regulations</i> further standardising the workflows for information technology and digital engineering construction.</li><li>• We have accelerated its core business development in refining and chemical engineering while streamlining its corporate management systems and project workflows. The Company has also rolled out a comprehensive IT Application Framework 2.0 to enhance operational efficiency.</li><li>• Following the "Data + Platform + Applications" IT strategy, the Company has focused on key areas such as data integration and business process standardisation. These initiatives have significantly enhanced data acquisition capabilities and strengthened overall operational control.</li><li>• We orchestrated a comprehensive upgrade of production software systems to intelligent solutions, while establishing seamless cloud platform access to licences for leading domestic and international engineering computation and design software.</li></ul>	
Digital Delivery	<ul style="list-style-type: none"><li>• We advanced the integration of smart factory design with digital twin applications, while expanding our "Engineering Data Centre" and "Digital Delivery" capabilities.</li><li>• We advanced key initiatives in Industrial Internet of Things (IIoT) for equipment management, domestically developed 3D plant design software, and intelligent solutions for design and construction domains. During the Reporting Period, the Group's design simulation industrial software passed national certification and validation requirements.</li></ul>	
Intelligent Operation and Maintenance	<ul style="list-style-type: none"><li>• We drive integrated equipment applications and digital pipeline network development, with a focus on expanding "Equipment Data Asset Management" and "Intelligent Pipeline Operations and Maintenance" capabilities.</li><li>• We implemented digital pipeline systems across 31 refining and chemical enterprises, accelerating the deployment of intelligent maintenance projects. By leveraging both big data analytics and technical expertise, we have enhanced our service delivery to better align with client requirements.</li></ul>	
Robotic Automation	<ul style="list-style-type: none"><li>• We increase the proportion of automated welding tasks, targeting a 35% automation rate by 2028. The Group broadens robotic welding applications in coordinating development of diverse technological solutions such as rail-free climbing welding robots, nine-axis and six-axis welding robots, and one-touch intelligent submerged arc welding systems, enabling deployment across multiple application scenarios.</li><li>• We partnered with leading academic institutions to develop advanced smart factory technologies and establish state-of-the-art intelligent prefabrication facilities. The Group developed integrated solutions including automated storage and retrieval systems, unmanned ground vehicles (UGVs) for logistics, and robotic assembly equipment. These functional units enable comprehensive digital control throughout the prefabrication facility's operations.</li></ul>	

Robotic Automation	<p><b>Case</b> Actively Promote "Machine Substitution for Manual Work" in the Engineering and Construction Industry</p> <p>The Group in partnership with Nanjing University of Science and Technology, has developed an advanced nine-axis all-position intelligent welding robot solution. The Company has also established its first relocatable intelligent pipeline fabrication production line at Qingdao Refinery.</p> <p>The nine-axis all-position intelligent welding robot has earned multiple prestigious awards: third prize in Sinopec Innovation Awards, second prize in Shandong Province Enterprise Management Innovation Awards, and first prize in the National Equipment Management and Technical Innovation Awards.</p>	
Artificial Intelligence Research	<ul style="list-style-type: none"><li>• We launched a strategic artificial intelligence research initiative, establishing specialised projects under two streams: AI Design and Large Language Models. Through rigorous selection, we have identified 13 high-priority projects.</li></ul>	
	<p><b>Case</b> The Industry's First Large-Scale Intelligent Laboratory Designed and Constructed by the Group Commenced Operation</p> <p>During the Reporting Period, the Central Laboratory at Tianjin South Port Ethylene Project commenced operations. This facility stands as the world's largest ethylene project laboratory and represents the industry's first smart laboratory implementing automated robotic workflow systems.</p> <p>The facility has achieved full automation of sample transportation through robotics, with automated robotic analysis systems handling all high-frequency and high-toxicity samples. Through integrated multi-system platforms, the laboratory enables comprehensive data collection and visualization of operational parameters. We have reduced staffing requirements by 30 positions, resulting in annual labour cost savings of over RMB9 million. The smart laboratory enables staff to focus on higher-value activities such as data analysis, quality control, and research and development.</p>	



# 03

## CLIMATE ACTION

- Addressing Climate Change
- Reduce GHG Emissions
- Support Development of Clean Energy

Supporting UN Sustainable Development Goals



- Establishing a three-tier governance structure for climate change response: Board of Directors - Management Implementation



# Addressing Climate Change

## Governance Structure

The Group has established a three-tier climate governance structure —— "Board of Directors, Management, and Implementation", with clearly defined responsibilities at each level. During the Reporting Period, we organised one climate risk management training session for Directors of Board to enhance their climate governance capabilities.

► Board Level

The ESG Committee is responsible for identifying climate-related matters and making recommendations to the Board of Directors, while overseeing the implementation of the Group's climate action plans. Working in collaboration with other Board committees, the ESG Committee ensures climate considerations are integrated into broader Board decision-making processes.

► Management Level

The Climate Change Committee oversees the Group's strategic response to climate change, including major initiatives, long-term planning, and the development of related governance frameworks and policies. The Committee has a standing office for daily operations. Responsible for reviewing the Group's climate-related policies and regulations, and monitoring the implementation of climate action responsibilities across the organisation.

► Implementation Level

Developed an integrated structure with the QHSE Department providing central oversight, coordination and monitoring, while project departments implement site-specific climate risk management initiatives across our operations. This comprehensive framework enables effective execution of our Green Enterprise Campaign Action Plan and ensures robust greenhouse gas emissions control throughout the organisation.

## Strategies and Tactics

The Group has made climate action and energy efficiency central to its strategic planning, with strict adherence to our "Green and Clean" strategic initiative. The Group spearheads deep decarbonization through technological breakthroughs and industrial-scale solutions, while establishing low-carbon protocols and technical standards for the sector, and enhancing our green competitive edge. Through technological and engineering innovations, while empowering our clients' sustainability journey, we are establishing ourselves as a green enterprise and developing eco-friendly construction sites.

The Group has incorporated low-carbon development metrics, including energy efficiency and environmental protection, into the annual performance evaluations of management and member companies, linking these indicators directly to annual performance bonuses.

## Risk Management

The Group has integrated climate change response into its comprehensive risk management system and daily operations. The Enterprise Reform and Legal Affairs Department oversees enterprise-wide risk management, incorporating climate resilience factors into project design and construction risk assessments to enhance the climate adaptability of projects. The QHSE Department regularly compiles data on climate-affected projects across subsidiaries, analysing impact factors and corporate response measures. This comprehensive climate risk response mechanism is progressively integrated into the Company's daily operational management. In addition, the Group engages third-party institutions to assess and quantify future climate risks based on IPCC<sup>Note1</sup> and IEA<sup>Note2</sup> climate scenarios. These assessments are submitted to the Board of Directors and management, ensuring climate risk considerations are integrated into top-level decision-making processes.

The Group follows the recommendations of *IFRS S2 Climate-related Disclosures* to identify and report key risks facing the Group in the context of climate change. Going forward, we will further develop action plans to address ESG-related risks, particularly those concerning environmental and climate challenges.

Note1:United Nations (UN) Committee on Climate Change(Intergovernmental Panel on Climate Change)

Note2:International Energy Agency

Type	Climate-related Risks and Impacts	Impact Period	Countermeasures
Physical Risks	<b>Acute Risk</b> The increasing frequency of extreme weather events such as heavy rainfall, floods, and typhoons may disrupt project construction, damage materials, and interrupt transportation routes. These disruptions can delay material delivery, extend project completion timelines and financial turnover periods, ultimately exposing projects to performance risk.	Short, Medium, and Long Term	Conduct emergency drills and develop contingency plans for potentially affected projects, including provisions for material stockpiling, personnel deployment, and safety measures.  Continuously optimise supply chain management to enhance resilience against extreme climate risks.
	<b>Chronic Risks</b> Climate extremes, long-term increases in average temperature, and changes in precipitation patterns may lead to involuntary cost increases for the Company's construction projects (such as extended construction periods, client claims, and higher insurance premiums).	Long Term	During project design and construction phases, we proactively conduct climate risk adaptation planning to mitigate potential financial impacts.
Transition Risks	<b>Policy and Legal Risks</b> China will implement a carbon quota system, and if the Group is classified as a key emitter under the national carbon emissions trading market, we may face increased carbon compliance costs.	Medium and Long Term	We are proactively conducting research on carbon trading mechanisms and strengthening our internal carbon inventory systems to prepare for potential participation in the emissions trading scheme.  We are developing methodologies for calculating emission factors in refinery utility operations to enhance the transparency and credibility of our carbon emissions data disclosure.
	<b>Reputation Risk</b> Our stakeholders are placing greater emphasis on the Group's climate action and resource management practices. Any failure to meet expected environmental and energy efficiency targets in our deliverables could adversely affect our corporate reputation.	Medium and Long Term	Building on our ongoing research in energy conservation and environmental protection technologies, we have established internal management targets across multiple environmental aspects to minimise the likelihood of adverse incidents.  We actively monitor environmental incidents reported through regulatory channels to apply lessons learned. Should any such incidents occur within the Group, our Investor Relations and Communications departments are tasked with providing transparent communications to investors and the public to manage public concerns.
	<b>Market Risk</b> Under the Paris Agreement and China's carbon peaking and neutrality goals, declining fossil fuel consumption presents market risks as traditional business segments face accelerated contraction.	Mid-term	We are actively expanding into new energy businesses, strengthening emerging market analysis and R&D capabilities, while promoting synergies between traditional refining technologies and new energy solutions. We are intensifying our stakeholder engagement efforts to build market confidence.
	<b>Technology Risk</b> As the global energy transition accelerates, traditional technologies and equipment face increasing limitations in supporting low-carbon development. Insufficient maturity of low-carbon technologies may pose risks including poor energy efficiency, high equipment upgrade costs, and technological reliability concerns.	Medium and Long Term	We are actively developing and implementing low-carbon technologies to enhance their maturity and reliability. Through technological innovation, we aim to reduce equipment upgrade costs and improve energy efficiency.  We establish partnerships with universities, research institutions, and others to jointly promote the R&D and application of low-carbon technologies. Through partnerships, we share resources and technological achievements to accelerate the advancement of low-carbon technologies.



Indicators and Goals

The Group has established greenhouse gas emission targets, aiming to reduce emission intensity by 5.7% during the 14th Five-Year Plan period (2021-2025). This target encompasses both Scope 1 and Scope 2 emissions. Using 2021 as the baseline year, the Group's greenhouse gas emissions totalled 111,873.76 tonnes of CO<sub>2</sub> equivalent, with an intensity of 193.69 tonnes of CO<sub>2</sub> equivalent per 100 million RMB of revenue. During the Reporting Period, the Group's total greenhouse gas emissions were 127,856.72 tonnes of CO<sub>2</sub> equivalent, with an emission intensity of 199.16 tonnes of CO<sub>2</sub> equivalent per 100 million RMB of revenue.

Detailed GHG emission and reduction data for each energy type can be found in Performance Report Section A2.1 and A1.5.

Greenhouse Gas Emission Target

During the 14th Five-Year Plan Period (2021-2025)

• Aim to reduce emission intensity by

5.7%

Reduce GHG Emissions

Energy Conservation Management

The Group strictly complies with relevant laws and regulations including the *Energy Conservation Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, and the *Civil Building Energy Conservation Regulations*. We have established internal management systems including the *SEG Environmental Protection Management Regulations*, *SEG Environmental Information and Statistics Management Regulations*, for strict internal energy consumption management.

The Group actively promotes the utilisation of electric aerial lift trucks during project construction. By gradually phasing out traditional fuel-powered lift trucks, a significant reduction in energy consumption has been achieved. Moreover, the Group advocates for the use of a tail-slipping device for hoisting equipment, which is independently developed by ourselves. This device optimises the efficiency of lifting operations, thus effectively cutting down energy consumption.

During the Reporting Period, the Group's operational energy consumption totalled 48,683.46 tce, with an energy intensity of 75.83 tce per 100 million RMB of revenue. For detailed data on consumption by energy type, please refer to Performance Report section A2.1.

Operational Energy Consumption Totalled

48,683.46 tce

Energy Intensity of

75.83

tce per 100 million RMB of revenue

Promoting Green Industrial Development

The Group fully implements its "Green & Clean" development strategy, actively advancing energy transition.

Standard Research

The Group is developing industry standards for *Guidelines on Carbon Footprint Calculation for Petrochemical Products*. Meanwhile, the Group is conducting research on three carbon footprint industry standards and two carbon footprint quantification methodologies, providing scientific and systematic emission reduction guidance for the industry.

Green Design

The Group reduced fuel gas consumption by 36% in the Sinopec Jiujiang Company aromatics and refinery upgrade project by optimising overall plant process flows and implementing differentiated energy utilisation strategies.

Reduced 36%

Carbon Reduction Applications

The Group has participated in developing CO<sub>2</sub> hydrogenation to methanol technology. By using renewable energy for hydrogen production and then synthesising methanol through CO<sub>2</sub> hydrogenation, this process achieves carbon resource recycling and reduces dependency on fossil fuels, providing a new solution for CO<sub>2</sub> emission reduction. By the end of the Reporting Period, based on pilot test results, we completed the development of a comprehensive process package for 100,000 tonnes/year CO<sub>2</sub> hydrogenation to methanol production.

The sulphur recovery tail gas CO<sub>2</sub> capture industrial sideline device of the Puguang Natural Gas Purification Plant, developed and designed by the Group, has commenced operation. This device achieves near-zero emissions of sulphur dioxide while capturing carbon, allowing for the collection of 300 tonnes of CO<sub>2</sub> annually.

Energy Management

The Group provides energy-saving and low-carbon diagnostics, energy system optimisation, and energy performance contracting services across multiple areas, including low-temperature heat optimisation, lighting upgrades, cooling water system improvements, and compressor modifications. These initiatives have helped clients achieve annual savings of 270,000 tce.

Annual savings of

270,000 tce/year



# Support Development of Clean Energy

The Group fully supports clean energy development, driving technological innovation and industrial advancement in clean energy sectors including LNG, hydrogen energy, and biomass.

## LNG

The Group persists in driving clean energy development through innovative technologies, continuously advancing the development of LNG storage and transportation technologies, natural gas purification, and natural gas utilisation technologies, contributing to both energy security and energy transition. During the Reporting Period, the Group carried out LNG infrastructure construction projects across multiple regions both domestically and internationally.



▲ The LNG Project in Longkou Designed and Constructed by the Group



▲ Algeria LNG Storage Tank Project Designed, Engineered and Constructed by the Group

## Case The Coupling Utilisation Technology of Ethylene and LNG Cold Energy Has Achieved Industrialisation for the First Time

The Ethylene facility at Tianjin Nangang, designed and contracted by the Group, achieved long-distance deep energy coupling with the cold energy exchange station of the Tianjin LNG Phase III Project, marking a significant breakthrough in the field of LNG cold energy utilisation.

This project achieved an LNG cold energy conversion efficiency exceeding 95%, saving 13 million cubic meters of natural gas and 3 million kilowatt-hours of electricity annually, while reducing CO<sub>2</sub> emissions by 130,000 tonnes per year.



## Hydrogen Energy

The Group has launched eight major hydrogen technology research initiatives, including wind and solar power hydrogen production, organic liquid hydrogen storage, and hydrogen liquefaction. We have established a preliminary integrated R&D framework covering green and blue hydrogen production, storage, transportation, and end-use applications.

## Case Sinopec Demonstration Unit for Low-Pressure Hydrogen Production through Electrolysis Using Fluctuating Power Sources Successfully Started Up on Its First Attempt

The 300Nm<sup>3</sup>/h demonstration unit for low-pressure hydrogen production through water electrolysis using fluctuating power sources, led by the Group, achieved successful startup on its first attempt. This marks a new breakthrough in China's experimental facilities for hydrogen production from fluctuating power sources, laying a solid foundation for the iterative upgrade of large-scale, low-cost green hydrogen production technology.





Case World's Largest Hydrogenated Magnesium Pilot Project Successfully Started Up

Magnesium-based solid-state hydrogen storage is one of the most promising hydrogen storage technologies. The 150 tonnes/year magnesium hydride pilot project designed and constructed by the Group completed its start-up at first attempt. This project is the largest hundred tonnes magnesium hydride production line in the world.



Case

- The Group has completed and established a standardised hydrogen refuelling station construction plan.
- The Group participates in a breakthrough in the "Development of Key Technologies for High-Purity and Ultra-Pure Hydrogen Production" for electronic industry-grade hydrogen (99.9999% purity).

Biomass Utilisation

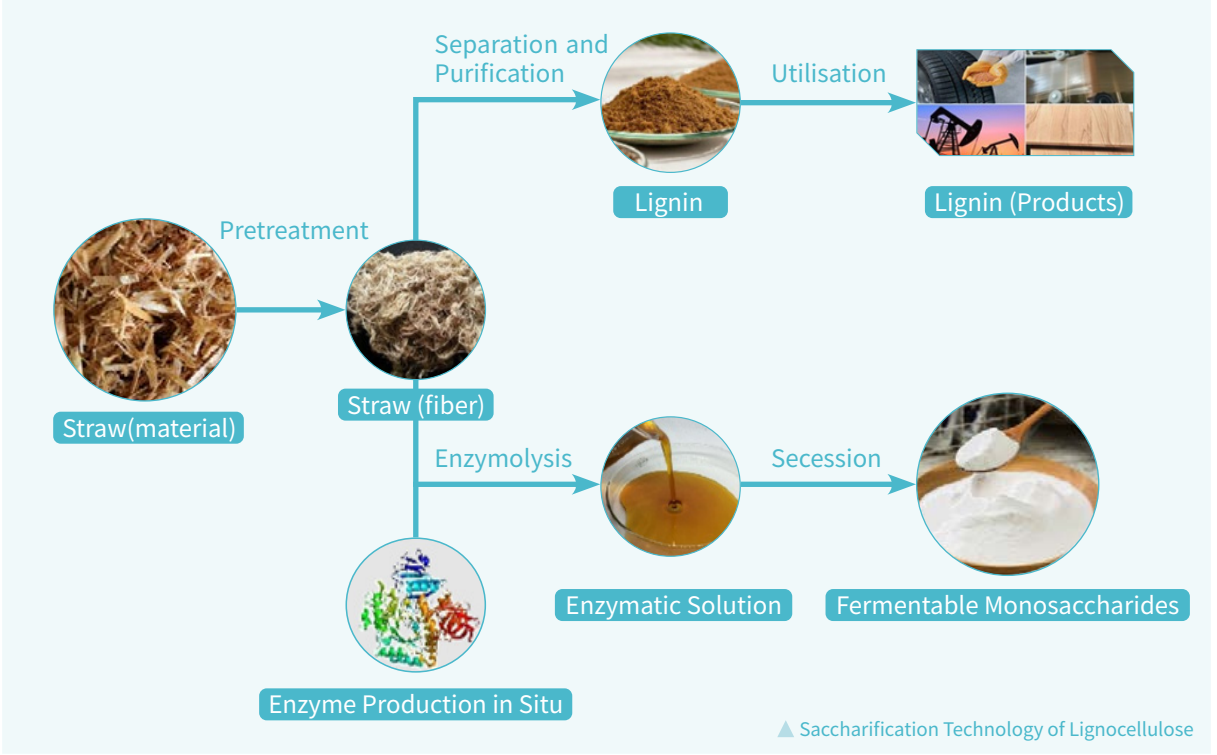
The Group continuously advances the research, development, and application of biomass-related technologies, committed to contributing to a clean, low-carbon energy system through technological innovation and industrial implementation.

Case

The Group, in collaboration with Dalian Institute, has successfully developed a proprietary 10,000 tonnes lactide process technology package. This innovation addresses a critical link in the polylactic acid (PLA) green biodegradable materials value chain, enabling efficient utilisation of biomass resources.

Case

The non-grain biomass sugar platform pilot project designed and constructed by the Group has commenced. Through cellulose saccharification technology, the project converts agricultural straw into 100% bio-based materials as an alternative to traditional petroleum-based plastics, revolutionising production cleanliness while reducing fossil fuel dependency and carbon emissions.



Case

The Group completed an industrial trial of 20% biomass co-firing in the Zhongan coal gasification unit, successfully achieving partial replacement of coal feedstock with biomass, providing a new pathway for carbon reduction in existing coal gasification facilities.



# 04

## ENVIRONMENTAL PROTECTION

- Environmental Management
- Reducing Emissions
- Biodiversity Conservation

Supporting UN Sustainable Development Goals



- 11 entities have obtained and maintained ISO 14001 Environmental Management System certification through annual audits, covering 100% of our revenue-generating operations
- 9 subsidiaries recognised as Sinopec Green Enterprises, 90 construction sites recognised as Sinopec Green Construction Sites, 3 factories recognised as Sinopec Green Factories
- Hazardous waste generation amounted to 506.09 tonnes, representing a 9.11% year-on-year reduction



# Environmental Management

## Environmental Management Structure

The Group has established a comprehensive environmental management framework with clearly defined responsibilities at all levels to ensure systematic implementation of environmental management initiatives. At the Board level, the ESG Committee oversees major environmental issues. At the management level, the Group has established an HSE Management Committee, chaired by the Chairman of the Board, with heads of subsidiaries serving as committee members. At the implementation level, the QHSE Department coordinates and supervises environmental work, while environmental management departments and project environmental officers implement environmental initiatives within their respective subsidiaries.

### ► Board Level

Established the ESG Committee to oversee major environmental issues, and in coordination with other board committees, incorporates environmental considerations into Board-level decision-making, implementing top-level environmental oversight.

### ► Management Level

The HSE Management Committee handles major HSE matters, development planning, and related regulations for the Group, while coordinating solutions to environmental issues. The Committee has established an office that serves as a permanent body for carrying out daily operations. Responsible for reviewing the Group's environmental regulations and monitoring the fulfilment of HSE responsibilities.

### ► Implementation Level

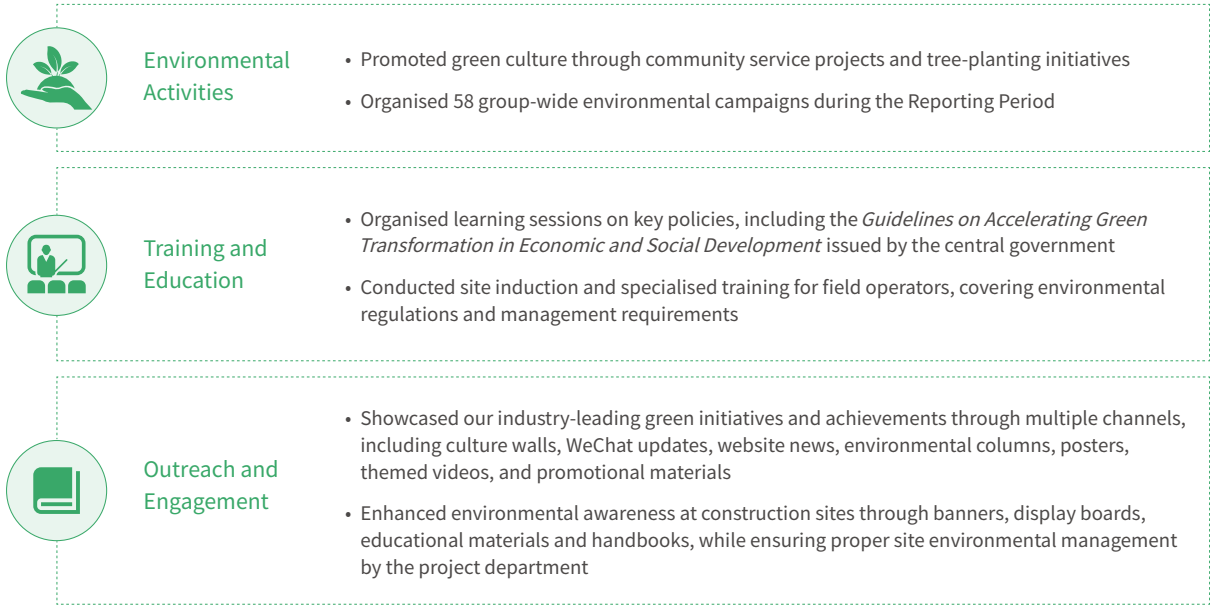
Developed an integrated structure with the QHSE Department providing central oversight, coordination and monitoring, while Project Departments implement site-specific environmental protection initiatives across our operations.

We are driving forward our commitment to green development by enhancing our environmental management practices. During the Reporting Period, we strengthened our environmental governance framework through the implementation of three key policies: *SEG Environmental Protection Management Regulations*, *SEG Environmental Information and Environmental Protection Statistics Management Regulations*, and *SEG Environmental Audit Standards* within HSE System.

To maintain robust environmental standards, we regularly undergo external certifications and audits. During the Reporting Period, the Company completed the renewal audit for ISO 14001 Environmental Management System certification. All eleven entities across the Group passed their annual ISO 14001 audits, with certified entities accounting for 100% of the Group's revenue.

## Building Environmental Awareness

We promote environmental consciousness among our employees through a range of activities including eco-friendly initiatives, educational workshops, and awareness campaigns, advancing our commitment to sustainable and low-carbon development.



## Green Operations

We are committed to both implementing green operations internally and driving sustainable transformation across our industry and value chain. Our green practices are integrated throughout engineering design, on-site construction, office operations, and daily activities, promoting green development in construction and refining industries.

Green Design	<ul style="list-style-type: none"><li>• Promoting sustainable design principles to optimise resource and energy efficiency throughout petrochemical plant lifecycles</li><li>• Adhering to "total energy optimisation" in project design phase by adopting innovative processes, technologies and equipment to reduce resource and energy consumption</li><li>• Incorporating waste minimisation systems and water/air treatment facilities into designs to reduce emissions and waste at source</li></ul>
Green Construction	<ul style="list-style-type: none"><li>• Establishing site-based energy and resource management systems to regulate material use and transport. Implementing waste segregation, storage and treatment to promote recycling and reduce disposal</li><li>• Prioritising energy-efficient and eco-friendly construction equipment and tools, with scheduled replacement of outdated machinery</li><li>• Encouraging subcontractor participation in resource conservation initiatives</li></ul>
Green Office	<ul style="list-style-type: none"><li>• Promoting water and energy conservation through efficient fixtures and equipment</li><li>• Implementing paperless operations and digital workflows</li><li>• Reducing resource waste and single-use items consumption</li></ul>
Green Living	<ul style="list-style-type: none"><li>• Advocating green transportation</li><li>• Supporting "Clean Plate" initiatives for food conservation</li><li>• Fostering green culture through training and outreach activities</li></ul>



Green Enterprise Campaign

The Group continues to advance its sustainability agenda through the Green Enterprise Campaign. By the end of the Reporting Period, our achievements include 9 subsidiaries receiving Sinopec Green Enterprise certification: five at Grade A and four at Grade B, 90 construction sites recognised as Sinopec Green Construction Sites, 3 factories recognised as Sinopec Green Factories.

As the second phase of our Green Enterprise Campaign begins, the Group is pursuing four strategic priorities: carbon reduction, pollution control, efficiency improvement, and environmental enhancement. We will continuously research and apply new technologies and processes, achieve energy conservation and emission reduction from the design source, and strive to build an internationally leading engineering company characterised by green engineering design, standardised design processes, effcient resource utilisation, clean construction processes, and intelligent operation management.

Our comprehensive environmental management system enforces six 100% requirements at construction sites

enclosure of site perimeters	100%	coverage of exposed soil and materials	100%
vehicle washing at entry/exit points	100%	paved site roads	100%
wet operation for earthwork excavation	100%	sealed transport of construction waste	100%

We maintain

compliant disposal for both general and hazardous waste

100%

Proper treatment of all industrial and domestic wastewater

Through our green and digital factory initiatives, we're establishing ourselves as an environmental benchmark in China's petrochemical engineering sector

Reducing Emissions

The Group strictly complies with the requirements of laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Solid Waste Pollution Environmental Prevention Law of the People's Republic of China*, and the *Noise Pollution Prevention Law of the People's Republic of China*. We formulate and implement systems such as the *SEG Environmental Protection Management Regulations* and the *SEG Solid Waste Environmental Protection Management Guidelines for Engineering Projects (Trial)*. These frameworks systematically regulate the management of various emissions, including air pollutants, waste materials, wastewater, and greenhouse gases, aiming to minimise operational emissions and effectively manage our environmental footprint.

Waste Management Target

During the 14th Five-Year Plan Period (2021-2025)

Aim to reduce non-hazardous waste emissions per 100 million RMB of operating revenue by

11%

Aim to reduce outsourced hazardous waste disposal per 100 million RMB of operating revenue by

8%

Air Quality

The Group's engineering construction processes primarily generate atmospheric pollutants including dust, nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), and volatile organic compounds (VOCs). Dust mainly originates from shot blasting, sandblasting, rust removal, welding smoke, grinding, and cutting operations. Nitrogen oxides and sulphur oxides are primarily produced by the consumption of diesel and gasoline in construction equipment and company vehicles. VOCs come from anti-corrosion painting operations.

To tackle dust pollution effectively, we focus on control of the source. Our prefabrication yards feature enclosed workshops for sandblasting and shot blasting work, and we maintain a strict ban on performing these activities in open air. Dust control devices are in place to provide comprehensive dust control throughout our operational processes. In addition, our construction sites also implement additional controls such as enclosures, covers, and regular washing to manage dust-prone areas and equipment, further minimising emissions.

In managing VOCs, we have conducted paint preparation, spraying, and drying anti-corrosion activities in enclosed environments wherever feasible. Our facilities are equipped with VOCs collection and treatment systems that capture emissions during operations, processing them through combustion to ensure compliance with discharge standards. At project sites, we employ centralised prefabrication techniques to rigorously control dust and VOCs releases, ensuring all atmospheric pollutants undergo thorough purification before discharge, thereby minimising environmental impact. We also promote the use of low-VOC coatings for outdoor painting operations, further reducing volatile organic compound emissions. During the Reporting Period, the Group's project implementation generated 2,977.84 tonnes of VOCs.

To address nitrogen oxide and sulphur oxide emissions, we are systematically transitioning from conventional fuel vehicles and construction equipment to electric vehicles and new energy machinery, eliminating NO<sub>x</sub> and SO<sub>x</sub> emissions associated with fossil fuel consumption. During the Reporting Period, the Group's project implementation generated 6.88 tonnes of SO<sub>x</sub> and 110.04 tonnes of NO<sub>x</sub>.

Case

"Waste-to-Treat-Waste" Low-Carbon Management of Biochemical Exhaust from Wastewater Aeration Tanks

To reduce material consumption, energy consumption, and "three wastes" emissions, the Group has explored using ozone tail gas to treat exhaust gas from aeration tanks, achieving a "waste-to-treat-waste" approach. This breakthrough disrupts the counterproductive cycle of "achieving pollutant reduction and emissions control at the cost of high energy consumption," driving the low-carbon development of wastewater treatment technology.

Case

Flue Gas Desulphurization, Denitrification and Dust Removal Technology Reduces Exhaust Emissions

Flue gas desulphurization, denitrification, and dust removal technology are the signature advanced environmental protection technologies of the Group. Taking catalytic units as an example, the technology is estimated to reduce annual emissions by approximately 5,315.1 tonnes of SO<sub>2</sub>, 1,697.2 tonnes of particulate matter, and 654.6 tonnes of NO<sub>x</sub>.

Reduce SO<sub>2</sub>

5,315.1 tonnes

Reduce particulate matter

1,697.2 tonnes

Reduce NO<sub>x</sub>

654.6 tonnes

Waste

Waste generated during the Group's operations primarily includes general solid waste, domestic waste, and hazardous waste. General solid waste mainly comes from waste materials produced by construction units and contractors during the construction, expansion, and demolition of various buildings, structures, and pipeline networks, as well as waste from daily office operations. Domestic waste is primarily generated from employees' daily activities, while hazardous waste mainly results from construction activities and daily office operations.

For general solid waste, we implement a classification and treatment approach. Waste wood products, waste paper, scrap steel, and waste non-ferrous metals are recycled and reused internally. Waste mechanical products and waste transportation equipment undergo recycling and disposal. Waste plastic products, waste composite packaging, waste batteries, waste electrical and electronic products, construction waste, and other waste materials are uniformly transferred to third-party companies for disposal. Domestic waste is handled by municipal authorities. All hazardous waste is transferred to third-party companies for compliant disposal, ensuring that the treatment process meets relevant national laws and regulations.

We have incorporated waste management into our daily environmental supervision priorities, strictly reviewing and rectifying issues such as improper storage of hazardous waste, mixing of hazardous and non-hazardous waste, random dumping of construction waste, incomplete or non-standardised record-keeping, and non-standardised waste separation signage. In addition, we explore green engineering technologies for source reduction and waste recycling, supporting the development of a circular economy in the industry.

During the Reporting Period, the Group's operations generated 506.09 tonnes of hazardous waste, with a 100% outsourced treatment rate for hazardous waste. The total non-hazardous waste produced was 160,685.59 tonnes.

Case

Phosphogypsum is the main by-product of wet-process phosphoric acid production, with approximately 5 tonnes of phosphogypsum waste generated for every ton of phosphoric acid produced. China adds about 80 million tonnes annually, with a utilisation rate of only 30%, resulting in accumulated stockpiles exceeding 700 million tonnes. The acidic substances and other harmful materials that leach from these stockpiles cause long-term pollution to soil and groundwater.

The world's largest phosphogypsum-to-acid circular economy facility, designed and constructed by the Group can process 1.4 million tonnes of phosphogypsum annually, promoting green development in the industry through circular economy principles.

Case

The solid waste treatment facility designed and constructed by the Group for the Tianjin Petrochemical Nangang Ethylene Project can safely dispose of 15,000 tonnes of hazardous solid waste and chemical waste liquid annually, effectively reducing solid waste pollution in the plant area. At the same time, steam generated through energy recovery is supplied to the enterprise for recycling, achieving the dual goals of environmental protection and energy conservation.



Case

The sintering brick manufacturing process for resourceful utilisation of general industrial solid waste, independently developed by the Group, uses contaminated soil, waste insulation wool, coal gasification slag, shale slag, and other multi-source solid wastes as the main raw materials to produce porous ceramic bricks. The production process achieves waste treatment through waste utilisation, self-purification, and zero emissions.



▲ Processed 700,000 Tonnes of General Solid Waste for Yanshan Petrochemical    ▲ Porous Ceramic Bricks as an Effort to Curb Solid Wastes

Wastewater

During construction projects, the Group generates two main types of wastewater: operational wastewater and domestic sewage. Operational wastewater comes from cleaning construction sites, vehicles, and equipment, while domestic sewage is produced by on-site workers. We ensure all operational wastewater is collected and properly treated according to regulations, and domestic sewage is discharged only at designated locations specified by project owners.

We continue to enhance our wastewater recycling efforts to maximise water resource efficiency. For example, SSEC treats and reuses construction wastewater and sediment for dust suppression and landscape irrigation, creating a closed-loop water recycling system.

Beyond standard recycling practices, we're developing innovative water conservation technologies for the industry. The Group recently implemented the first industrial-scale ethylene waste alkali freezing crystallisation unit, which reduces high-salinity wastewater discharge while recovering valuable by-products. The Group has developed zero-discharge technology for high-salinity wastewater that enables harmless treatment while recovering crystallised salt as a usable resource.

Case

The wastewater treatment plant for Yulong Petrochemical, designed by the Group, has successfully commenced operations. This facility is the largest petroleum chemical wastewater treatment plant ever built in a single phase in the industry. Both its water recycling metrics and discharge standards have reached industry-leading levels. The project earned the prestigious "5A Premium Quality Engineering" award from the China Chemical Construction Enterprise Association's chemical construction project quality evaluation programme.

"5A Premium Quality Engineering" Award ►



Noise

To minimise noise pollution, the Group implements a comprehensive approach that begins with planning. We strategically arrange construction site layouts and schedule work during appropriate hours to reduce noise impact on surrounding areas. Physical noise barriers are installed at site boundaries to contain sound effectively. We've also invested in environmentally friendly, low-noise construction equipment across our operations. All facilities that might affect boundary noise levels conduct regular monitoring to ensure compliance with regulatory standards. The Group has promoted the use of new energy construction machinery, including articulated and scissor-type elevating work platforms, achieving "zero-emission, low-noise" operating conditions.



# Biodiversity Conservation

The Group operates in strict compliance with the *Environmental Protection Law of the People’s Republic of China*, the *Administrative Measures for Ecological and Environmental Penalties*, and relevant legal requirements in all our operational locations. To systematise these commitments, we have established and implemented comprehensive management frameworks, including the *SEG Environmental Protection Management Regulations* and the *SEG Environmental Management Guidelines for Project Prefabrication Sites (Trial)*. Additionally, we rigorously adhere to Sinopec Environmental Governance Instruments, namely the *Sinopec Greening Management Regulations*, *Sinopec Ecological and Environmental Incident Management Measures*, and *Sinopec Accountability Measures for Ecological and Environmental Incidents*. Through these structured approaches, we proactively advance standardised ecological protection practices throughout our operations.

Full Life Cycle Biodiversity Conservation Measures

► Pre-Project Phase

Conduct thorough Environmental Assessments and Impact Evaluations

- Maintain strict compliance with national ecological red line policies, land-use efficiency protocols, and marine functional zoning requirements
- Perform comprehensive environmental factor identification and impact assessments across all operational areas, including construction zones and administrative facilities, ensuring robust and defensible environmental impact conclusions

Strategic Site Selection to Minimise Ecological Footprint

- Prioritise utilisation of brownfield sites and marginal lands to optimise land-use efficiency, preserve agricultural resources, and maintain appropriate buffer distances from residential communities and critical wildlife habitats

► During Project Implementation

Minimise Environmental Impact During Operations

- Prevent light pollution and leakage of fuel, drilling mud and other materials during construction. Mitigate ecological impact risks from potential leaks and strengthen environmental protection and ecological restoration during pipeline construction.

Wildlife Protection

- Strictly prohibit staff from destroying animal habitats, hunting, feeding or deliberately harassing wildlife during construction. Avoid disrupting ecologically sensitive periods for wildlife.
- Promptly rescue any trapped wildlife.

► Post-Project Completion

Restore Damaged Ecosystems

- Fully restore construction-damaged environments to their original state, including vegetation restoration and soil and water conservation.
- Develop vegetation restoration plans for areas where construction activities have damaged surface vegetation. For temporarily occupied farmland, grassland, forestland and other areas, implement layered soil removal to preserve topsoil for use in restoring vegetation in temporarily occupied areas, returning these sites to their original state after construction.

The Group promotes the development and reserves of soil and groundwater remediation technologies. We have established a comprehensive site technology system including bioremediation and phytoremediation, actively advocate NBS (Nature-Based Solutions), and promote the construction of "clean water, blue sky, and pure soil."

The Group protects ecosystems and maintains the local ecological environment in projects through avoidance, enhanced management, ecological protection and monitoring. Prior to construction, we carefully relocate and preserve surrounding vegetation and trees that may be impacted, minimising the ecological impact of our construction activities. We focus on farmland reclamation during pipeline construction, adopting ecological belts combined with masonry hydraulic protection to reduce revegetation difficulties, improve revegetation efficiency, and promote land restoration and revegetation.



▲Take Part in Tree Planting in Support of the "Green Saudi Arabia" Initiative and Planted over 15,000 Trees



**Case** Ecological and Environmental Protection throughout Project Lifecycle

The Bomao Oil Pipeline Project encountered numerous natural landscapes, farmlands, forests, and water infrastructure along its route. During the construction phase, the project implemented environmental protection measures including the use of eco-friendly materials, increased factory prefabrication, compliant hazardous waste disposal, and controls for dust, noise, and light pollution. During project completion phase, agricultural land was restored to its original condition, while aging farming infrastructure was renovated. Additionally, soil and water conservation measures were developed and implemented for excavated areas along rivers and slopes, maximising protection of the local ecosystem.



▲ Implementation of Ecological and Environmental Protection Measures During the Bomao Oil Pipeline Project by the Group

**Case** The Group Advances First Wetland Ecological Protection and Restoration Project in China

Dahuangbao Wetland, one of Tianjin's four major wetland nature reserves, is located on an important bird migration route in China and serves as a critical habitat for many rare and endangered bird species.

In 2023, the Group completed shallow contaminated soil remediation, deep contaminated soil management, and groundwater extraction and treatment in the area. During the Reporting Period, the Company continued to undertake soil and groundwater remediation projects for contaminated plots in the region, making the first wetland ecological protection and restoration project in China.







# 05

## OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

- Occupational Health and Safety Management Mechanism
- Occupational Health and Safety Management of Subcontractors
- Security

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Supporting UN Sustainable Development Goals



- Achieved 380 million safety man-hours throughout the year
  - 11 entities passed the ISO 45001 Occupational Health and Safety Management System certification and annual audit, covering 100% of the Group's operating revenue
  - Conducted 1,076 safety training sessions, totalling 83,000 hours
  - Organised approximately 560 subcontractor safety training sessions
-



# Occupational Health and Safety Management Mechanism

## Occupational Health and Safety Management Framework

► Board Level

Established the ESG Committee to oversee major occupational health and safety issues, and in coordination with other board committees, incorporates occupational health and safety considerations into board-level decision-making, implementing top-level environmental oversight.

► Management Level

The HSE Management Committee handles major HSE matters, development planning, and related regulations for the Group, while coordinating solutions to occupational health and safety issues. The Committee has a standing office for daily operations. Responsible for reviewing the Group's occupational health and safety regulations and monitoring the fulfilment of HSE responsibilities.

► Implementation Level

Developed an integrated structure with the QHSE department providing central oversight, coordination and monitoring, while project department implements occupational health and safety work for their respective projects.

Operation safety is fundamental to the Group's sustainable development. We are committed to building and continuously optimising an occupational health and safety management system dedicated to refining and chemical engineering. During the Reporting Period, the Group revised and issued 12 operation safety management policies and formulated the *Safety Production Responsibility System for Company Leadership Positions* to strengthen safety production accountability.

We actively pursue external management system certification and audits. During the Reporting Period, the Company successfully completed the renewal audit for ISO 45001 Occupational Health and Safety Management System certification. By the end of the Reporting Period, 11 entities of the Group passed the annual audit of ISO 45001 Occupational Health and Safety Management System certification, with certified entities accounting for 100% of the Group's operating revenue.

Safe Production Target

During the 14th Five-Year Plan Period (2021-2025)

• The rates of common accidents and HSE accidents (events) of practitioners (including subcontractors) decreased by

40%

• Lost time injury rate to be reduced by

30%

• TRIR (Total Recordable Incident Rate) decreased by

30%

Occupational Health and Safety Management 2024 Environmental, Social and Governance Report

## Key Tasks

The Group actively implements various safety and occupational health management initiatives, committed to developing a comprehensive safety management system and enhancing inherent safety capabilities. During the Reporting Period, the Group accumulated 380 million safety man-hours, representing a 21% increase from our previous record.

The Group maintained safe and stable operations during the Reporting Period, with no reportable incidents, no work-related fatalities, and a fatality rate of zero per 200,000 working hours." The total number of work-related injuries was 30, with an incident rate of 0.023 per 200,000 working hours.

Accumulated Safety Man-hours

380 million

Representing an Increase from the Previous Record

21%

Reportable Incidents

0

Work-related Fatalities

0

<div>Safety Risk Identification and Investigation</div> <div></div>	<ul style="list-style-type: none"><li>Established dual prevention mechanisms combining HSE risk classification-based control and hazard investigation, clarifying risk identification responsibilities and dynamic control requirements, and creating a risk inventory database.</li><li>Developed a monitoring platform for "high-risk operations<sup>Note1</sup>", implementing three-tier control and dynamic information-based supervision throughout the process. Conducted ongoing safety assessments of aging installations and equipment to prevent incidents and enhance personnel safety.</li><li>Enhanced health management systems and workplace health initiatives, with detailed high-risk personnel lists and improved self-monitoring equipment configuration.</li></ul>
<div>Strengthening Safety Capabilities</div> <div></div>	<ul style="list-style-type: none"><li>Formulated and implemented <i>2024 QHSE Key Work Tasks</i>, and organised three-year safe operation improvement campaign, "100-Day Incident-Free" and "Safety Management Enhancement Year" initiatives, with detailed work tasks to improve safety management.</li><li>Released <i>Guidelines for Professional Safety Management of 'Bilateral' Engineering Projects</i> to standardise project safety management.</li><li>Systematically promoted safety standardisation demonstration for work teams, encouraged effective use of pocket manuals, conducted special inspections of team organisation, and selected outstanding teams, team leaders, and top-performing teams.</li><li>Organised professional skill training and competitions for designers, construction technicians, and safety officers, and established certification mechanisms for three key management roles: team leaders, subcontractors, and safety personnel.</li></ul>



Note1: High-risk construction segments and sub-projects


56

57



<div>Critical Operation Safety Contracting System</div> <div></div>	<ul style="list-style-type: none"><li>• Management implemented the "Four Ones" approach for major risk contracting points, which included conducting at least one site inspection, holding one special meeting, listening to one dedicated report, and resolving one problem.</li><li>• Strengthened leadership influence by establishing management safety principles for knowledge, skills, and actions, and creating "Safety Monitoring Scorecard".</li></ul>
<div>Project Safety Supervision</div> <div></div>	<ul style="list-style-type: none"><li>• Conducted safety inspections of major risk control projects and organised comprehensive HSE audits.</li><li>• Implemented a serious violations checklist to regulate critical safety behaviours such as safety harness usage for working at heights and protective measures for overlapping operations, ensuring construction safety.</li><li>• Completed supervision of multiple large-scale maintenance projects through on-site, self-inspection, and mutual inspection, using "Safety Management Inspection Checklist of Whole Cycle Inspection for Repair Projects".</li><li>• Established safety and quality supervision teams for key projects with on-site safety and quality experts for regular supervision. Strengthened safety supervision during peak construction periods.</li><li>• Conducted QHSE inspections of overseas projects in Singapore, Saudi Arabia, and other locations, providing risk alerts and suggestions regarding construction organisation and management structure improvements to support company decision-making.</li></ul>
<div>Equipment and Facilities</div> <div></div>	<ul style="list-style-type: none"><li>• Provided personal protective equipment including safety helmets, fall arrest harnesses, goggles, work clothes, safety shoes, and gloves at project sites.</li><li>• Organised on-site first aid training and equipped sites with AED devices.</li><li>• Installed CCTV and hazardous gas detectors for monitoring on-site construction activities.</li></ul>
<div>Occupational Health Management</div> <div></div>	<ul style="list-style-type: none"><li>• Occupational Health Platform building: Offered video consultations, Beijing hospital referrals, and appointments with specialists. Promoted "Video Doctor Consultation" platform for convenient medical consultation and health advice.</li><li>• Employee Wellbeing Initiatives: Established employee health cabins equipped with emergency medicines and blood pressure monitors. Provided rest stations, heat stroke prevention supplies, on-site clinics, and flexible work schedules.</li><li>• Overseas Employee Occupational Health Management: Implemented comprehensive pre-departure health examinations and assessments, conducted domestic and international health education programmes, knowledge seminars, and expert consultations to enhance disease awareness.</li><li>• Mental Health Care: Provided mental health counselling services, implemented Employee Assistance Programme (EAP) psychological guidance, and safeguarded employees' mental and physical wellbeing.</li></ul>

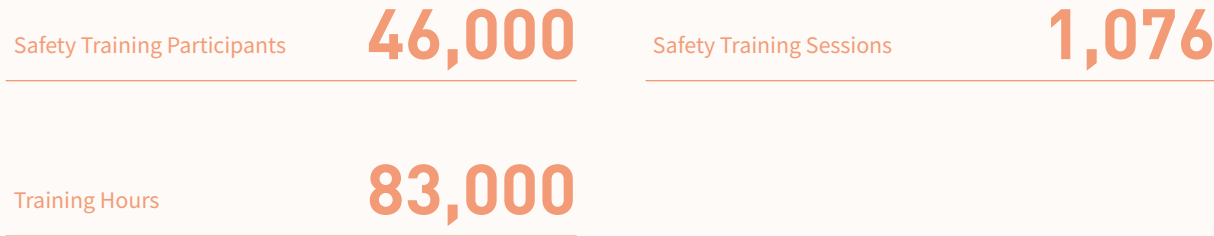
<div>Case</div>	<div></div> <div>The Group extensively implemented AI smart supervision systems at project sites, enabling intelligent identification and handling of violations, achieving closed-loop management opinions throughout the process.</div>
<div>Case</div>	<div></div> <div>The Group promoted the application of intelligent ecological construction systems, achieving visualised intelligent management of demolition work. This prevented direct exposure of personnel to hazardous environments, effectively reducing safety risks.</div>

<div>Case</div>	<div></div> <div>The Group provided quantitative risk analysis consulting services for China's first commercial spaceport - Hainan Commercial Space Launch Site. The Company was responsible for blast resistance calculations and design solutions, marking its entry into the aerospace safety sector.</div>
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Training and Promotion

The Group continues to foster a robust safety culture through enhanced communication, education, and training initiatives designed to elevate employee safety competencies. During the Reporting Period, we delivered 1,076 safety training sessions reaching 46,000 participants, accumulating 83,000 training hours.



Safety Culture	<ul style="list-style-type: none"><li>Organised safety skills competitions and knowledge contests for front-line safety personnel to stimulate learning enthusiasm and enhance safety competencies.</li><li>Conducted various initiatives including Safety Month, Awareness Week for <i>Occupational Disease Prevention Law</i>, and special lectures on <i>Chemical Safety and Engineering Ethics</i> to improve awareness of workplace safety protection and occupational health.</li></ul>
Safety Training	<ul style="list-style-type: none"><li>Delivered systematic safety training covering HSE regulations, safety production responsibility system, high-risk operation control, permit-to-work, high-risk project safety supervision, and accident case analysis.</li><li>Conducted specialised safety training programmes, including HSE management system audit workshops, bilateral operation safety management enhancement courses, and welding and heat treatment training sessions to elevate job-specific safety competencies.</li></ul>

Case

Professor Zhao Jinsong from Tsinghua University's Department of Chemical Engineering and Independent Director of the Company delivered a lecture on *Chemical Safety and Engineering Ethics*. He systematically introduced the latest research developments in engineering ethics in chemical safety incidents, HAZOP/LOPA/SIL intelligent systems, and risk hierarchical control and hazard investigation, providing valuable insights for enhancing the Company's safety management.



Case

The Group organised professional training and competitions for front-line safety personnel comprehensively enhancing their theoretical knowledge, management skills, and overall competencies.



Case

The Group conducted on-site management enhancement training for team leaders, comprehensively improving the professional capabilities of both company and contractor team leaders while strengthening team leadership development.





# Occupational Health and Safety Management of Subcontractors

The Group clearly stipulates an integrated safety management system for subcontractors. Subcontractor management is part of our HSE management system, and subcontractor personnel are subject to the same safety management standards as the Group's employees. We conduct system audits and supervision assessments for strategic subcontractors. During the Reporting Period, the Group launched a comprehensive subcontractor safety improvement initiative, establishing the *Contractor and Construction Safety Special Rectification Programme* to further standardise subcontractor safety practices. No reportable subcontractor incidents occurred during the Reporting Period.

We provide regular subcontractor training covering safety and environmental protection regulations, risk analysis, work permits, supervision and management, accident case studies, emergency response, and first aid procedures. During the Reporting Period, approximately 560 safety training sessions were conducted for subcontractors.

We have integrated subcontractor safety training into the management system for our own employees, conducting unified special training programmes that cover key personnel from both the Group and our subcontractors. During the Reporting Period, the Group established HSE training programmes for subcontractors' key personnel and implemented a certification-based work qualification mechanism. We organised training sessions to enhance team leaders' on-site management capabilities and conducted bilateral safety management capacity-building workshops. These initiatives further promoted team safety standardisation construction and strengthened grassroots workforce development.

### Case Occupational Disease Prevention and First Aid Training

The Group organises on-site Occupational Disease Prevention and First Aid Training for subcontractors.



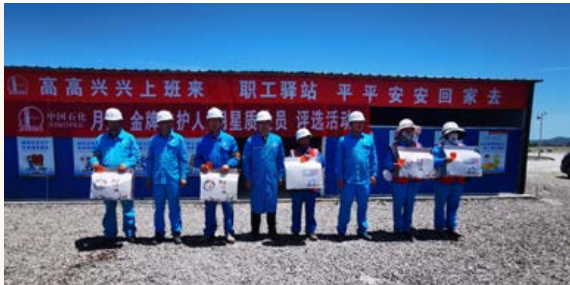
### Case A Heartwarming Scene - The "Spouse Supervision Post"

The Group established "Spouse Supervision Posts" at project sites. Building on supervisors' sense of responsibility and mission, and leveraging family bonds, this initiative helps wives fulfil their supervisory duties while safeguarding their husbands' safety.



### Case "Gold Medal Supervisor" Incentive Mechanism for Subcontractors

The Group implemented and promoted a "Gold Medal Supervisor" assessment system, stimulating subcontractors' enthusiasm and sense of responsibility, thus creating a "first line of defence" for on-site safety operations.



# Security

## Security Management

The Group has formulated and implemented management systems, including the *SEG Overseas Security Management Regulations*, *Overseas Public Health Emergency Response Plan*, *Overseas Emergency Response Plan*, and *Natural Disaster Special Emergency Response Plan*. The Group has established HSE management mechanisms for overseas projects, with the HSE Committee coordinating safety management work for overseas projects. In addition, we have built a comprehensive risk prevention and control mechanism covering the entire process and system, conducting risk identification, analysis, and quantitative assessment for major overseas projects to ensure complete safety management coverage.

<div>Security Assurance</div> <div></div>	<ul style="list-style-type: none"><li>We pay close attention to the safety risks where we operate, and strictly implement the <i>Sinopec Overseas Security Facilities and Security Forces Deployment Guidelines</i>. We have also hired professional security companies in Saudi Arabia, Algeria, and other locations, and equipped them with advanced security facilities and equipment to comprehensively ensure the safety of overseas institutions, projects, and employees.</li></ul>
<div>Overseas Employee Safety and Health Assurance</div> <div></div>	<ul style="list-style-type: none"><li><b>Training and Drills:</b> Conduct pre-departure public safety training for overseas employees, providing guidance on global and regional security situations, overseas security risk prevention and control management. Combined with on-site simulation drills, these efforts enhance employees' overseas public safety awareness and self-protection capabilities. Actively organised overseas public safety training and emergency drills. During the Reporting Period, the Group conducted 5 practical drills and 6 tabletop exercises. 671 employees participated in "door-to-door" refresher training jointly organised with third-party institutions, continuously enhancing overseas employees' emergency response capabilities.</li><li><b>Safety Material Support:</b> Distribute customised, time-sensitive national public safety manuals and first-aid kits to employees, ensuring overseas staff can receive timely assistance in emergency situations.</li><li><b>Health Management:</b> We monitor overseas employees' physical and mental health, providing comprehensive health management plans through medical examinations, insurance, and health consultations. We have established psychological health consultation services and online medical consultations. In countries where conditions permit, we cooperate with local SOS to establish clinics, providing convenient medical services for employees.</li><li><b>Living Support:</b> We provide overseas employees with a pleasant and comfortable office environment, healthy dining options, and diverse recreational activities. Meanwhile, we regularly extend care to employees' families, strengthening their sense of belonging and cohesion, helping employees maintain health and vitality at work.</li></ul>

## Security and Human Rights Management

The Group strictly complies with relevant laws and regulations in operating locations, ensuring security personnel employed for overseas projects follow international and local laws. We strictly prohibit any form of discrimination, harassment, and violence, effectively protecting the legitimate rights of employees and local communities.

The Group implements standardised management of security personnel for overseas projects and has established a comprehensive system for overseas security and human rights management. While providing solid security assurance for overseas projects and employees, we protect the legitimate rights of local communities. For supervision and management measures, we strictly monitor security personnel's labour discipline, comprehensive quality, and service quality through regular meetings, on-site supervision, or video inspections, ensuring their behaviour complies with regulations. Regarding security personnel training and promotion, we provide comprehensive training covering human rights awareness, conflict management, emergency handling, use of force restrictions, recording and reporting procedures, ensuring security personnel respect and protect local community residents' rights while protecting project facilities and employee safety.



# 06

## EMPLOYEE ENGAGEMENT

- Rights and Benefits
- Professional Development
- Wellbeing and Support

Supporting UN Sustainable Development Goals



- Female representation reached 27.22%, ranking among the highest in the engineering and construction sector
- Our talent pool includes 2 academicians from the Chinese Academy of Engineering and 10 National Masters of Engineering Survey and Design
- Total training participation reached 51,222 man-times, representing an 18.41% year-on-year increase
- Average training hours per employee achieved 53 hours



# Rights and Benefits

## Protection of Labour Rights

Ensuring the rights of employees while fostering an engaging work environment is essential for sustainable growth of the Company. The Group strictly complies with the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China*, *Law on the Protection of Women's Rights and Interests of the People's Republic of China*, and other relevant regulations and has established and implemented the *Labour Contract Management Measures*, *Remuneration Management Measures*, *Benefits Management Measures*, and *Attendance Management Measures*. These policies form an integrated management system that safeguards employees' fundamental rights and welfare.

The Group maintains legally binding labour contracts with all employees, clearly stipulating working hours and providing statutory overtime compensation. In our international operations, we strictly comply with host country regulations, ensuring all employee visas and labour contracts meet local requirements and developing comprehensive labour compliance guidelines for key markets including Saudi Arabia and the UAE. The Group is dedicated to fostering an inclusive and healthy work environment. We enforce a zero-tolerance policy against all forms of harassment and discrimination, strictly prohibiting any workplace harassment, discrimination, or retaliation. No incidents of discrimination or harassment were reported during this period.

For remuneration incentives, we maintain market-competitive remuneration structures and have implemented long-term incentive programmes for key talent, with performance-linked evaluation systems.

The Group has established a comprehensive employee welfare system. In accordance with national regulations, we make statutory contributions to employees' social insurance and housing provident funds on a monthly basis. The Group provides an additional welfare security system including enterprise annuities and supplementary medical insurance. Based on position-specific requirements, we offer benefits such as health check-ups and travel expenses for home leave. Overseas employees are protected by local laws and regulations in their respective jurisdictions. We make monthly social security contributions and provide medical insurance coverage for both employees and their dependents.

### ► Company Benefits

The Company establishes welfare programmes for employees, including work meals, employee health check-ups, and travel expense reimbursement for home leave.

### ► Group Benefits

The Group provides employees with protection welfare, including enterprise annuities, supplementary medical insurance, housing subsidies, and vacation recuperation subsidies.

### ► Statutory Benefits

In accordance with national and government laws and regulations, we provide employees with basic protection welfare, including social insurance and housing provident funds.

The Group comprehensively protects employees' leave entitlements. We respect employees' rights to statutory holidays, bereavement leave, maternity leave, breastfeeding leave, and paid leave, ensuring adequate rest periods for all employees. In our overseas operations, we maintain deep respect for local cultures and religious practices, such as arranging flexible shifts for Muslim employees during Eid al-Fitr. The Group has established favourable working environments and protection mechanisms for female employees, implementing targeted support measures. We strictly adhere to national regulations regarding pregnancy, maternity, and breastfeeding leave entitlements.

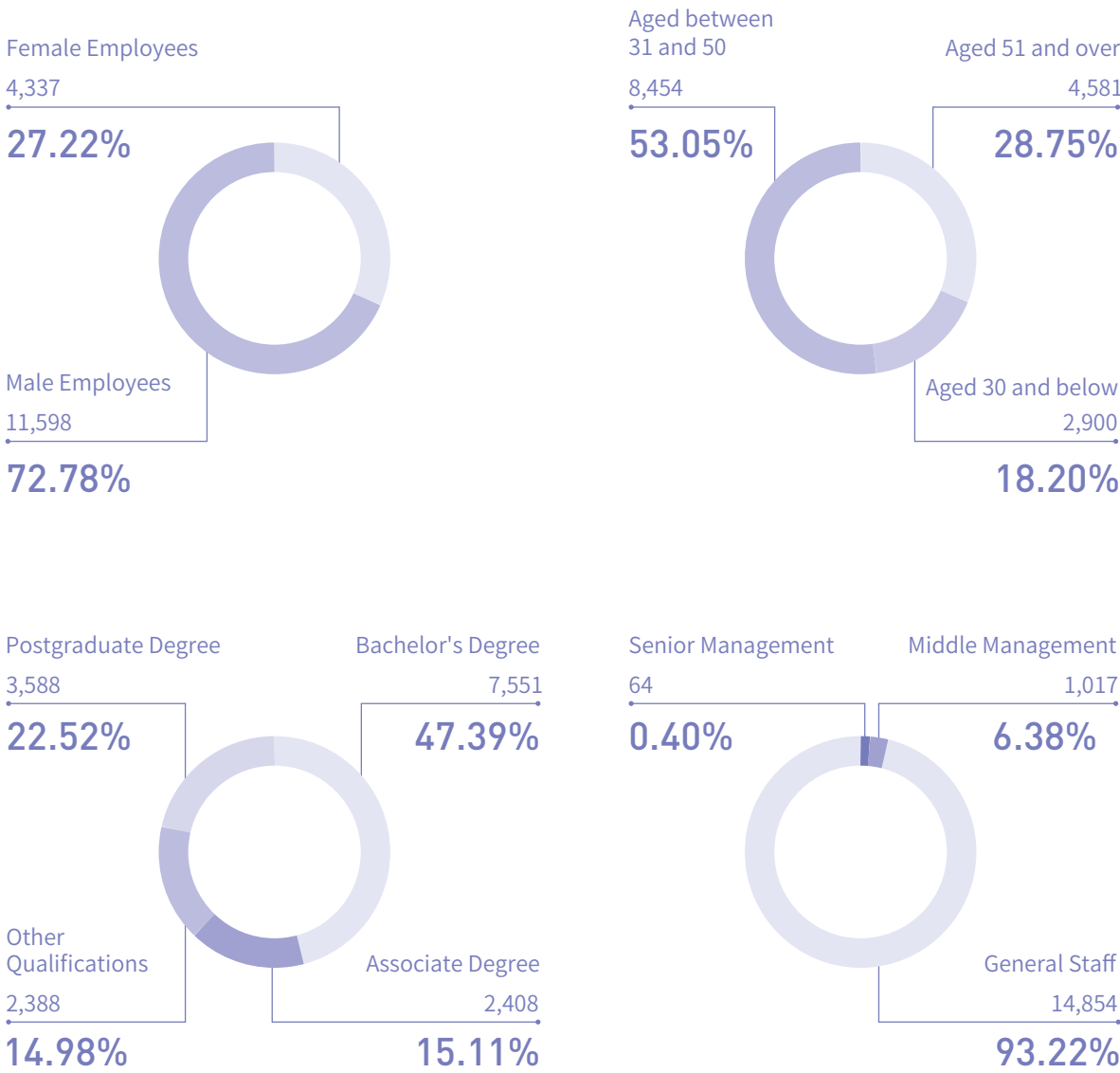
### Case

SSEC has established "SSEC Mommy Care Rooms" to provide convenient facilities for female employees during pre-pregnancy, pregnancy, menstruation periods, or with related needs.

## Diversity, Equal Opportunity and Inclusion

### Employee Diversity

As of the end of the Reporting Period, our total workforce comprised 15,935 employees, of which 4,337 were female, representing 27.22% - a notable proportion in the engineering and construction sector. Employees holding a bachelor's, master's or higher degree reached 11,139 (69.91%), making year-on-year increase of the highly educated talent proportion.



The Group continues to strengthen its global talent management system, expanding our talent pool across multiple countries including Vietnam, Tajikistan, and Kazakhstan. This supports the execution of our Globalisation-Targeted strategy. As of the end of the Reporting Period, our international employees reached 645, representing 4.05% of our total headcount.

The Company's Human Resources Department is responsible for managing the Company's Diversity and Equality employment matters, with the Human Resources Manager acting as its subject matter manager.

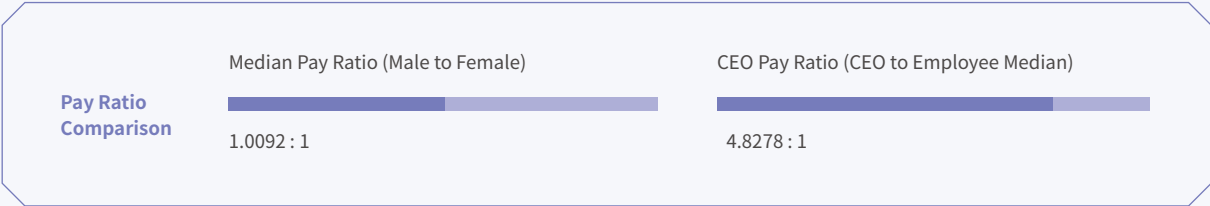


Equal Employment

The Group maintains a strong commitment to equal employment, ensuring fair practices across recruitment, promotion, and performance assessment processes. We prohibit discrimination of any kind, whether based on gender, age, ethnicity, skin colour, nationality, language, race, religious beliefs, or physical disability. Job qualifications are established purely based on role requirements - including professional expertise, education level, and years of experience-with all discriminatory criteria strictly prohibited. In addition, we take a zero-tolerance approach to illegal labour practices, including child labour and forced labour.

We ensure equal treatment across all aspects of employment - from career development and performance reviews to internal mobility and remuneration - regardless of gender, age, or ethnicity. During the Reporting Period, 100% employees participated in our performance evaluation and promotion assessment processes. Internal recruitment resulted in 638 male and 178 female employees appointed to new roles. Our first gender pay equity analysis revealed minimal wage differences between male and female employees.

As part of our commitment to fair compensation, we maintain a reasonable pay ratio, with CEO compensation at 4.83 times the median employee salary.



Professional Development

The Group maintains a talent-first strategy, fostering professional growth through multi-level development initiatives and enhanced international exposure, providing comprehensive support for employee development. As of the end of the Reporting Period, our distinguished talent pool includes 2 members of the Chinese Academy of Engineering, 10 National Masters of Engineering Survey and Design, 36 recipients of government special grants, and 5,810 professionals holding senior or advanced technical credentials.



Employee Training

We prioritise our employees' professional development needs through our comprehensive 2024 Annual Employee Training Plan. This plan spans all levels - from senior management to frontline staff - covering management tracks, technical specialisations, and operational skills across 39 training programmes. We've developed a "Learning Roadmap" system with progressive training courses aligned with career advancement paths. During the Reporting Period, our training programmes reached 51,222 participants, with employees averaging 53 training hours per person.

Multi-tier Training Framework

- Leadership Development: We enhance project management capabilities through our Project Manager Advanced Programme and Young Talent Development Programme, strengthening our project leadership teams.
- Frontline Supervision: Our Site Supervisor Enhancement Programme focuses on developing systematic, standardised, and sustainable team management practices.
- Technical Expertise: We offer specialised training initiatives, including our Technical Excellence Series, to advance professional skills and expertise.



Case

The Group partnered with Saudi Aramco MCTC and Nanjing University of Posts and Telecommunications to launch a Belt and Road China-Saudi joint training programme, bringing Saudi employees to China for professional development.

Case

The Group pioneered an innovative training approach through its "Construction Live Lecture Series."

Career Development and Assessment

During the Reporting Period, we refined the *SEG Position Management Guidelines* to establish a more structured career advancement system. Our enhanced professional title evaluation methodology, with quantifiable metrics, ensures greater objectivity, fairness, and accuracy in talent assessment, strengthening our overall talent development efforts.

We implemented comprehensive the *SEG Technical Classification* and the *SEG Operational Skills Classification Systems* to clearly define professional disciplines and job categories. For talent development and selection, our *Professional Qualification Standards* outline specific knowledge, skills, and competencies required for each position. These standards provide clear benchmarks for recruitment and development while enabling employees to better plan their career progression and personal growth.

To optimise our talent allocation, we've established the *SEG Expert Database Management Regulations* and the *SEG Talent Training Management Regulations*. These frameworks enable us to fully leverage our expert pool's expertise while building a strong pipeline of emerging leaders. Through expanded learning and development initiatives, we continue to nurture a diverse, high-performing workforce with the optimal mix of skills and experience.





As we expand our global footprint, we've developed a robust framework for assessing and developing international talent. Our *Global Talent Evaluation Standard System* examines three essential areas: personal attributes, technical proficiency, and leadership potential. To build our global capabilities, we handpick candidates with international exposure during internal promotions and transfers. This approach serves a dual purpose: offering our team members valuable global career opportunities while strengthening our ability to operate effectively across international markets.



Wellbeing and Support

Employee Communication and Participation

Building and strengthening trust requires ongoing communication and collaboration. The Group places great emphasis on developing employee communication and engagement mechanisms. We have established and improved the Trade Union and Employee Representative Conference mechanism and employee grievance mechanisms to ensure that employee concerns are effectively conveyed and addressed in a timely manner.

<div>Trade Union and Employee Representative Conference Mechanism</div> <div></div>	<p>We maintain an effective Employee Representative Conference system that serves as a key platform for employee engagement. During 2024, we convened conference sessions where employee representatives reviewed key company documents, including our <i>Annual Report</i>, <i>Operations Report</i>, <i>Trade Union Report</i>, and <i>Employee Proposals Status Report</i>, among other reports and proposals. The democratic assessment of our trade union initiatives showed strong support, with employee satisfaction reaching 100%.</p>
<div>Employee Feedback Collection</div> <div></div>	<p>We have established a multi-tiered feedback system with diverse communication channels. These include face-to-face discussions, satisfaction surveys, suggestion boxes, internal social platforms, and email communications, providing employees with multiple avenues for submitting improvement suggestions and grievances. We strictly enforce confidentiality protocols to protect the personal information of all contributors, safeguarding employee rights and interests. Collected feedback is systematically categorised and submitted to relevant departments for analysis, serving as a crucial reference for workplace improvements in the following year.</p>
<div>Labour Dispute Resolution</div> <div></div>	<p>We have implemented a comprehensive dispute resolution process and established the <i>SEG Labour Dispute Management Guidelines</i>. This system effectively handles labour disputes arising during employment as well as those following contract termination. Employees can initiate dispute resolution through various channels including phone calls, emails, in-person meetings, or written submissions to the Human Resources Department. HR will respond within 5 working days regarding case acceptance. For accepted cases, HR conducts a thorough analysis within 15 working days and develops resolution proposals based on relevant laws and regulations. During the Reporting Period, no labour disputes were recorded within the Group.</p>
<div>Factory Affairs Transparency</div> <div></div>	<p>We have established <i>Detailed Implementation Guidelines for Facility Affairs</i> that standardise the content, procedures, requirements, and departmental responsibilities for factory affairs disclosure, providing an institutional framework for democratic oversight across all units. Information is shared through various channels including dedicated work meetings, public notice boards, and our OA information platform. Key disclosures cover major corporate decisions and their implementation, critical production and operational management issues, company financial status, matters directly affecting employee interests, and integrity and compliance of leadership conduct. This ongoing transparency initiative strengthens our democratic management system.</p>

Comprehensive Employee Care

The Group is dedicated to providing comprehensive support and assistance to employees while continuously enhancing relevant systems and mechanisms. During the Reporting Period, we revised the *SEG Assistance and Aid Fund Management Guidelines* and continued to improve the management mechanisms for employee assistance and care programmes, ensuring their effectiveness.

We recognise the unique challenges and pressures that female employees face in their professional and personal lives. The Group actively organises forums for female employee representatives, providing platforms for experience sharing and communication. Around International Women's Day 2024, we extended holiday greetings to female employees, organising themed activities such as "Be a Health Goddess, Enjoy a Better Life" to enrich their cultural experiences.



▲ Extending Greetings to Female Employees



▲ International Women's Day Themed Activities of the Group



The Group upholds a people-cantered philosophy and is committed to creating a comprehensive humanistic care system for employees. We organised various sporting events including tug-of-war, hiking, relay races, and basketball tournaments, as well as cultural activities such as singing competitions and photography exhibitions, enriching employees' leisure life and fostering team cohesion.



▲ Choir Performance



▲ Employee Basketball Tournament

The Group maintains a robust family support programme featuring "Family Open Days" and after-school care services, helping employees' families better understand their workplace while easing domestic responsibilities. For our overseas staff, we extend special care to their families back home, sending thoughtful gifts and greetings during special occasions like International Children's Day.



▲ SSEC Open Day: Employees and Families Gather at the New Building



▲ The Group Delivered Cakes to Employees' Families on International Children's Day as Part Of Its "Caring For Overseas Staff Families" Programme

The Group places high priority on protecting the interests and well-being of our retired employees. Through systematic and regular initiatives, we provide comprehensive support for their daily needs and maintain close connections with our retirees.



▲ The Group Held a Retirement Ceremony for Employees





# 07

## SOCIAL RESPONSIBILITY

- Responsible Value Chain
- Community Relations
- Charitable Initiatives

Supporting UN Sustainable Development Goals



- External donations totalled RMB2.082 million



# Responsible Value Chain

## Dedication to Client Service

### Quality Management

The Group has developed and implemented key policies, including the *SEG Quality Management Regulations* and the *SEG Quality Incident Management Regulations*. During the Reporting Period, we revised 3 policies, including the *SEG Quality Management Regulations*, to further enhance our quality management framework and strengthen quality control capabilities.

The Group maintains a comprehensive quality management structure with clearly defined roles at each level, ensuring the systematic implementation of all quality initiatives. At the board level, the ESG Committee oversees critical quality matters. The QHSE Department coordinates and supervises overall quality initiatives, while quality departments of all subsidiaries and branches, and project quality managers implement specific quality control measures within their respective units.

#### ► Board Level

The ESG Committee exercises oversight of critical quality matters. Working in conjunction with other board committees, quality considerations are integrated into broader board decisions, ensuring top-level supervision of quality-related issues.

#### ► Management Level

The HSE Management Committee handles critical quality initiatives, development planning, and related policies across the Group. It coordinates solutions for quality issues arising in design, procurement, and construction phases. The Committee has a standing office for daily operations, responsible for reviewing Group quality regulations and monitoring the fulfilment of quality responsibilities.

#### ► Implementation Level

Developed an integrated structure with the QHSE department providing central oversight, coordination and monitoring, while project departments implement quality management for their respective projecats.

We maintain ongoing management system certifications and audits to ensure our quality management system meets all standards. During the Reporting Period, the Company completed the renewal audit for ISO 9001 quality management system certification. All eleven entities across the Group passed their annual ISO 9001 surveillance audits, with certified entities accounting for 100% of the Group's revenue.

During the Reporting Period, we launched several quality improvement initiatives that significantly enhanced engineering project compliance, standardisation, and systematic management. In 2024, the Group achieved all quality objectives with no reportable quality incidents or critical quality matters, maintaining a 100% quality acceptance rate for all projects of subsidiaries.

Strengthening Quality Management Framework	<ul style="list-style-type: none"><li>Formulated and implemented the <i>Quality Management Measures</i>, <i>Quality Management System Implementation Guidelines</i>, <i>Quality Objectives Management Measures</i>, <i>Project Construction Process Management Procedures</i>, <i>Construction Standards and Specifications Management Measures</i>, <i>International Project Management Handbook</i>, <i>Overseas Project Welding Procedure Qualification Management Guidelines (Trial)</i>, <i>Quality Management Regulations</i>, and <i>Quality Incident Management Regulations</i>.</li></ul>
Enhancing Quality Management System Performance	<ul style="list-style-type: none"><li>Continued improvement for quality management system audit effectiveness.</li><li>Integrating subcontractor management throughout the entire quality management process.</li></ul>
Advancing Quality Management Talent Development	<ul style="list-style-type: none"><li>We have established clear career advancement pathways and skill development frameworks for our quality management professionals.</li><li>Organising diverse operational training programmes and competitions.</li><li>Establishing and launching a company-wide quality management expert database, with experts covering all major disciplines in refining and chemical engineering construction, providing comprehensive guidance throughout the quality management process.</li></ul>
Strengthening On-site Engineering Quality Management	<ul style="list-style-type: none"><li>Compiled the <i>Sinopec Practical Series of Quality Inspections for Engineering Projects</i>, <i>Project Quality Control Point Checklist</i>, <i>Quality Inspection Management Measures</i>, and <i>Sub-project Inspection Checklist</i> to standardise construction procedures, processes, and workmanship.</li></ul>
Implementing Comprehensive Quality Inspections	<ul style="list-style-type: none"><li>Established a quality control reporting system with daily inspections, self-inspections, and cross-project audits to monitor quality of all processes, materials, components, and finished products.</li><li>Implemented annual quality inspection mechanism for design and construction, conducting thorough yearly evaluations.</li><li>Organised special initiatives including remediation of substandard, aging and defective equipment, design quality assessments, material supply quality checks, spot checks on welding quality, and dedicated oversight of dual-prevention and dual-guarantee and protective measures.</li><li>Compiled inspection findings into a case library of typical quality issues for member companies' training and learning purposes.</li></ul>
Improving Engineering Quality Issue Resolution Mechanisms	<ul style="list-style-type: none"><li>Established key management policies and control procedures, including the Group's <i>Quality Incident Management Guidelines</i>, <i>Welding Quality Spot Inspection Regulations (Trial)</i>, <i>Construction Quality Supervision Regulations (Trial)</i>, <i>Non-conforming Product Control Procedures</i>, and <i>Corrective and Preventive Action Procedures</i>.</li><li>Set engineering quality complaint management objectives and established a tiered resolution system to monitor complaints. For recurring project issues, developed specific rectification and preventive measures while conducting comprehensive training for construction and technical personnel to prevent similar problems through lessons learned.</li></ul>



Promoting Continuous Quality Improvement	<ul style="list-style-type: none"><li>Developed <i>Continuous Improvement Procedures</i>, establishing improvement measures based on work objectives, cost effectiveness, systematic vs. random factors, performance outcomes, customer satisfaction, and reputation.</li><li>Conducted project follow-up visits, thoroughly addressing issues identified in aging facilities to enhance safe, environmentally friendly, and reliable process routes.</li></ul>
Quality Culture and Awareness	<ul style="list-style-type: none"><li>Organising company-wide events including Sinopec Quality Day to promote quality awareness.</li><li>Hosting quality inspector competitions to build a quality-driven culture.</li></ul>

Dedicated Service Excellence

The Group is committed to creating "model projects" and "quality masterpieces." We continuously enhance our project management capabilities, serving every client with superior technology and cutting-edge equipment to ensure comprehensive quality delivery across all projects. We have developed and implemented the *Special Action Plan for High-Quality Development and Market Operation Enhancement*. Through excellence in construction services, we have established a strong brand image and market reputation, earning widespread recognition and appreciation from diverse clients. During the Reporting Period, the Group received 9 provincial-level Outstanding Design Awards and 8 provincial-level Quality Engineering Awards.

SEI Received from ExxonMobil for Two Consecutive Years

Global Project Safety President's Award



SNEI EPC Project in Saudi Arabia Won

PMI (China) Project Management Excellence Award



Case

Multiple Group projects earned prestigious recognitions including Outstanding Engineering Design Award, National Outstanding Engineering Consulting Achievement Award, and "AAAAA" rating for Premium Quality Engineering Excellence.

▲ SNEC Received the Zhejiang Province Quality Installation Engineering Award

Case

SLT Retains #1 Position Among China's Top Hoisting Enterprises

During the Reporting Period, SLT advanced to 7th place in the global IC100 hoisting company rankings. SLT continued to lead China's Top 10 Hoisting Companies list in 2024, maintaining its dominant position in the national Top 100 rankings.

▲ Leading China's Top 10 Hoisting Companies

Supplier Management

The Group places high priority on supplier management, strictly implementing the *SEG Supplier Management Regulations*, the *SEG Supply Resource Management Regulations*, the *SEG Supplier Site Assessment Guidelines*, and the *SEG Supplier Evaluation Management Rules*, among other management systems and procedures to ensure standardised supplier management. During the Reporting Period, in conjunction with the supply resource management platform development, the Group revised its procurement management systems and drafted two new policies: the *SEG Procurement Management Regulations* and the *SEG Supply Resource Management Guidelines* which are under review by member companies.

The Group maintains a rigorous vendor qualification framework, integrating ESG factors into our qualification review process - including QHSE management systems, green product certifications, social responsibility performance, and records of environmental compliance and violations. During the Reporting Period, we expanded our supplier management platform to encompass external and international vendors. Building on our current platform's E&E and registered supplier modules, we refined our international vendor registration protocols and optimised client supplier management processes. During the Reporting Period, we approved 398 supplier qualifications and processed 949 products catalogue entries.

To enhance procurement efficiency and transparency, we've established a comprehensive digital platform that integrates our key systems - ERP, EPEC, EC, and CMIS. This integration enables fully online procurement operations for materials and services across the Group. The platform provides oversight departments with real-time access to procurement data, allowing dynamic monitoring and review processes, which further strengthens procurement transparency. During the Reporting Period, our subsidiary, SFCC, developed an innovative procurement management system for the Saudi Marjan Natural Gas Processing Project, delivering standardised, integrated, streamlined, and digitalised material supply management.



In managing supplier integrity, the Group adheres to *Sinopec Material Procurement Tendering and Bidding Management Measures*, strictly implementing our "mandatory bidding where required, maximum bidding where possible" principle. We prevent supply chain corruption through transparent procurement procedures and standardised bidding protocols. To enhance anti-corruption measures, we've embedded specific conduct codes and compliance requirements into our key policies: *Material Supply Management Regulations*, *Material Procurement Management Protocols*, and *Material Procurement Supply Resource Management Guidelines*. We require all active suppliers to sign *Integrity Compliance Commitment*, fostering a healthy procurement ecosystem. During the Reporting Period, we maintained a 100% signing rate for the *Integrity Compliance Commitment* across our supplier base.

For green procurement initiatives, we align with *Sinopec Green Procurement Management Guidelines* to continuously refine our supplier qualification criteria. Following the *Sinopec Green Materials Procurement Catalogue* and *Green Industry Guidance Catalogue*, we give preference to materials with recognised environmental certifications, including eco-labelled products, energy and water-efficient solutions, low-carbon products, and certified green building materials. Environmental incidents attributed to suppliers must be reported through monthly internal reviews. Any supplier whose environmental violations cause economic damage to users or negative social impact faces contractual penalties, with heightened sanctions for cases involving deliberate concealment.

The Group advocates and promotes long-term partnerships with outstanding suppliers to build mutually beneficial business relationships. During the Reporting Period, we developed our key international project supplier list to support our global business expansion. We established regular communication channels with world-renowned suppliers and conducted 45 high-level exchanges with major international suppliers throughout the year. In addition, we organised supplier recognition and awards ceremonies to encourage continuous improvement in product quality and service delivery, while also providing guidance on ESG management.

We maintain an open and proactive to new supplier partnerships. During the Reporting Period, we onboarded 368 new suppliers, bringing our total supplier base to 4,355.



Subcontractor Management

The Group upholds core principles of cooperation, harmony, mutual benefit, and shared success in establishing our subcontractor management system. We have developed 27 procedural documents covering four key areas: subcontracting and procurement, subcontractor resource database, on-site subcontractor management, and subcontractor performance evaluation. During the Reporting Period, we revised our subcontractor management documentation, enhanced our blacklist management system, and strengthened performance assessments for subcontractors and their key personnel, further clarifying our management requirements.

<div>Subcontractor Qualification</div> <div></div>	<ul style="list-style-type: none"><li>• We screen key personnel through interviews prior to site mobilisation to ensure subcontractors meet our professional standards.</li><li>• For major engineering projects, we give preference to and guide the selection of our strategic partners as subcontractors. We are actively exploring labour subcontracting models in select key projects to ensure project department maintains full workforce compliance.</li></ul>
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<div>Subcontractor Review</div> <div></div>	<ul style="list-style-type: none"><li>• We implement dynamic management of our partner subcontractors through annual reviews of their qualifications and creditworthiness. Based on annual audit and performance evaluation results, top performers are designated as strategic subcontractors, while those with poor performance are eliminated. Subcontractors involved in major safety incidents, integrity violations, or those causing adverse social impact are placed on our blacklist. Our evaluation framework incorporates key ESG indicators including safety, quality, progress, and green construction practices.</li><li>• During the Reporting Period, we conducted annual reviews and assessments of 1,454 subcontractors, with 23 being placed on our blacklist.</li></ul>
<div>Capacity Building</div> <div></div>	<ul style="list-style-type: none"><li>• Our subsidiaries regularly conduct integrated training sessions that include key personnel from subcontractors to enhance their management capabilities. During the Reporting Period, we delivered 37 training programmes for subcontractors' key personnel and team leaders, reaching a total of 2,020 participants.</li></ul>
<div>Integrity Management</div> <div></div>	<ul style="list-style-type: none"><li>• We establish integrity agreements with subcontractors and communicate our compliance policies, emphasising zero-tolerance boundaries.</li><li>• We conduct annual integrity risk assessments of subcontractors to identify potential compliance issues and ensure corrective actions are implemented.</li></ul>
<div>Protection of Rights</div> <div></div>	<ul style="list-style-type: none"><li>• The Group rigorously enforces the national <i>Regulations on Ensuring Wage Payments to Migrant Workers</i> by strengthening oversight and governance of subcontractors' wage payment practices, thereby safeguarding the lawful rights and interests of migrant workers. We verify employment contracts between subcontractors and migrant workers, and ensure wages are paid directly into designated worker accounts to prevent payment defaults.</li><li>• During the Reporting Period, we enhanced our wage management protocols by incorporating detailed payment terms into subcontractor agreements. We oversee the contracting process to ensure employment agreements clearly specify remuneration standards, payment methods, and schedules.</li></ul>



Community Relations

The Group is deeply committed to giving back to society and fostering harmonious business-community relationships. By engaging in community dialogue, promoting cultural exchange, driving local economic development, and implementing diverse public welfare initiatives, we ensure our operations contribute to and benefit from community development. We remain dedicated to fuelling local economic prosperity and community wellbeing, working toward shared growth between our enterprise and society.

Community Relations	We have established Government and Community Relations Officer (GRO) positions at our overseas locations, staffed by specialists familiar with local cultures. These officers gather feedback and concerns from local communities while internally conducting cultural training sessions. This helps our employees better understand local operating dynamics and reduces operational challenges caused by cultural differences and communication barriers.
Cultural Respect	The Group honours the cultural customs and needs of our global workforce while actively promoting cross-cultural exchange. We provide well-ventilated prayer rooms and prayer rugs for Muslim employees. We also organise holiday celebrations based on our project teams' nationalities and religious backgrounds, and facilitate cultural integration through cross-cultural exchange sessions and Chinese traditional festival experiences.
Local Employment	We promote localised hiring practices and foster a diverse workforce, driving local employment opportunities and contributing to regional economic development.
Engement Programmes	We actively engage with local communities and fulfil our social responsibilities by organising various community outreach programmes, including Environmental Protection Community Programmes, Blind Film Festival, Support for Those in Need, and Public Open Days.



▲ Volunteers at the Film Festival for the Visually Impaired



▲ Charitable Donation to Children's Home on Thailand Children's Day



▲ Cultural Exchange During Ramadan

Signature CSR Initiative

Immersive Public Safety Experience and Emergency Response Education Programme

The Group launched this signature corporate social responsibility programme at the South China Safety Simulation and Practical Training Centre (Guangzhou). The initiative, presented as part of Sinopec Public Open Day, offers interactive emergency response education through immersive safety experiences.

The facility features five functional zones, including theoretical learning areas, hands-on training sections, and simulated field operation areas, developed with cutting-edge technology. It covers over 30 training modules such as working at heights, crane operations, and confined space safety. The centre trains more than a thousand primary and secondary school students annually.



Following this success, the Group organised two additional events: one at the North China Safety Practical Training Base (Tianjin), and another at the Huangdao Production Base (Qingdao). Over 400 students and local residents participated in these events.



# Charitable Initiatives

Social responsibility has always been fundamental to our corporate mission. Throughout the year, we have actively supported rural development initiatives, made charitable contributions, and encouraged employee volunteering. During the Reporting Period, we registered RMB2.082 million in charitable giving, with our employees contributing over 9,079 volunteer hours across 2,097 individual engagements.

Charitable Giving **2.082** RMB million

Employees Volunteer Hours over **9,079** hours

Number of Employee Participation in Volunteer Activities **2,097** participants

## Rural Revitalisation

In active response to China's national rural revitalisation strategy, we support rural economic growth and social progress through various initiatives, including consumer-driven assistance and charitable giving. Our initiatives include sourcing specialty products like quinoa from Dongxiang County and rice from Jinlingqiao Village, while helping these communities expand their market reach. We also contribute to rural development through targeted investments in essential infrastructure and healthcare facilities, demonstrating our commitment to rural prosperity. During the Reporting Period, our total investment in rural development initiatives reached RMB12.85 million.



Certificate of Donation Presented to the FCC ▲

## Educational Support Programmes

We prioritise educational support through comprehensive support initiatives. Our programmes include providing educational resources, student assistance schemes, and teacher training, with a particular focus on youth education in rural and under-served areas. Through these sustained efforts, we work to address educational inequalities and create better learning environments and growth opportunities for students.



▲ The Group Conducts Teacher Development Workshop at Yexi Petrochemical Junior High School in Yuxi County



▲ Dongxiang Longquan School for Educational Support



▲ The Group Donates School Supplies to Heiyanshan School in Maying Town, Tongwei County, Lanzhou

## Volunteer Services

Embracing the volunteer spirit of "Dedication, Compassion, Mutual Support, and Progress," we organise various volunteer activities including community service, educational support, environmental protection, and health care initiatives. These programmes not only serve our communities but also foster civic awareness and social responsibility among our employees, creating a positive corporate culture.



▲ Sinopec Launches "Learn from Lei Feng - Stations of Care" Volunteer Service Campaign



▲ The Group Provides Volunteer Support at 2024 Nanjing Marathon



# Environmental Performance

## A1 Emissions

### General Disclosure

The Group rigorously adheres to *Environmental Protection Law of the People's Republic of China, Air Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, Solid Waste Pollution Environmental Prevention Law*, and *Environmental Noise Pollution Prevention Law*, among other national and local laws and regulations, as well as relevant laws and regulations in the countries where projects are located.

The Group has established various systems, including *SEG Environmental Protection Management Regulations, SEG Environmental Information and Environmental Protection Statistics Management Regulations, SEG Solid Waste Environmental Protection Management Guidelines for Engineering Projects (Trial)*, and *SEG Environmental Protection Management Guidelines for Prefabrication Yards of Engineering Projects (Trial)*, to regulate the management of various emissions such as air pollutants, waste, wastewater, and greenhouse gases. We are committed to reducing pollutant emissions during operations and comprehensively managing our environmental footprint.

### A1.1 The types of emissions and respective emissions data.

The primary air pollutants produced by the Group's project implementation include dust, VOCs, SO<sub>x</sub>, and NO<sub>x</sub>. For details on their sources and treatment methods, please refer to the section "Environmental Protection – Reducing Emissions – Air Quality" on page 47 of this report. During the Reporting Period, the Group's VOCs emissions amounted to 2,977.84 tonnes.

In this report, the statistical scope of SO<sub>x</sub> and NO<sub>x</sub> emissions includes automobile exhaust and gas fuel combustion. In the future, we plan to gradually refine the statistical scope to incorporate atmospheric pollutants produced by external subcontractors, leased vehicles, and equipment. During the Reporting Period, the Group's SO<sub>x</sub> emissions amounted to 6.88 tonnes, while NO<sub>x</sub> emissions reached 110.04 tonnes.

### A1.2 Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).

The Group's Scope 1 greenhouse gas emissions primarily originate from the consumption of diesel, gasoline, natural gas, liquefied petroleum gas, acetylene, propane, and other natural resources and energy sources in operations. The Group's Scope 2 greenhouse gas emissions mainly derive from purchased electricity and heat. As the Group's industrial chain encompasses a wide range of projects, statistics on Scope 3 greenhouse gas emissions have not yet been initiated but will be progressively refined in the future.

Indicators	Unit	2024	2023	2022
Total GHG emissions	Tonne CO <sub>2</sub> e	127,856.72 <sup>Note 1</sup>	111,136.88	105,229.85
Scope 1 emissions	Tonne CO <sub>2</sub> e	59,749.10	45,612.41	48,357.30
Scope 2 emissions	Tonne CO <sub>2</sub> e	68,107.62	65,524.47	56,872.55
GHG emissions per unit revenue	Tonne CO <sub>2</sub> e/100 million RMB	199.16	197.64	198.44

*Note 1: The main factor contributing to the increase in greenhouse gas emissions during the Reporting Period was the rise in diesel consumption. Due to local constraints in some overseas projects, electricity could not be purchased, resulting in a higher diesel consumption for power generation. Additionally, the increased volume of civil construction and excavation work led to greater diesel consumption by vehicles transporting waste soil and rock.*

### A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).

The Group defines hazardous wastes as materials that exhibit dangerous or potentially harmful properties, as listed in the National Directory of Hazardous Wastes or identified through national identification standards and methods. Major wastes generated during business operations include paint contaminants like paint containers and paint waste, toner cartridges, fluorescent tubes, etc. To ensure proper handling and disposal, the Group works with qualified third-party service providers to either recycle or safely treat these hazardous materials. 100% of the Group's hazardous waste is handled by qualified third-party agencies, with some being recycled and the remaining portion undergoing harmless treatment.

Indicators	Unit	2024	2023	2022
Hazardous Waste Generated	Tonne	506.09	556.83	784.92
of which: Hazardous Waste Recycled by Third-Party Agencies	Tonne	478.88	429.74	665.97
Hazardous Waste Disposed of by Third-Party Agencies	Tonne	27.21	127.09	118.95
Intensity of Hazardous Waste	Tonne/100 million RMB	0.79	0.99	1.48
Disposal Rate of Hazardous Waste	%	100	100	100

### A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).

The non-hazardous waste generated by the Group's project implementation primarily includes waste wood products, waste paper, waste plastic products, waste composite packaging materials, waste steel, waste non-ferrous metals, waste mechanical products, waste transportation equipment, waste batteries, waste electrical and electronic products, construction waste, and domestic waste. These mainly originate from construction and contracting units during the construction, expansion, and demolition of various buildings, structures, pipelines, etc., as well as from daily office work. For the parts of non-hazardous waste that can be recycled, including waste wood products, waste steel, and construction waste like discarded soil and materials, the Group undertakes recycling efforts. For parts that cannot be recycled in-house, they are handled by qualified third parties, with some parts being recycled and the rest being disposed of.

Indicators	Unit	2024	2023	2022
Non-Hazardous Waste Generated	Tonne	160,685.59 <sup>Note 1</sup>	86,129.54	87,834.91
of which: Non-Hazardous Waste Recycled by Third-Party Agencies	Tonne	11,809.55	17,110.93	12,118.98
Non-Hazardous Waste Disposed of by Third-Party Agencies	Tonne	148,876.04	69,018.61	75,715.92
Non-Hazardous Waste Emission Intensity	Tonne/100 million RMB	250.30	153.20	165.64
Non-Hazardous Waste Treatment Rate	%	100	100	100

*Note 1: During the Reporting Period, the Group's civil construction and excavation activities increased, leading to a higher volume of waste rock and slag generation, which correspondingly resulted in an increase in third-party disposal.*



A1.5 Description of emissions target(s) set and steps taken to achieve them.

Targets	Detailed Description	Countermeasures
Target for greenhouse gas reduction	<ul style="list-style-type: none"><li>During the "14th Five-Year Plan" (2021-2025) period, reduce greenhouse gas emission intensity by 5.7%.</li><li>The greenhouse gas reduction data baseline is 193.69 tonnes of CO<sub>2</sub> per 100 million RMB (2021), including emissions from the Group's offices and related engineering construction projects. This reduction target is voluntarily set by the Group and not mandated by regulation.</li></ul>	Optimise energy consumption structure in engineering construction and office processes, actively conduct research on carbon reduction and carbon trading.

To achieve the established emission reduction targets, the Group strictly adheres to the relevant systems set by Sinopec, including *Sinopec Water Resources Conservation Management Measures*, *Sinopec Contract Energy Management Project Management Measures*, and *Sinopec Carbon Emission Management Measures*. We implement these measures and provide clients with energy-saving, consumption reduction, and clean production services. The greenhouse gas reduction targets are primarily set for resource consumption during the construction project process.

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.

The waste generated by the Group primarily consists of general solid waste, household garbage, and hazardous waste. General solid waste mainly originates from construction units and contractors during the construction, expansion, renovation, and demolition of various buildings, structures, pipelines, and from daily office operations. Household garbage arises from the daily lives of employees, while hazardous waste primarily comes from construction activities and daily office work. For both general solid waste and hazardous waste, the Group undertakes recycling and reuse internally. For the portion that cannot be recycled internally, we entrust third-party companies for recycling and disposal. As for household garbage, it is uniformly managed and disposed of by municipal departments.

The Group strictly adheres to waste disposal management regulations and implements a structured classification approach, making it a key focus of daily environmental inspections. We adopt appropriate methods for storing and handling construction waste, strictly preventing issues such as open-air storage of hazardous waste and the mixing of solid and hazardous waste. Efforts are made to standardise record-keeping comprehensively, affix proper waste classification labels, and establish a long-term control mechanism.

Targets	Detailed Description	Countermeasures
Target for emission reduction of wastes	<ul style="list-style-type: none"><li>During the "14th Five-Year Plan" (2021-2025) period, the Group strives to reduce non-hazardous waste emission by 11% per 100 million RMB of revenue.</li><li>The baseline data for non-hazardous waste emission reduction is 88.84 tonnes/100 million RMB (2021). Emission reduction entities include the Group offices as well as related construction projects. The target is set voluntarily by the Group and is not a mandatory regulatory requirement.</li></ul>	Waste reduction devices are designed and used to minimise waste emissions at source.
Target for disposal volume of hazardous wastes	<ul style="list-style-type: none"><li>During the "14th Five-Year Plan" (2021-2025) period, the Group strives to reduce disposal volume of hazardous wastes by 8% per 100 million RMB of revenue.</li><li>The baseline data for solid waste entrusted for process and disposal is 1.7 tonnes/100 million RMB (2021). The entities covered by the reduction of solid waste entrusted for process and disposal include the Group office as well as related construction projects. The target is set voluntarily by the Group and is not a mandatory regulatory requirement.</li></ul>	Actively promote project construction management level, strive to reduce the generation of hazardous wastes.

A2 Use of Resources

General Disclosure

The Group strictly adheres to *Energy Conservation Law of the People's Republic of China*, *Cleaner Production Promotion Law of the People's Republic of China*, *Regulations on Energy Conservation in Civil Buildings*, and other related laws and regulations. The Group has established internal management regulations and systems such as *SEG Environmental Protection Management Regulations*, *SEG Environmental Information and Environmental Protection Statistics Management Regulations*, and *Contract Energy Management Project Management Methods of Sinopec Energy Management Co., Ltd.*, while also following *Sinopec Contract Energy Management Project Management Methods*, *Sinopec Water Resources Conservation Management Method*, and *Sinopec Carbon Emission Management Method* to ensure resource conservation throughout the Group's operations.

A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in 1,000s) and intensity (e.g., per unit of production volume, per facility).

Indicators	Unit	2024	2023	2022
Direct Energy Consumption				
Consumption of diesel	Tonne	14,906.73 <sup>Note 1</sup>	9,947.85	9,967.21
Consumption of gasoline	Tonne	2,515.38	2,416.36	3,062.78
Consumption of natural gas	Cubic Metre	581,796.92	666,081.15	584,582.15
Consumption of liquefied petroleum gas	Tonne	355.97	839.30	336.65
Consumption of acetylene	Tonne	739.52	1,417.00	1,650.32
Consumption of propane	Tonne	217.63	175.33	137.66
Indirect Energy Consumption				
Consumption of purchased electricity	MWh	121,676.67	110,723.34	93,476.26
Consumption of purchased heat	Million KJ	21,470.58	21,261.82	22,756.31
Consumption of integrated energy converting to standard coal	Tonne of standard coal	48,683.46	46,478.66	46,475.05
Integrated energy consumption intensity per revenue	Tonne of standard coal/100 million RMB	75.83	82.67	87.64

*Note 1: During the Reporting Period, some overseas projects faced local constraints that prevented the purchase of electricity, resulting in higher diesel consumption for power generation. Additionally, the increased volume of civil construction and excavation work led to greater diesel consumption by vehicles transporting waste soil and rock.*



A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).

Indicators	Unit	2024	2023	2022
Total water withdrawal	Tonne	3,279,990.93	3,242,479.06	3,630,557.43
of which: Groundwater withdrawal <sup>Note 1</sup>	Tonne	83,764.00	59,458.00	392,898.70
Surface water withdrawal <sup>Note 2</sup>	Tonne	9,135.50	269,080.00	11,570.50
Seawater withdrawal <sup>Note 3</sup>	Tonne	281,163.00	0	500,042.00
Third-party water supply (municipal water) withdrawal <sup>Note 4</sup>	Tonne	2,905,928.43	2,913,941.06	2,726,046.23
Total water resource consumption	Tonne	3,279,990.93	3,242,479.06	3,630,557.43
of which: Total office water resource consumption	Tonne	1,032,138.76	1,189,181.19	1,174,291.76
Total construction activity water consumption	Tonne	1,852,780.51	2,006,266.62	2,004,596.79
Other water resource consumption	Tonne	395,071.66	47,031.25	451,668.88

*Note 1: The source of third-party water withdrawal is the groundwater component.*  
*Note 2: The source of third-party water withdrawal is the surface water component from national rivers, lakes, canals, channels, and reservoirs with utility functions.*  
*Note 3: The source of third-party water supply includes the seawater component.*  
*Note 4: Municipal water supply.*

Indicators	Unit	2024	2023	2022
Total water withdrawal	Tonne	3,279,990.93	3,242,479.06	3,630,557.43
Water resource consumption intensity	Tonne/100 million RMB	5,109.16	5,767.42	6,846.49

A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.

The Group has not yet set specific energy efficiency targets but plans to improve the formulation of such goals in the future. For details on the Group's specific energy management measures and their effectiveness, please refer to the section "Climate Action – Reduce GHG emissions – Energy Conservation Management" on page 36-37 of this report.

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.

During the Reporting Period, there were no issues encountered in sourcing suitable water. The Group has not yet established quantified water-saving targets but plans to do so in the future.

The Group encourages employees to actively improve water efficiency in both office operations and project construction. For details on our water-saving measures, please refer to the section "Environmental Protection – Reducing Emissions– Wastewater" on page 49 of this report.

A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.

The Group's operation does not involve the consumption of packaging materials for finished products.

A3 Environment and Natural Resources

General Disclosure

The Group steadfastly adheres to *Environmental Protection Law of the People's Republic of China* and other relevant environmental regulations applicable within the regions of our operations. We are committed to our responsibilities towards environmental and natural resource conservation both within China and on a global scale, strictly observing ecological constraints and environmental protection standards. In the course of executing construction projects, we meticulously evaluate the potential impacts on biodiversity and natural resources, endeavouring to mitigate adverse environmental effects. To eliminate negative effect of ecological effect, the Group has instituted several regulations, including *SEG Environmental Protection Management Regulations*, *SEG Regulations on Management of Environmental Information and Environmental Protection Statistics*, *SEG Regulations on HSE Risk Control, Investigation and Management of Potential Hazards (Trial)*, *SEG Guidelines for Environmental Protection Management at Engineering Project Prefabrication Sites (Trial)*, *Procedures for Identification, Risk Assessment, and Control Management of Environmental Factors*, and *Environmental Performance Management Procedures*. Furthermore, we follow a range of protocols established by Sinopec, including *Sinopec Radiation Management Measures (Trial)*, *Sinopec Greening Management Regulations*, *Sinopec Ecological and Environmental Incident Management Measures*, *Sinopec Ecological and Environmental Incident Accountability Management Measures*, *Sinopec Environmental Factors Identification, Evaluation, and Control Management Measures*, *Sinopec Emergency Environmental Incident Risk and Emergency Management Measures*, to govern relevant activities.

A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

The Group has implemented a comprehensive environmental management system, organising it into a three-tier structure comprising the "ESG Committee of the Board – HSE Committee of the Management – Implementation". When business operations or related management activities significantly impact major environmental and natural resources, the QHSE department compiles the specific risks encountered by the Group and submits them to the HSE Committee for evaluation. The ESG Committee of the Board then undertakes the corresponding oversight responsibilities.

We advocate for the certification of environmental management systems as a means to standardise the development of the Group's environmental management framework. During the Reporting Period, the Company successfully completed the recertification audit for the ISO 14001 Environmental Management System, and a total of 11 entities within the Group passed the annual supervisory audit for ISO 14001 certification, accounting for 100% of the Group's operating revenue.

Types of Potential Environmental and Natural Resource Impacts	Countermeasures
Destruction of ecological environment	Carry out no construction on World Heritage sites or any areas where development is prohibited by ecological red lines. Respect all internationally regulated legal protected areas, including those classified as Ia, Ib, II, III, IV, V and VI protected areas regulated by the International Union for Conservation of Nature (IUCN). For construction in environmentally sensitive areas and areas with high surface destruction, strictly follow internal environmental protection measures and soil erosion prevention measures.
Soil degradation or cultivated land pollution	The construction of long-distance pipelines may cause soil degradation. The Group exercises strict control over the construction area, implements hydraulic protection measures, and restores the landform promptly. These actions effectively prevent pollution of cultivated land and forest land.
Pollution of rivers and waters neighbouring the projects	Ensure that all wastewater generated during construction, including drainage from foundation pits, tunnel construction wastewater, site flushing water, and wastewater generated from pressure tests, is properly managed. The wastewater is either reused for road watering or discharged to designated locations, following the requirements outlined in the contract or by the client. Properly sediment the wastewater before reuse or discharge to minimise pollution to rivers and surrounding waters.



A4 Climate Change

General Disclosure

As a significant engineering service provider and technology patent holder in the petrochemical sector, the Group places a high emphasis on the impacts of climate change. We actively respond to Sinopec Declaration on Carbon Peaking and Carbon Neutrality in the Petroleum and Chemical Industry. In compliance with Sinopec 2030 Carbon Peaking Action Plan, we proactively deploy relevant work within the Group, contributing to the push towards clean and low-carbon energy development. We willingly undertake Sinopec Group's strategies, targets, roadmaps, and supporting measures for carbon peaking and carbon neutrality, thereby actively contributing to climate change mitigation efforts.

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.

For details on the Group's major climate change-related matters and actions, please refer to the chapter "Climate Action" on page 34-41 of this report.

Social Performance

B1 Employment

General Disclosure

The Group rigorously follows Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, and other legal regulations, actively implementing the national human rights action plan and international human rights conventions. Internationally, the Group strictly adheres to labour laws and regulations of the operational locations, such as Labour Law of the Kingdom of Saudi Arabia.

The Group has established various systems including Labour Contract Management Measures, Employee Training Management Measures, Welfare Management Measures, Salary Management Measures, and Attendance Management Measures, to protect employee rights and build harmonious labour relations. The Group secures employees' rights in basic salary and benefits, recruitment and dismissal, promotion, working hours, vacation, equal opportunities, diversity, and anti-discrimination through formal labour contracts and collective bargaining agreements. Moreover, we actively protect and guarantee employees' rights to information, participation, expression, and supervision through mechanisms such as employee representative congresses, trade unions, factory affairs openness, and employee complaint mechanisms. The Group effectively handles labour disputes and has established SEG Labour Dispute Management Measures. No labour disputes occurred during the Reporting Period.

Indicators	Unit	2024	2023	2022
Total employees	Person	15,935	16,085	16,641
of which: Domestic employees	Person	15,290	15,626	16,247
Overseas employees	Person	645	459	394
of which: Male employees	Person	11,598	11,709	12,138
Female employees	Person	4,337	4,376	4,503

Indicators	Unit	2024	2023	2022
of which: Employees aged 30 and below	Person	2,900	2,444	2,252
Employees aged between 31 and 50	Person	8,454	9,335	9,506
Employees aged 51 and above	Person	4,581	4,306	4,883
of which: Employees with a postgraduate degree	Person	3,588	3,373	3,179
Employees with bachelor's degree	Person	7,551	7,594	7,773
Employees with associate degree	Person	2,408	2,546	2,692
Employees with other qualifications	Person	2,388	2,572	2,997

Note 1: The disclosed number of employees includes only the official employees of the Group. Due to significant fluctuations in the number of subcontractor employees, the statistics of subcontractor employees are not established and are not included.

B1.2 Employee turnover rate by gender, age group, and region.

Indicators	Unit	2024	2023	2022
Total employee turnover rate	%	1.03	1.28	1.33
of which: Male employee turnover rate	%	0.84	1.04	1.15
Female employee turnover rate	%	0.19	0.24	0.34
of which: Employees aged below 30 turnover rate	%	0.69	0.72	0.69
Employees aged between 31 and 50 turnover rate	%	0.33	0.55	0.62
Employees aged above 51 turnover rate	%	0.01	0.01	0.02
of which: Domestic employee turnover rate	%	1.03	1.28	1.33
Overseas employee turnover rate	%	0	0	0



B2 Health and Safety

General Disclosure

The Group strictly complies with occupational health and safety regulations in the countries and regions where projects are located. Domestically, we adhere to laws such as *Safety Production Law of the People's Republic of China, Management Regulations on Work Safety in Construction Projects, Implementation Measures for the Safety Responsibility System of Fire Protection, Special Equipment Safety Law of the People's Republic of China, Regulations on the Management of Hazardous Chemicals, Emergency Regulations on Production Safety Accidents*, and laws related to occupational health such as *Law on the Prevention and Control of Occupational Diseases of the People's Republic of China, Occupational Health Check Management Measures, Workforce Occupational Health Supervision and Management Regulations* and *Occupational Disease Hazard Prevention and Control Standards for the Construction Industry*. Internationally, we follow relevant laws and regulations, such as *Kuwait's Labour Law, Safety Measures Against Occupational Injuries and Diseases*, and *Medical Assessment in Cases of Occupational Injuries and Diseases*.

The Group has established a series of safety management and occupational health regulations to ensure comprehensive operational safety, including:

Safety Management	SEG Safety Management Regulations
	SEG HSE Performance Assessment Regulations
	SEG Safety Risk Control and Hazard Investigation & Management Regulations
	SEG Safety Management Regulations on High-risk Operations
	SEG Regulations on Emergency Management
	SEG Production Safety Incident Management Regulations
Occupational Health	SEG Overseas HSE Management Regulations
	SEG Management Measures for Employee's Health
	SEG Management Regulations on Labour Protection Fees
	SEG Management Regulations on Personal Labour Protection Articles
	Management Regulations on Construction Sites Labour Protection Articles

For details on the Group's key occupational health and safety management measures, please refer to the section "Occupational Health and Safety Management – Occupational Health and Safety Management Mechanism – Key Tasks" on page 57-59 of this report.

B2.1 Number and ratio of work-related fatalities occurred in each of the past three years, including the reporting year.

Indicators	Unit	2024	2023	2022
Number of reported incidents	/	0	1	3
Number of work-related deaths	Person	0	0	1
work-related deaths	%	0	0	0.06
Work-related lost working-hours <sup>Note 1</sup>	Workday	0	0	6,000
Fatal accident rate per 200,000 working-hours		0	0	0.0024

Note 1: According to GBT15499, 1 fatality is estimated as a loss of 6,000 workdays, reporting lost workdays spans over a year.

B2.2 Number of lost days due to work injury.

Indicators	Unit	2024	2023	2022
Number of incidents of work-related injuries	Person	30	19	23
Lost working-hours due to work-related injuries	Workday	1,997	306	1,000
Incident (accident) rate per 200,000 working-hours		0.023	0.02	0.04

B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.

The Group has established a comprehensive occupational health and safety management system, forming a three-level safety work management structure: "ESG Committee of the Board - HSE Committee of the Management – Execution". In the event of any significant occupational health and safety accident, the responsible person from the QHSE department addresses the incident and reports it to the HSE Committee, with the Board's ESG Committee performing oversight duties. For details on the specific implementation and monitoring methods, please refer to the section "Occupational Health and Safety Management – Occupational Health and Safety Management Mechanism – Occupational Health and Safety Management Framework" on page 56 of this report.

The Group promotes the certification of the Occupational Health and Safety Management System to facilitate the standardisation of related management frameworks. During the Reporting Period, the Company successfully completed the renewal audit for ISO45001 Occupational Health and Safety Management System certification. By the end of the Reporting Period, 11 entities of the Group passed the annual supervision audit of ISO45001 Occupational Health and Safety Management System certification, with certified entities accounting for 100% of the Group's operating revenue. For significant indicators such as employee accidents per 200,000 work hours accident rate per 200,000 work hours fatality rate, the Group regularly submits data to Sinopec Group for supervisory management. Other related indicators are subject to monthly internal supervision and management, with key data on work-related fatalities disclosed to investors annually through the ESG report.

The Group, taking 2021 as the baseline year, has set the "14th Five-Year Plan" targets covering subcontractor employees. These include reducing the rate of general and above responsibility accidents and HSE accidents or incidents among employees by 40%, reducing the lost time injury rate by 30%, and reducing the total recordable incident rate by 30% during the "14th Five-Year Plan" (2021-2025) period.

For details on the Group's key occupational health management measures, please refer to the section "Occupational Health and Safety Management – Occupational Health and Safety Management Mechanism – Key Tasks" on page 57-59 of this report.



B3 Development and Training

General Disclosure

To facilitate employees' professional advancement and enhance their competencies, the Group actively provides comprehensive and diverse vocational training. We have established regulations such as *SEG Expert Database Management Regulations* and *SEG Talent Training Management Regulations* to standardise vocational training efforts. Our goal is to cultivate a talent pool of excellent quality and optimised structure, thereby fostering employee growth and development.

During the Reporting Period, we released the *2024 Annual Employee Training Plan*. This plan spans all levels—from senior management to frontline staff—covering management tracks, technical specialisations, and operational skills. At the same time, the Group has established a multi-tiered training framework, continuously enhancing training quality. For details on our training programmes, please refer to the section "Employee Engagement – Professional Development" on page 68-69 of this report.

B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).

Indicators	Unit	2024	2023	2022
Total number of employees participating in training	Participants	51,222	43,258	28,378
of which: Percentage of training participation of senior managers	%	17	15	19
Percentage of training participation of mid-level managers	%	24	25	26
Percentage of training participation of grass-roots employees	%	59	60	55
of which: Percentage of training participation of male employees	%	61	62	66
Percentage of training participation of female employees	%	39	38	34
of which: Participation of on-the-job training	Participants	44,517	36,794	23,506
Participation of continuing education	Participants	2,266	1,130	809
Participation of other training	Participants	4,439	5,334	4,063

B3.2 The average training hours completed per employee by gender and employee category.

Indicators	Unit	2024	2023	2022
Average training hours of employees	Hour	53	53	50
of which: Average training hours of male employees	Hour	55	53	53
Average training hours of female employees	Hour	51	52	47
of which: Average training hours of senior management staff	Hour	55	53	54
Average training hours of mid-level management staff	Hour	52	55	47
Average training hours of grassroots employees	Hour	52	50	50
Total amount of vocational training	10,000 Hours	129	84	67
Investment in vocational training	10,000 RMB	5,102	5,483	3,261

B4 Labour Standards

General Disclosure

The Group rigorously adheres to *Labour Law of the People's Republic of China*, *Law on the Protection of Minors of the People's Republic of China*, *Prohibition of Child Labour Regulations*, and actively implements the national human rights action plan and international human rights conventions. Internationally, the Group strictly follows the labour laws and regulations of the operating sites, such as *Labour Law of the Kingdom of Saudi Arabia*. The Group has established and implemented the *SEG Occupational Employee Management Measures* to ensure compliant employment practices, strictly prohibiting the employment of child labour and forced labour.

B4.1 Describe measures to review recruitment management to avoid child labour and forced labour.

The Group firmly opposes any form of illegal employment such as child labour and forced labour. We strictly prevent incidents of child labour, forced labour, and other illegal employment practices from the source. In recruitment, the Group rigorously checks the age of employees through strict verification of identity documents to prevent child labour.

B4.2 Describe the steps taken to eliminate violations when detected.

In management, if any violations such as child labour and forced labour are discovered, the Group will strictly supervise compliance with employment practices in accordance with relevant legal standards and guidelines. For details on the specific measures used to review employment and recruitment practices, please refer to the section "Employee Engagement – Rights and Benefits" on page 66-68 of this report.

During the Reporting Period, there were no incidents of child labour or forced labour, nor any litigation related to employment issues.



B5 Supply Chain Management

General Disclosure

The Group has established stringent management mechanisms for supplier selection and assessment. We have developed various management systems, including *SEG Supplier Management Regulations*, *SEG Supply Resource Management Regulations*, *SEG Supplier On-site Inspection Management Regulations*, *SEG Supplier Evaluation Management Regulations*, *SEG Subcontractor Management Method*, *SEG Subcontractor Contracting Management Regulations*, *SEG Subcontractor Evaluation and Management Regulations*, *SEG Subcontractor On-site Management Regulations*, *SEG Subcontractor Resource Database Management Regulations* and *SEG Strategic Subcontractor Management Measures*. These systems explicitly incorporate ESG-related performance indicators such as HSE management, quality system establishment, green product certification, performance of social responsibilities, and penalties for violations of laws and regulations on energy conservation and environmental protection into the supplier qualification review process, aiming to mitigate ESG risks at the supply chain level.

During the Reporting Period, in conjunction with the supply resource management platform development, the Group revised its procurement management systems. For details, please refer to the section "Social Responsibility – Responsible Value Chain – Supplier Management" on page 79-80 of this report.

Moreover, for overseas projects, the Group has built a supply resource management platform and developed regulations *SEG Supply Resource Management Regulations*, *SEG Supplier On-site Inspection Management Regulations* and *SEG Supplier Evaluation Management Regulations*,to provide institutional support for the construction of overseas supply resource libraries and management platforms.

B5.1 Number of suppliers by region.

Indicators	Unit	2024	2023	2022
Total number of suppliers in supply chain	Entity	4,355	3,987	3,644
of which: Domestic suppliers	Entity	4,097	3,799	3,491
Overseas suppliers	Entity	258	188	153
Proportion of total procurement expenditure from top 5 suppliers	%	6.42	10.17	10.47
Tender procurement rate	%	87.46	89.90	96.21
Open tender rate	%	99.18	98.80	99.47

B5.2 Describe the practices regarding the employment of suppliers, including the number of suppliers to whom the practices are implemented, and implementation and monitoring approaches.

The Group has formulated *Procurement Discipline and Procurement Integrity Self-discipline Regulations* to ensure a fair, open, and transparent procurement process and a standardised bidding system to prevent corruption.

The Group compiles *Interim Measures for Credit Risk Management* and specifies the guidelines for supplier conduct, including anti-corruption requirements, in the terms of *Material Supply Management Regulations*, *Material Procurement Management Method*,and *Material Procurement Supply Resource Management Method*.The Operation Management Department of the Company is responsible for comprehensive monitoring of suppliers, tracking dynamic assessments of suppliers during the entry, management, and post-evaluation process, integrating inspection requirements into the Supplier Code of Conduct clauses.

The Group actively conducts supplier communication and training, listens to supplier demands, and conducts diversified supplier training to enhance supplier capabilities. During the Reporting Period, we actively organised supplier conferences to recognise and award outstanding suppliers based on their overall strength evaluation, including basic qualifications, operational status, credit rating, equipment capability, quality assurance system, performance, and cooperative attitude. For details, please refer to the section "Social Responsibility – Responsible Value Chain – Supplier Management" on page 79-80 of this report.

During the Reporting Period, 368 new suppliers established service relationships with the Group, reaching a total of 4,355 suppliers.

B5.3 Describe practices related to the identification of environmental and social risks in each component of the supply chain, and related implementation and monitoring methods.

The Group actively carries out full-process management of suppliers, comprehensively supervising supplier qualification reviews and other supplier admission processes. At the admission assessment stage, we have established *SEG Supplier Management Regulations*, clarifying the supplier admission mechanism and strictly controlling various requirements. Obtaining ISO 14000 and OHSAS 18001 certifications is considered one of the standard conditions for admission, thoroughly examining suppliers' management practices to ensure their quality and reputation. In selecting suppliers, it is clearly stated that HSE management, quality system establishment, green product certification, social responsibility fulfilment, and penalties for violations of energy conservation and environmental protection laws are included in the supplier qualification review. This clarifies suppliers' responsibilities and obligations regarding environmental protection, resource conservation, and social responsibility in trading activities, preventing ESG risks at the supply chain level. For specific execution and monitoring methods, please refer to the section "Social Responsibility – Responsible Value Chain – Supplier Management" on page 79-80 of this report.

The Group conducts regular assessments of suppliers at least once a year, evaluating suppliers' performance, quality assessment, market performance, green products, and other aspects. Through the analysis of supplier evaluation results, non-qualifying suppliers are screened out. If a supplier's related environmental and social risks are discovered or anticipated to have a potential significant negative impact, penalties according to relevant regulations, such as warnings, interviews, suspension, etc., are imposed, and the supplier's disposal results are publicly disclosed by Material and Equipment Department of Sinopec Group.

B5.4 Describe the practices of promoting the use of more environmentally friendly products and services in the selection of suppliers, and the related implementation and monitoring methods.

The Group and our subsidiaries adhere to the green procurement philosophy, strictly implementing regulations such as the *Sinopec Green Procurement Management Methods* and *Material Green Procurement Implementation Details*. In the selection of suppliers, the Group considers suppliers' relevant qualifications, green and low-carbon practices as qualifications for review. Suppliers with green energy-saving labels are given priority consideration. The Group guides suppliers to sign green procurement service agreements or commitments, clearly defining suppliers' responsibilities and obligations in terms of environmental protection, resource conservation, and social responsibilities during transaction activities. Suppliers are required to conduct monthly internal reports if environmental issues arise due to their actions. For suppliers whose environmental violations result in economic losses or social impact, the Group will handle such cases as contract breaches, strengthening penalties for intentional concealment of violations.

B6 Product Responsibility

General Disclosure

The Group strictly adheres to laws, regulations, and technical standards related to project quality, such as *Construction Law of the People's Republic of China*, *Regulation on Quality Management of Construction Projects*,and *the Kingdom of Saudi Arabia's Road Construction Law*, among others. We have developed and implemented key policies, including the *SEG Quality Management Regulations* and *SEG Quality Incident Management Regulations*, to enhance quality management. For details on the Group's quality management system development and management structure, please refer to the section "Social Responsibility – Responsible Value Chain – Dedication to Client Service" on page 76-79 of this report.

B6.1 Percentage of the total number of products sold or shipped that are subject to recall for safety and health reasons.

This metric is not applicable to the Group's operations.

B6.2 Number of received complaints about products and services and how to respond to them.

During the Reporting Period, the Group reported no quality accidents and received no significant complaints about quality issues.

B6.3 Describe the practices related to the maintenance and protection of intellectual property rights.

The Group strictly complies with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*,and other relevant intellectual property protection laws and regulations. We have developed and implemented management regulations such as the *SEG Intellectual Property Protection Management Regulations*, *the SEG Patent Management Regulations*, and the *SEG Proprietary Technology Management Regulations*. During the Reporting Period, no intellectual property infringement lawsuits were recorded.

The Group's Technology Department includes an Intellectual Property Management Team, which oversees all aspects of intellectual property protection and patent applications for the Group. It is responsible for formulating and implementing the Group's intellectual property strategy, ensuring that innovative achievements are fully protected. In addition, the Group regularly conducts intellectual property training, covering trademark law, copyright law, and other related legal regulations, as well as knowledge on intellectual property application, protection, and rights defence, to comprehensively enhance employees' awareness of intellectual property and protection. The progress of the Group's intellectual property protection efforts and training will be disclosed in the annual ESG report.



B6.4 Describe the quality inspection process and product recall procedures.

The Group conducts rigorous quality inspection and verification activities. The Group organises quality management system audits based on *SEG Engineering Professional Quality Management System Effectiveness Evaluation Form (QSH 0828-2021)* and conducts quality supervision and inspection according to standards such as *Petrochemical Engineering Quality Inspection Guidelines (2017 Edition)*. The Group conducts root cause analysis on quality issues identified during various quality inspections. Typical quality issues are reported and addressed through discussions, ensuring timely rectification and continuous management improvement.

The Group also continues to carry out management system certification and audits to ensure compliance with quality management standards. During the Reporting Period, the Company completed the renewal audit for ISO 9001 quality management system certification. All eleven entities across the Group passed their annual ISO 9001 surveillance audits, with certified entities accounting for 100% of the Group's revenue.

Furthermore, the Group continuously refines the engineering quality issue resolution mechanism, establishing a tiered management system to oversee and address complaints. For aspects of projects where issues recur, specific corrective and preventive measures are devised, and construction and technical personnel are provided with guidance and learning opportunities to prevent such issues from reoccurring.

B6.5 Describe the consumer data protection and privacy policy, as well as the related implementation and monitoring methods.

In the domain of client rights and privacy, the Group abides by internally established guidelines, including *SEG Information Security Management Measures*, *SEG Cybersecurity Level Protection Management Measures*, *SEG Information and Digital Management Measures*, and *SEG Computer Equipment Management Measures*,to enhance the privacy management mechanism. The Group mandates that all document clients employ high-level encryption measures to prevent data leakage. Should any privacy breach or related violations be discovered, the Group promptly intervenes to minimise the harm of the incident and issues internal criticisms. For severe cases, stricter disciplinary actions are taken against those responsible. During the Reporting Period, the Group experienced no incidents of privacy or data leakage.

B7 Anti-Corruption

General Disclosure

The Group rigorously complies with *Criminal Law of the People's Republic of China*, *Supervision Law of the People's Republic of China*, *Anti-Unfair Competition Law of the People's Republic of China*, *Company Law of the People's Republic of China*, and *Interim Provisions on Prohibiting Commercial Bribery*, as well as applicable laws and regulations on preventing bribery, extortion, fraud, and anti-money laundering in the operating sites. The Group opposes all forms of corruption and unfair competition.

To combat corruption, the Group has developed and implemented several management systems, including *SEG Anti-Fraud Management System*, *SEG Integrity Risk Prevention and Control Implementation Measures*.For overseas project management, the Group executes *SEG Anti-Overseas Corruption and Anti-Commercial Bribery Compliance Management Guidelines* and *SEG the Anti-Overseas Corruption and Anti-Commercial Bribery Compliance Risk Checklist*.

For details on the revisions to the Group's anti-corruption and anti-bribery management policies during the Reporting Period, please refer to the section "Corporate Governance – Compliance and Risk Management – Compliance Management " on page 18-21 of this report.

B7.1 Number and the outcome of corruption litigation cases filed and concluded against the issuer or its employees during the Reporting Period.

There were no corruption lawsuits filed or concluded against the Group during the Reporting Period.

B7.2 Describe preventive measures and reporting procedures, as well as related implementation and monitoring methods.

The Group continuously establishes and improves management systems against corruption. In addition to revising anti-corruption management systems applicable to all business operations, the Group has also developed *Supply Management Regulations*, *Material Procurement Management Methods*,and *Material Procurement Supply Resource Management Methods*,which include a supplier code of conduct (containing anti-corruption content).

The Company's Discipline Inspection Commission is the responsible body for anti-corruption and integrity work, with the Supervision and Audit Department acting as the main responsible department. The head of the Discipline Inspection Commission, serving as the key

responsible person, reports to the relevant discipline inspection work groups. The Group has a series of clear and explicit anti-corruption regulations, including *SEG Anti-Fraud Management System*, *SEG Business Partner Compliance Management Guidelines*, *SEG Foreign Business Economic Sanctions Compliance Management Guidelines*, and *SEG Anti-Foreign Corruption and Anti-Commercial Bribery Compliance Management Guidelines*. These regulations strictly prohibit any form of corruption, including embezzlement, bribery, and offering bribes, and regularly conduct anti-corruption training to raise employees' awareness of integrity and anti-corruption. Upon discovery of any form of corrupt behaviour, the Group will strictly punish according to *Sinopec Employee Discipline Regulations* and other provisions, including warnings, dismissal, termination, etc., and, depending on the specifics, refer to the relevant regulatory departments for handling.

For directors and senior management, *Board of Supervisors Meeting Rules* of the Company further specify the Board of Supervisors' duty to oversee the directors and senior management's actions in violation of laws, administrative regulations, or *Articles of Association* when executing their corporate duties, and to propose the dismissal of directors and senior management who violate laws, administrative regulations, *Articles of Association*, or resolutions of the shareholders' meeting.

For details on the Group's key anti-corruption initiatives during the Reporting Period, please refer to the section "Corporate Governance – Compliance and Risk Management – Compliance Management " on page 18-21 of this report.

B7.3 Description of anti-corruption training provided to directors and staff.

The Group proactively organises anti-corruption training that encompasses directors, senior management, and other employees, adopting a hybrid approach of both online and offline methods to carry out diversified anti-corruption and integrity training. This approach ensures 100% coverage of all personnel.

Indicators	Unit	2024	2023	2022
Number of anti-corruption and Integrity Training	Times	1,255	1,240	1,194
of which: Online Training	Times	92	382	403
Offline Training	Times	1,163	858	791
Hours of anti-corruption and integrity training	Hour	4,588	4,412	4,373
Participants in anti-corruption and integrity training	Participants	28,820	28,785	28,733
of which: Participation of Board members	Participants	26	25	23
Participation of other management levels and employees	Participants	28,794	28,760	28,710
of which: Percentage of Board members participating	%	0.09	0.09	0.08
Percentage of other management levels and employees participating	%	99.91	99.91	99.92



B8 Community Investment

General Disclosure

The Group adheres to *Charity Law of the People's Republic of China, Notice on Strengthening the Management of Foreign Donations by Central Enterprises, Supplementary Notices on the Management of Donations by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council, and other relevant policies. We have formulated relevant management systems such as *SEG External Donation Management Regulations*, strictly following the approval processes involved.

B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).

The Group actively contributes its strength and intensifies community investment efforts. During the Reporting Period, contributions were made in areas including rural revitalisation consumer assistance, educational support, and volunteer services, as detailed in the "Social Responsibility - Charitable Initiatives" section on page 84-85 of this report. Additionally, leveraging its employer advantages, the Group has created more employment opportunities both domestically and internationally, with a total of 813 job absorptions during the Reporting Period.

B8.2 Resources contributed (e.g., money or time) to the focus area.

Dedicated to leveraging its strengths, the Group actively engages in community building and fosters strong corporate-local relations. In our overseas operations, the Group has established the position of Geographical Relations Officer (GRO) to facilitate external communications and internal cultural training. We actively participate in local charitable initiatives, including educational support programmes, contributing to the cultural and economic development of local communities. During the Reporting Period, the Group made total donations of RMB2.082 million, participated in volunteer activities with a total of 2,097 participants, and accumulated 9,079 hours of volunteer service. Detailed expenditures and impacts in various focus areas can be found in the "Social Responsibility – Community Relations" section on page 82-83 of this report.

Abbreviations

Sinopec Group: China Petrochemical Corporation

Sinopec: Sinopec Group and its subsidiaries and branches

China National Petroleum Corporation: China National Petroleum and Natural Gas Group Co., Ltd.

The Company: Sinopec Engineering (Group) Co., Ltd.

The Group, We, SEG: The Company and its subsidiaries and branches

SEI: Sinopec Engineering Incorporation Ltd.

GPEC: Sinopec Guangzhou Engineering Co., Ltd.

SSEC: Sinopec Shanghai Engineering Co., Ltd.

SNEC: Sinopec Ningbo Engineering Co., Ltd.

SNEI: Sinopec Nanjing Engineering Co., Ltd.

FCC: Sinopec Fourth Construction Co., Ltd.

SFCC: Sinopec Fifth Construction Co., Ltd.

STCC: Sinopec Tenth Construction Co., Ltd.

SLT: Sinopec Heavy Lifting and Transportation Co., Ltd.

SEM: Sinopec Energy Management Co., Ltd.

SEGR: Luoyang R&D Centre of Sinopec Engineering (Group) Co., Ltd.


ICT Centre: ICT Centre of Sinopec Engineering (Group) Co., Ltd.

QHSE: Quality, Health, Safety, Environment

HSE: Health, Safety, Environment



# Independent Assurance Report



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Grant Thornton Zhong Certified Public Accountants LLP

5/F Saitch Place, 22 Jiangmen Wai Avenue

Chaoyang District, Beijing, China 100004

Tel +86 10 8566 5568

Fax +86 10 8566 5120

Independent Limited Assurance Report

GTCNZZ (2025) NO.110C001127

To The Board of Directors of SINOPEC Engineering (Group) Co., Ltd.:


We were engaged by the Board of Directors of SINOPEC Engineering (Group) Co., Ltd. (the "Company") to provide limited assurance on selected 2024 key data in the Company's 2024 Environmental, Social and Governance Report (the "ESG Report") for the year ended 31 December 2024.

I. Key data

In this report, limited assurance procedures were performed on the following selected key data of the Company's 2024 ESG Report:

- GHG emissions (tonnes CO<sub>2</sub>-equivalent)
- Direct GHG emissions (tonnes CO<sub>2</sub>-equivalent)
- Indirect GHG emissions (tonnes CO<sub>2</sub>-equivalent)
- Consumption of diesel oil (tonnes)
- Consumption of gasoline (tonnes)
- Consumption of natural gas (cubic metres)
- Consumption of liquefied petroleum gas (tonnes)
- Consumption of acetylene (tonnes)
- Consumption of propane (tonnes)
- Consumption of purchased electricity (trillion Wh)
- Consumption of purchased heat (million kJ)
- Consumption of water resources (tonnes)
- Weight of disposed hazardous waste (tonnes)
- Total number of employees
- Employee turnovers rate (%)

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- Total recorded accident (incident) rate (per 200,000 working-hours)

Within the scope of our work, we only performed procedures on selected 2024 key data at Sinopec Shanghai Engineering Co., Ltd. and Sinopec Nanjing Engineering Co., Ltd. We have not conducted work at other entities. We have not performed any procedures with respect to 2023 and earlier periods or any other information included in the 2024 ESG Report.

II. Responsibilities of the Board of Directors

The Company's Board of Directors is solely responsible for the preparation of the key data of the 2024 ESG Report in accordance with basis of preparation of the key data ("basis of preparation").

The Board of Directors is also responsible for designing, implementing and maintaining the internal controls that enable the preparation and presentation of 2024 ESG Report that is free from material misstatement, whether due to fraud or error.

III. Responsibilities of the certified public accountants

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our work in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information.

We have complied with our independence requirement and other relevant ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and we have complied with the applicable requirements of the International Standard on Quality Control 1 with respect to maintaining a comprehensive quality control system.

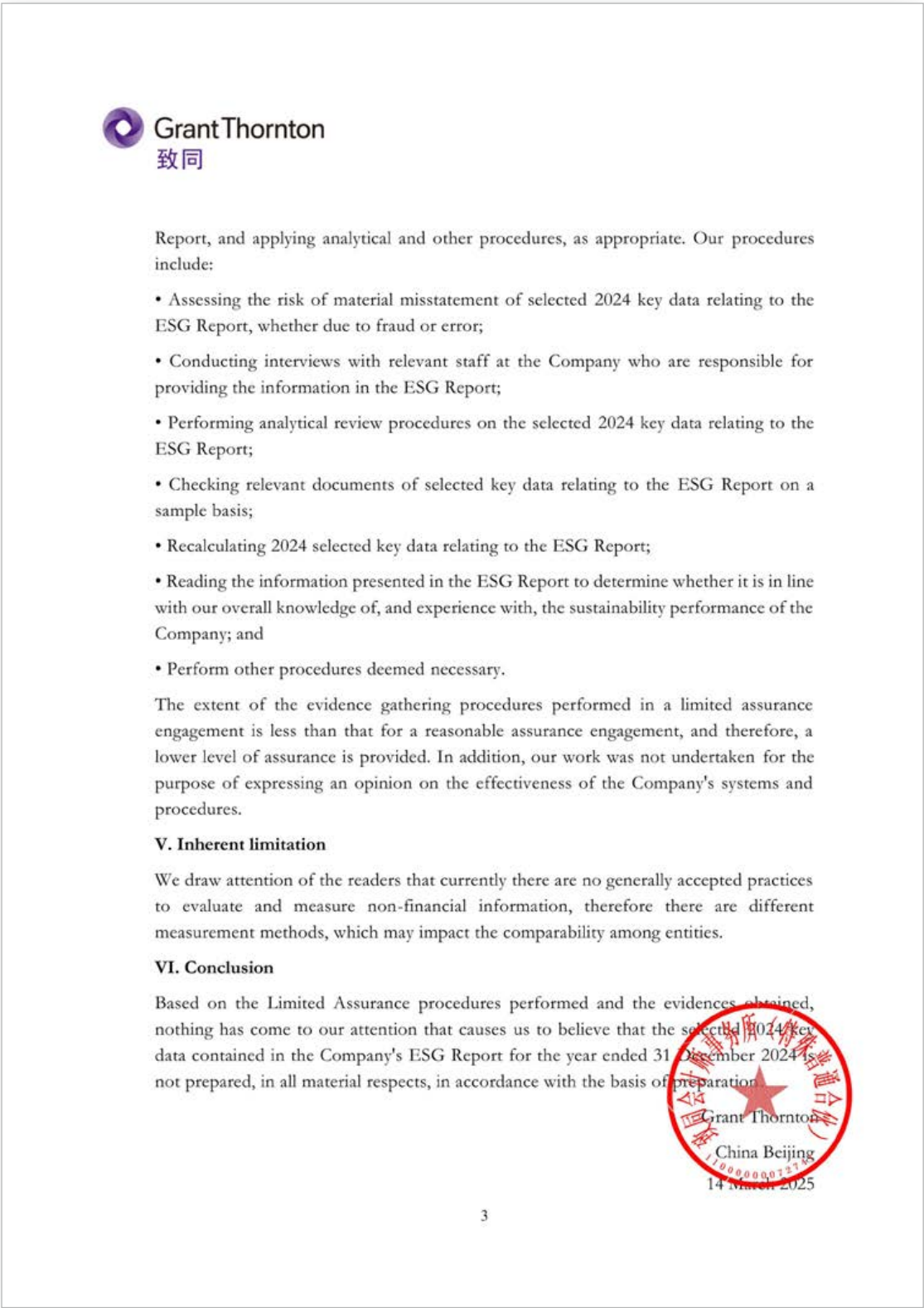
Our independent limited assurance report has been prepared solely for the Company in accordance with the terms of our engagement. Our work has been undertaken so that we might report to the Board of Directors of the Company those matters we have been engaged to report in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to any party other than the Company for our work, for this independent limited assurance report, or for the conclusion we have reached.

IV. Summary of procedures performed

A limited assurance engagement on the ESG Report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the ESG

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**SINOPEC ENGINEERING (GROUP) CO.,LTD.**

Address: A67, Ande Road, Xicheng District, Beijing, PRC

Telephone: 0086-10-56730525

Website: <http://www.segroup.cn>