



中石化冠德控股有限公司

SINOPEC KANTONS HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

Stock Code: 0934.HK

2024

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



Sinopec Kantons Holdings Limited (Stock Code: 0934.HK) was established in Bermuda in March 1998 and successfully listed on the Stock Exchange in June 1999. As at 31 December 2024 and as at the date of this report, the direct holding company of Sinopec Kantons was Sinopec Kantons International Limited, holding 60.33% equity interest in the Company, and the ultimate holding company of the Company was China Petrochemical Corporation ("**Sinopec Group**"). The Group strives to become a world-class international petrochemical storage and logistics company with its principal activities comprising crude oil jetty and storage services and vessel chartering and transportation services.



CONTENTS

About the Report	2
2024 Highlights	3
Honors and Awards	4
Company Profile	6
Progress on 2025 Targets	15
Five Pillars of Our Sustainability Strategy	
1. Operating Legally	18
2. Respecting Stakeholders	22
3. Developing Together	32
4. Valuing HSE	36
5. Improving Continuously	46
Responding to Climate Change (TCFD)	55

APPENDIX

I Data Summary	58
II Content Index	60
III Independent Limited Assurance Report	68



ABOUT THE REPORT

Reporting Scope

This report covers Sinopec Kantons Holdings Limited (“**Sinopec Kantons**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**” or “**We**”), namely the Group’s Hong Kong Headquarters (the “**Hong Kong Headquarters**”) and Huade Petrochemical Co., Ltd. (“**Huade Petrochemical**”), a wholly-owned subsidiary of the Company (the “**Report**”). Besides, this Report covers the year ended 31 December 2024, which is in line with the Company’s 2024 annual report consolidated entities. Meanwhile, this Report discloses the relevant cases of certain joint ventures or associates, in order to demonstrate our strengthened management in joint ventures or associates.

Preparation Reference

The preparation of this Report is in line with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and at the same time, it referred to the United Nations Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) Sustainability Standards, recommendations on climate-related financial disclosures of the Task Force on Climate-related Financial Disclosures (TCFD) and other reporting standards or guidelines.

Reporting Principles

Materiality: The Group has conducted a materiality questionnaire survey with its stakeholders, and identified material environmental, social and governance (“**ESG**”) issues based on the results to facilitate the establishment of focus of this Report. Please refer to the section headed “Materiality Issues Analysis” in this Report for details.

Quantitative: The Group regularly collects key performance indicators related to environmental, social and governance issues and follows up on the Group’s performance in relevant aspects. Where applicable, the Group compares data for each year and discusses relevant trends and impacts.

Consistency: Unless otherwise indicated, this Report presents a fair comparison of the Group’s historical performance by adopting a methodology consistent with its previous reports.

Balance: We undertake that the material information disclosed in this Report is true, objective, without exaggeration and factual, and objectively and fairly reflects its performance.

Statement of the Board

The board of the Company (the “**Board**”) is solely responsible for the Group’s environmental, social and governance strategy and reporting. This Report has been reviewed and approved by the Board.

Contact and Feedback

Your valuable opinions on the content of this Report and other matters related to the sustainable development of the Company are most welcomed. Please contact us via, among others, email at ir.skts@sinopec.com. This Report is available in both English and Chinese versions. In case of discrepancy, the Chinese version shall prevail, the English version is a translation reference. You can download the information from the website of the Stock Exchange and the Company’s website at <http://www.sinopec.com.hk> under “Investor Relations-Environmental, Social and Governance Report”.

Full name of the company	Abbreviated name of the company	Remark
Huade Petrochemical Co., Ltd.	Huade Petrochemical	Within the reporting scope
Tangshan Caofeidian Shihua Crude Oil Terminal Co., Ltd.	Caofeidian Shihua	For case study reference only
Zhan Jiang Port Petrochemical Jetty Co., Ltd.	Zhan Jiang Port Petrochemical	For case study reference only
Qingdao Shihua Crude Oil Terminal Co., Ltd.	Qingdao Shihua	For case study reference only
Ningbo Shihua Crude Oil Terminal Co., Ltd.	Ningbo Shihua	For case study reference only
Fujairah Oil Terminal FZC	FOT	For case study reference only
Vesta Terminals B.V.	Vesta	For case study reference only

2024 HIGHLIGHTS

Economic Performance

HK\$ **16.3** billion
Total assets

HK\$ **1,177** million
Net profit

HK **25** cents
Dividend per share

53%
Payout ratio

Social Performance

220
No. of employees

HK\$ **850,000**
Donation amount

63 hours
Training hours
per employee

RMB **135,000**
Revitalization
assistance amount

Environmental Performance

5,000 MWh
Green electricity purchased,
avoiding about 2,900 tCO₂e
emission

14 million
Fish fry and other marine
organisms released

1
New energy vehicle

RMB **18.5** million
Ecological compensation amount

HONORS AND AWARDS



Hong Kong Green Organisation
Environmental Campaign
Committee



Best ESG Progress Awards
Hong Kong International
ESG Annual Awards 2024



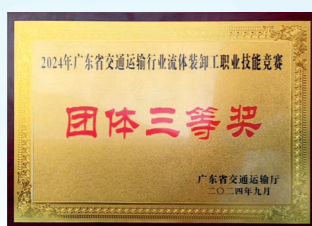
Excellence in ESG
(Honourable Mention)
The Hong Kong
Corporate Governance
and ESG Excellence
Awards 2024



**ESG Special Recognition
Award**
TVB ESG Awards 2024



Top 50 Small Enterprises
Top 50 Hong Kong Stocks Connect
Top 10 After-Tax Profit Growth Rate
11th Top 100 Hong Kong Stocks



Third Prize – Organisation
(Huade Petrochemical & Zhan Jiang Port Petrochemical)
Guangdong Provincial Competition of
Vocational Skills of Fluid Handling Workers in
Traffic and Transportation Industry



Good Employer Charter
HK Labour Department



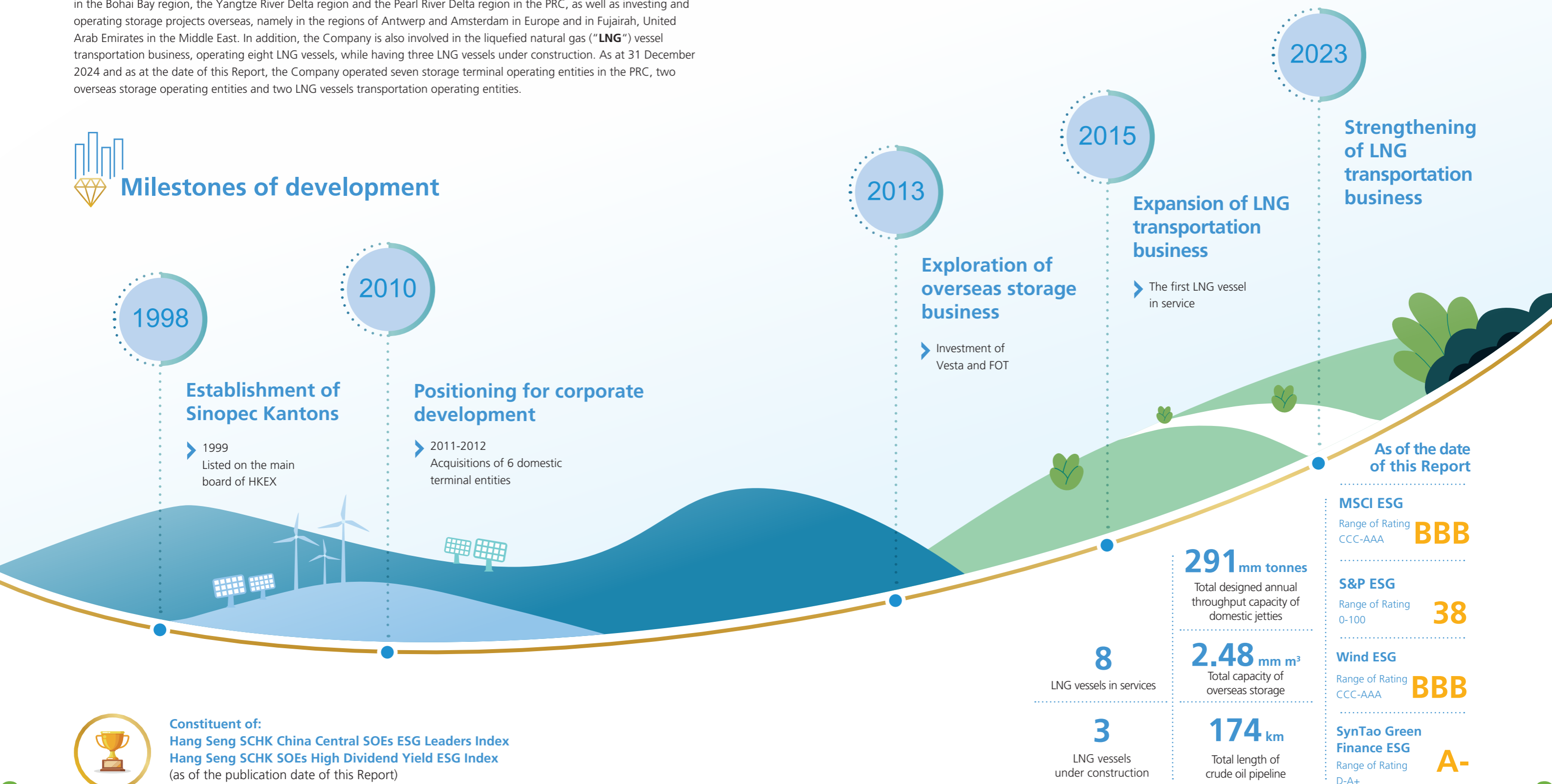
High-tech Enterprise
(Zhan Jiang Port Petrochemical)

HONORS AND AWARDS

About the Company

After years of efforts and development, Sinopec Kantons has successfully deployed and invested in storage terminal projects in the Bohai Bay region, the Yangtze River Delta region and the Pearl River Delta region in the PRC, as well as investing and operating storage projects overseas, namely in the regions of Antwerp and Amsterdam in Europe and in Fujairah, United Arab Emirates in the Middle East. In addition, the Company is also involved in the liquefied natural gas ("LNG") vessel transportation business, operating eight LNG vessels, while having three LNG vessels under construction. As at 31 December 2024 and as at the date of this Report, the Company operated seven storage terminal operating entities in the PRC, two overseas storage operating entities and two LNG vessels transportation operating entities.

Milestones of development



Philosophy of Sustainable Development

During the year the Group continued to focus on its logistics and storage business of oil products and liquefied natural gas to ensure the smooth supply of oil and petrochemical products to customers. In this regard, we adhere to the corporate mission of “Satisfying customers, benefiting employees, bringing returns for shareholders, and contributing to the society”, thereby creating value for various stakeholders to grow together with the Group.

Five pillars of sustainability strategy



Structure and Management of Governance

The Group established its Environmental, Social and Governance Working Committee (the “**ESG Working Committee**”) to strengthen the management of corporate sustainability while striving to expand its operations.

The governance structure of ESG:



COMPANY PROFILE

The main responsibilities of each governance level

The Board level

- Formulating, implementing and evaluating ESG visions, objectives, strategies and structures, while overseeing their implementation and assessing the effectiveness of relevant objectives
- Guiding the ESG Working Committee on appropriate responses to ESG risks and opportunities
- Reviewing ESG-related policies
- Reviewing the Company's external disclosures of ESG and climate-related information, including but not limited to the ESG report, publicly announced ESG-related policies, etc.
- Where it considers necessary, it may seek independent professional advice to support the Company in fulfilling its ESG objectives, at the Company's expense

Management level

- Identifying materiality issues, ESG trends, climate risks and opportunities, etc.
- Assisting the Board in formulating, monitoring and updating ESG-related policies and strategies, and to monitor and review the progress of the Company's ESG policies and strategies on an ongoing basis
- Developing ESG and climate-related performance indicators and targets and recommending them to the Board to assist the Board in evaluating the effectiveness of ESG strategies and initiatives
- Regularly reporting to the Board on the status of implementation to ensure that the Board is aware of the progress of the Group's objectives and relevant climate issues
- Providing on-demand guidance to frontline staff on the topics of ESG trainings
- Facilitating communication with key stakeholders
- Responsible for preparing and publication of ESG reports, which shall be submitted to the Board for review prior to publication

Executive level

- Disaggregating performance indicators and targets to various departments and business units to clarify their responsibilities and tasks in relation to the ESG targets
- Regularly collecting, collating and analysing information on ESG of the Group
- Organising trainings on relevant ESG themes to enhance ESG awareness and professional competence of internal staff, and to ensure that members of the working committee are equipped with the necessary skills and knowledge
- Identifying and monitoring ESG risks in daily operations and propose responsive measures to the Board and the ESG Working Committee (if applicable)
- Promoting the Group's innovation in ESG and exploring new technologies and methodologies

Summary of the works during the year

The Board level

1. Reviewed and approved the Group's 2023 ESG Report
2. Reviewed the Independent Limited Assurance Report of the external ESG auditor and listened to the recommendations
3. Reviewed the report on the works of the ESG Working Committee and guided the Group to increase its philanthropic contributions to the underprivileged areas, etc.
4. Completed the annual ESG training, covering the latest ESG legal and regulatory requirements and developments

Management level

1. Formulated the Group's Biodiversity Policy, and its operating entities formulated the Biodiversity Conservation Management Guidelines and published various policies on the Company's website
2. Analysed and expanded materiality issues, adding three new issues, namely, regulatory risks, information disclosure and green energy, to better align with the Company's development trends
3. Huade Petrochemical completed ISO 45001 certification
4. Organised HSE Training Course for the third year
5. Procured 5 million kWh of green power
6. Reported to the Board on the progress of ESG works
7. Responded to questionnaires and feedbacks from various ESG rating agencies

Executive level

1. Conducted monthly statistics and tracking analysis of performance indicators and targets
2. Completed the trainings on the themes of ESG
3. Installed Volatile organic compounds (VOCs) recovery system in operating entities
4. Huade Petrochemical completed the implementation plan on ecological compensation, including marine (seabed) litter clean-up, fisheries restoration and marine microplastics survey

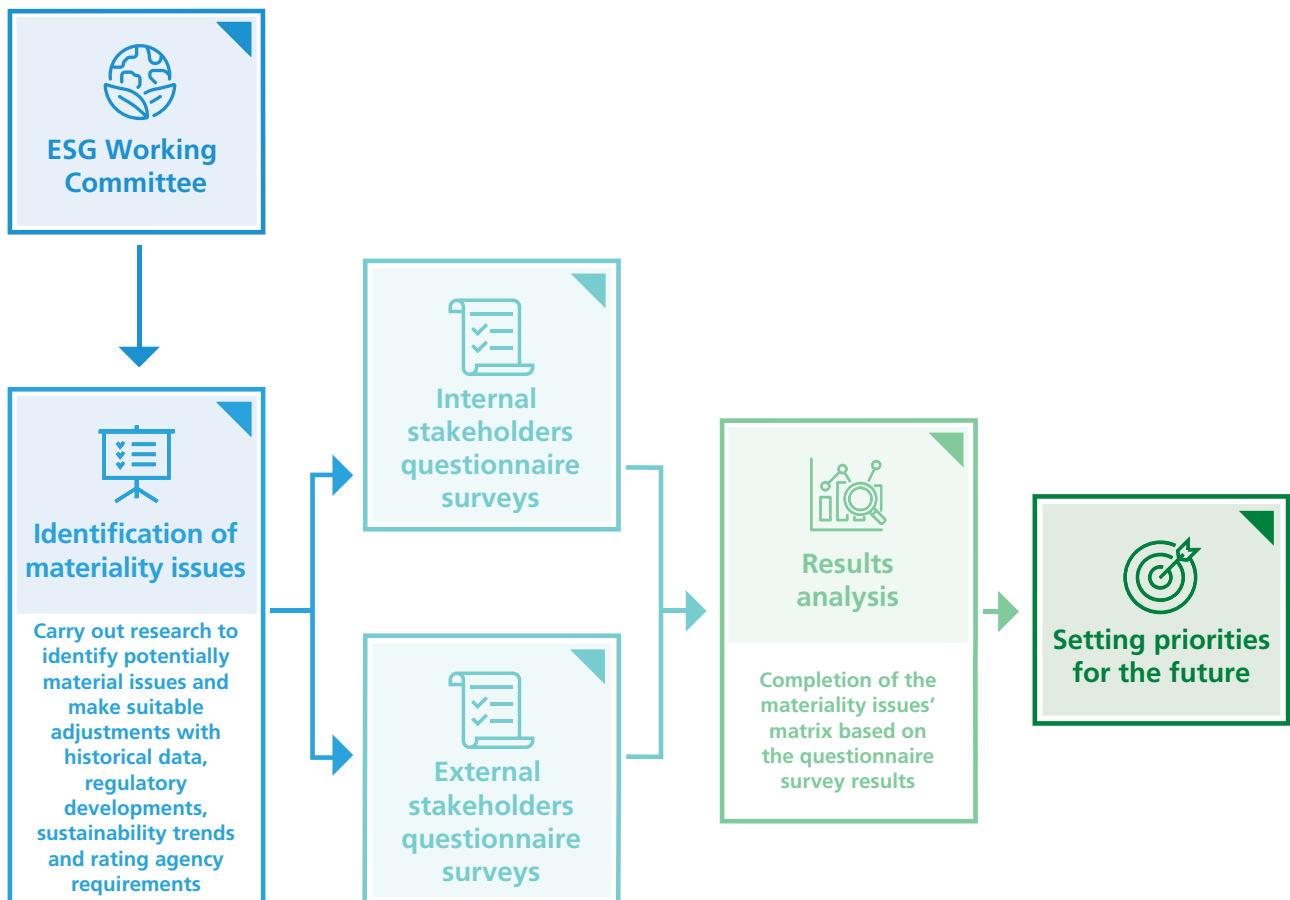
COMPANY PROFILE

Materiality Issues Analysis

The Group is committed to maintaining communication with stakeholders through different channels to understand their views or suggestions on the sustainable development of the Group. The key stakeholders of the Group include the local governments and regulatory bodies, investors, employees, suppliers, customers and the community where we are located. After receiving feedback from stakeholders, we try our best to incorporate their opinions into the Group's long-term development plan to contribute to our future corporate development.

The ESG Working Committee has reviewed materiality issues on environmental, social and governance related matters for the year. The Group has conducted reviews through interacting with internal and external stakeholder groups by conducting questionnaire, and recorded and reviewed the process and results of the questionnaire for stakeholders. Internally, we distributed questionnaires to the Board and the staff; while externally, questionnaires were sent to investors, suppliers and customers. We invited participants to rate the materiality of different environmental, social and governance issues. The results of the questionnaire help the Group to collect feedback from stakeholders regarding its environmental, social and governance performance, and to prioritize issues for future operation with reference to the data collected.

Analysis process for materiality issues:



Results of questionnaire on materiality issues:

Based on the results of the questionnaire on materiality issues, during the year, anti-corruption, rights of employees as well as production safety management have emerged as material issues of high concern to internal and external stakeholders, other highly concern issues included occupational health and safety, risk management, compliance operation, etc. For details of the Group's policies and measures on most of the above-mentioned material issues, please refer to the corresponding sections of this Report.

Materiality Issues Matrix



Operating Legally	Respecting Stakeholders	Developing Together	Valuing HSE	Improving Continuously
1 Corporate governance	6 Supply Chain management	17 Community engagement and charity	20 Production safety management	27 Air pollutant emission
2 Risk management	7 Service quality and customer satisfaction	18 Communication with external stakeholders	21 Environmental management	28 Greenhouse gas emission
3 Compliance operation	11 Occupational health and safety	19 Economic performance	22 Industry prospects	29 Water resources and wastewater management
4 Regulatory risk	12 Labour relations		23 Energy supply	30 Waste management
5 Privacy policy	13 Rights of employees		24 Energy transition	31 Impact of climate change and countermeasures
8 Anti-corruption	14 Staff Recruitment		25 Green energy	
9 Innovation and intellectual property	15 Education and training for employees			
10 Information disclosure level	16 Welfare and salary of employees			
26 Geopolitical implications				

COMPANY PROFILE

Respond to key stakeholders' concerns and communication

	Concerns	Response and Communication
Local governments and regulatory bodies 	<ul style="list-style-type: none"> Compliance operation Production safety Economic contribution Corporate governance 	<ul style="list-style-type: none"> Reporting to relevant authorities regularly Conducting on-site inspections with governmental authorities Participating in evaluation and selection activities held by governmental authorities
Public & Community 	<ul style="list-style-type: none"> Provision of support to community development and public welfare projects Environmental and community impacts of our operation 	<ul style="list-style-type: none"> Actively participating in and organizing public welfare activities Saving energy and reducing energy consumption during production and in office Participating in energy saving and waste reduction programme
Suppliers 	<ul style="list-style-type: none"> Stable partnership Win-win cooperation 	<ul style="list-style-type: none"> Implementing a stringent standardised, fair, just and open selection mode Business negotiations Industry seminars Conducting safety training before on-site work
Customers 	<ul style="list-style-type: none"> Service safety Quality assurance and price management 	<ul style="list-style-type: none"> Business negotiations Visiting clients Daily communication and interflow of ideas
Employees 	<ul style="list-style-type: none"> Remuneration and benefits Career development and training Occupational health and safety 	<ul style="list-style-type: none"> Conducting appraisals and providing feedback to the management regularly Providing various types of training Organizing team building, sports and leisure and visiting activities Setting up labour union Setting up employee letter boxes
Investors 	<ul style="list-style-type: none"> Corporate strategy of long-term development Profitability Dividend policy Corporate governance standards 	<ul style="list-style-type: none"> Publishing results announcements and holding results briefings regularly Disclosing the business update of the Company under the Listing Rules Actively participating in investor summits and meetings with institutional investors Holding general meetings, responding to questions from shareholders Formulating, disclosing and reviewing the Company's dividend policy from time to time

Sinopec Kantons and Sustainable Development Goals of the United Nations

China Petroleum & Chemical Corporation (Stock code: 0386.HK), the parent company of the Group is a signatory of the Sustainable Development Goals of the United Nations (UN SDGs) and its commitment covers the Group. Therefore, over the years, the Group has taken the lead of the UN SDGs in integrating the ESG concept into the strategic development of the Company and is committed to operating responsibly.

Sustainable Development Goals of the United Nations	Targets	Actions	Corresponding sections in this Report
 	<ul style="list-style-type: none"> Commit to compliance management, improve operation compliance management system, and effectively prevent and control operational compliance risks 	<ul style="list-style-type: none"> Implemented green procurement Continued to provide anti-corruption trainings and set up whistleblowing channels 	<ul style="list-style-type: none"> Operating Legally Respecting Stakeholders
   	<ul style="list-style-type: none"> Adhere to the principle of meritocracy in human resource management, eliminate all kinds of discrimination, and actively respond to the demands of all parties 	<ul style="list-style-type: none"> Provided employees with allowance for medical examination Offered attractive remuneration and benefits Prohibited child labour and forced labour Completed ISO 45001 certification 	<ul style="list-style-type: none"> Respecting Stakeholders
  	<ul style="list-style-type: none"> Promote the healthy development of communities, actively contribute to rural revitalization, practice public welfare and charity, and build warm communities 	<ul style="list-style-type: none"> Continued to conduct the "Better Life", a youth and children caring programme Visited the underprivileged and donated gifts Organised beach and country park cleanup activities Donated HK\$540,000 to the Hong Kong Polytechnic University Continued to donate RMB20,000 to Guizhou Province, to support local poor Consumed about RMB135,000 of Qinghai local agricultural products to support rural revitalisation 	<ul style="list-style-type: none"> Developing Together
 	<ul style="list-style-type: none"> Strictly adhere to the commitment of high-quality safety services to protect the rights and interests of all parties Commit to environmental protection 	<ul style="list-style-type: none"> Carried out regular inspection of production facilities to ensure safe operation Conducted regular safety trainings and emergency drills Installed offshore oil spill prevention equipments at the jetties and performed regular inspections Implemented ecological compensation plan 	<ul style="list-style-type: none"> Valuing HSE
 	<ul style="list-style-type: none"> Improve service, constantly promote green and low-carbon operations through innovation and scientific and technological capabilities 	<ul style="list-style-type: none"> Used an online monitoring instrument for discharging wastewater externally Used water saving toilets Installed water meters 	<ul style="list-style-type: none"> Improving Continuously

PROGRESS ON 2025 TARGETS

Resources

Electricity

By 2025, a decrease of electricity consumption per kilotonne business volume (baseline: 2020)

2024 progress
8% reduction

Diesel

By 2025, 5% decrease of diesel consumption per kilotonne business volume (baseline: 2020)

2024 progress
37% reduction

Water

By 2025, 10% decrease of water consumption per kilotonne business volume (baseline: 2020)

2024 progress
33% reduction



Wastes

Hazardous Wastes

By 2025, 15% decrease of hazardous waste per oil tank repaired (baseline: 2020)

2024 progress
95% reduction

Non-hazardous Wastes

By 2025, 10% decrease of non-hazardous waste per oil tank repaired (baseline: 2020)

2024 progress
34% reduction



Greenhouse Gas

Greenhouse Gas ("GHG")

By 2025, a decrease of GHG emission per kilotonne business volume (baseline: 2020)

2024 progress
42% reduction



Air Pollutants

Particulate Matter ("PM")

By 2025, a decrease of PM emission per kilotonne business volume (baseline: 2020)

2024 progress
33% reduction

Nitrogen Oxides ("NOx")

By 2025, a decrease of NOx emission per kilotonne business volume (baseline: 2020)

2024 progress
25% reduction

Sulphur Oxides ("SOx")

By 2025, 10% decrease of SOx emission per kilotonne business volume (baseline: 2020)

2024 progress
45% reduction





OPERATING
Legally

Sinopec Kantons is committed to building an efficient and scientific corporate governance system, has continued to put more efforts in its risk control, internal control management and compliance for the Group and its operating entities for the purpose of maximizing the comprehensive values of the enterprise economy, the society, and the environment.

- 1.1 Compliance Management
- 1.2 Information Security
- 1.3 Intellectual Property Rights



1. Operating Legally

1.1 Compliance Management

Operating in compliance with laws and regulations is fundamental to a company. The Group has always been committed to operating in compliance with laws and regulations and has improved its business compliance management system to effectively prevent and control compliance risks in its operation. The Group and its operating entities have to deal with a wide range of laws and regulations in different countries and regions, and due to the nature of their business, local governments have set

different requirements on their business scope, pricing and environmental protection measures. Therefore, the Group's Risk Control Department regularly keeps track of legal and regulatory updates in different jurisdictions and formulates corresponding response plans and policies based on the latest requirements and developments, in order to ensure that all business operations are conducted in a compliant manner and to reduce the risk of non-compliance.

1.1.1 Information Disclosure

As the Group's business is closely related to that of Sinopec Group, the Company strictly complies with the requirements of the Listing Rules of the Stock Exchange in respect of connected transactions and strictly enforces the disclosure standards. Detailed background checks are conducted on the counterparties, and ledger management are carried out for connected transactions, while regular internal reviews are conducted on a monthly basis.

inside information and using inside information to advise others to trade in securities and other improper acts. Please refer to the "Corporate Governance Report" section of the annual report for this year of the Company for the management of inside information.

For the Company's directors, management and staff, a Conflicts of Interest Compliance Guideline was formulated to provide timely compliance training on conflicts of interest. For the Company's securities transactions, the Company's directors, management and staff strictly comply with the Model Code for Securities Transactions in Appendix C3 of the Listing Rules. The Company's Listing Compliance Guidelines clearly stipulate that unauthorised use of confidential or inside information is strictly prohibited and that employees in possession of inside information are prohibited from using such information for trading, leaking

During the year, Huade Petrochemical developed 23 compliance training programmes for compliance risks, of including requirements environmental protection laws and regulations involved in the whole cycle of project investment, legal punishment risks to that employees and enterprises may be subject after the occurrence of production safety accidents as well as advice on legal risk prevention, legal liabilities involved in sewage discharge and applicable punishment regulations, etc.

During the year, the Group organized and provided more than 1,187 hours of compliance training and 589 person-times in total.

1.1.2 Anti-corruption

In the day-to-day operations, the Group adopts a zero-tolerance approach to bribery, extortion, fraud and money laundering. The Group has designed a series of Compliance Guidelines on Anti-corruption and Commercial Bribery, Business Hospitality Guidelines and other related policies. When the Company enters into a transaction, it will issue an "Anti-Bribery and Anti-Corruption Statement" or sign a clean practice agreement or equivalent document(s) to the counterparty, which clearly states the Company's determination to uphold business ethics and integrity. All staff are prohibited from obtaining improper benefits through their positions and at the same time, relevant training is provided to all staff each year for the building of a clean workforce.

which it operates in all material aspects, including the Law against Unfair Competition of the People's Republic of China and the Prevention of Bribery Ordinance of Hong Kong.

Anti-corruption training is one of the highlights of the Group's annual training programme to instil relevant compliance requirements and integrity awareness. In 2024, the Group organised a total of 278 person-times (including directors and staff) to attend more than 537 hours anti-corruption training sessions. During the year, there was no legal cases regarding corrupt practices brought against the Group or our employees.

In 2024, the Group continued to comply strictly with the laws and regulations in relation to the prevention of bribery, extortion, fraud and money laundering of the places in

During the year, Huade Petrochemical promoted integrity education through training meetings, educational videos, and encouraged staff to sign a pledge of integrity and self-discipline.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

1.1.3 Whistleblowing Policy

The Group has established reporting channels to prevent and identify violations in a timely manner. The Group encourages employees, business partners, suppliers and other third parties to report relevant misconduct, fraud and violations directly to the Company via email or other channels. The Risk Control Department of the Company is responsible for handling relevant reports, accepting anonymous reporting. There is also a Compliance Committee to ensure that there is no retaliation against the whistleblower and that the confidentiality of the whistleblower in real name is strictly maintained. If the reported case is substantiated and is

considered serious, it will be reported to the audit committee of the Company and, if there is reasonable suspicion that the reported case involves a criminal offense, it will be reported to the local law enforcement agency. If the reported case prevents the Company from suffering significant economic losses, the whistleblower will be rewarded. During the year, the Group received zero reported case.

Further information on the whistleblowing policy, please refer to the “Corporate Governance Report” section of the annual report for this year of the Company.

1.1.4 Anti-competition and Anti-monopoly

During the year, the Group did not receive any investigations into anti-competitive conduct and violations of anti-monopoly laws.

1.2 Information Security

The Group holds in high regard for the protection of privacy and commercial secrets of customers, business partners and other related parties, and is committed to protecting personal data and privacy and commercial secrets involving business partners and customers in compliance with the relevant laws and regulations in the places where it operates, and prohibits unauthorised use of information and commercial secrets of others or use of such personal data beyond the permitted scope in accordance with our internal Compliance Management Manual. In addition, the Group requires those who have access to personal data to sign confidentiality agreements to prevent the risk of divulgence. The Company has established a Confidentiality Working Group to supervise the keeping of confidentiality throughout the Company.

The Group has formulated the Regulations on the Construction, Application and Operation and Maintenance of Information Technology and the Contingency Plan for Information System Emergencies to reduce the risk of hacking and leakage of personal data or commercial secrets through inadvertent use of computers or electronic devices. We also implemented information security measures and upgraded the email security system to automatically identify and block unknown emails to enhance network security.

The Company and Huade Petrochemical have connected their network and cloud services to the Sinopec Group, relying on the strong capital background and talent sharing of the Sinopec Group to further enhance information security management. The Group regularly participates in the evaluations and meetings on the level of cybersecurity organised by Sinopec Group every year, while sharing the working experiences internally in order to improve the deficiencies.

During the year, the Group launched training programmes on cybersecurity awareness for all staff, which included explaining the importance of cybersecurity awareness, prevention of phishing and other security threats, cybersecurity related laws and regulations, cybersecurity themes and recommendations. Also, the Group conducted quiz competitions and phishing email test. IT professionals and technicians were assigned to carry out trainings on skills upgrading, including the “Online Training Course on Digital Literacy Enhancement and Data Mentality Development”, the “Online Training Camp on the Application of Artificial Intelligence Tools in Office Scenarios”, and the “Online Training Course on Beidou Technology and its Application in the Petroleum and Petrochemical Industry”.

1.3 Intellectual Property Rights

Although intellectual property rights is not a material issue to the Group’s stakeholders according to our materiality survey, the Group respects and protects intellectual property rights, complies with the laws, regulations and regulatory requirements for intellectual property rights protection in the PRC and the places where its businesses are located, upholds a zero-tolerance attitude towards infringement and that the infringement of creative work of others and our own rights

should be avoided. The Group has established an internal management system for the proper use, authorisation, licensing, trading and disposal of patent rights, trademarks and copyrights.

Huade Petrochemical is in possession of one patent, which is a new type of anti-explosion detection hammer (National Patent Certificate No. 17462608).

RESPECTING Stakeholders

Sinopec Kantons attaches great importance to stakeholders, actively safeguards the legitimate rights and interests of employees, promotes their growth and development, and continuously enhances employee cohesion. Sinopec Kantons creates value for our customers and develops together. We also strengthen supplier management and create a responsible supply chain, to ensure the security and stability of the industrial chain and supply chain.

2.1 Human Resources

2.2 Customers

2.3 Supplier Management



2. Respecting Stakeholders

2.1 Human Resources

2.1.1 Policies

The Group upholds the principles of “people-oriented” and “staff are the cornerstone for success of a corporation”, protects the interests and welfare of employees and ensures that all staff are treated fairly and equitably, regardless of gender, nationality, family status or physical condition. Meanwhile, we support the career development of our staff through the provision of diversified training to ensure that all employees can grow with the Company and share the fruits of its development, and “share the weal and woe” with the Company.

We have always abided by the relevant employment laws and regulations in places where our operations are located, including issues on recruitment, salary, working hours, holidays, promotion, dismissal and retirement, such as The Labour Law of the People’s Republic of China, Provisions on Prohibition of Child Labour, Employment Ordinance, Mandatory Provident Fund Schemes Ordinance, Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance in Hong Kong. Meanwhile, the Group continues to improve its human resources-related management system to protect the interests of employees, to attract talent and build a diverse and talented employee team.

The Group has a sound remuneration and promotion mechanism. It carries out annual appraisals on employees’ daily work performance, ability and attitude, with the

results forming the key basis of determining basic salary adjustment, bonus, promotion, adjustment of job position, and selection for training of the employees. As such, employees are encouraged to make greater contribution to the Group. Furthermore, the Group sets basic salary levels and ranking specification in respect to the employee’s job position and duties with the intention of building a “talent development gateway” for staff members to grow through rank advancement, and to achieve sustainable development together with the Group.

We support diversity and equal opportunity for our employees, oppose discrimination and strictly comply with anti-discrimination legislation, refrain from employing child labour, respect employees’ rights to personal freedom in accordance with the law and eliminate forced labour for any reason. The Group has a targeted approach to understanding the situation during the recruitment process and will take immediate remedial actions in accordance with the relevant human resources management practices and regulations if relevant aforementioned irregularities (including but not limited to child and forced labour) are identified. There is no indigenous people in all business locations of the Group. We commit to respect the right to free, prior and informed consent of indigenous peoples and their culture.

During the year, there were no violations of laws and regulations relating to remuneration and dismissal, recruitment and promotion, working hours and equal opportunities, anti-discrimination and other treatment and benefits that had a significant impact on the Group. The Group was not aware of any reports of human rights violations and the use of child labour and forced labour are always prohibited.

2.1.2 Trainings for talents

The Group is committed to nurturing a talented workforce and regards highly the career planning and development of every staff, providing them with the necessary learning and training opportunities. Through a combination of departmental assessments and staff’s own requests, the Group formulates a staff training programme each year covering areas such as business, safety and compliance. The Group has developed and continuously improved its human resources management system to provide a platform for growth and career advancement for our staff, with the hope

of enhancing their personal capabilities and job satisfaction to facilitate the growth of both the Company and its staff.

Huade Petrochemical has the Administrative Rules for Trainings and Education of the Staff of Huade in place for encouraging its employees to go for further studies in terms of their academics and skills. During the year, four employees of Huade Petrochemical completed their further studies in academics, and each of them received an award of RMB1,000 as an incentive.

	Training Hours						Average Training Hours	
	Safety	Anti-corruption	Compliance	Occupational health	Other topics	Total	Number of people	Average Training Hours
Male	6,084.50	461.50	707.00	583.00	3,187.10	11,023.10	178	61.93
Female	1,290.00	76.00	480.50	316.00	629.30	2,791.80	42	66.47
Senior Management	467.50	82.50	77.50	68.00	205.40	900.90	10	90.09
Middle Management	837.50	180.00	206.50	106.50	340.40	1,670.90	23	72.65
General Staff	6,069.50	275.00	903.50	724.50	3,270.60	11,243.10	187	60.12
Overall						13,814.90	220	62.80

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Highlights on Human Resources Policy:

Remuneration and Welfare

- Consider the local labour market conditions, trends on human resources costs and employee's contribution in the determination of remuneration and welfare
- Make contributions to social insurance for pensions, medical, unemployment, work-related injury, maternity and housing provident funds
- Make contributions to Mandatory Provident Fund on time

Talent Recruitment

- Adhere to the principles of "diversity", "fairness and non-discrimination" in the workplace
- Consider objective factors such as candidates' skills and qualifications through a fair, open and competitive selection process when recruiting staff
- Selection and promotion of talent and treat employees equally disregard of their gender, nationality, race, religious and cultural backgrounds
- Promote gender and cultural diversity by giving due consideration to employing local staff

Labour Standards

- Zero-tolerance policy towards child and forced labour
- Discourage staff from working overtime

Right to Take Leave

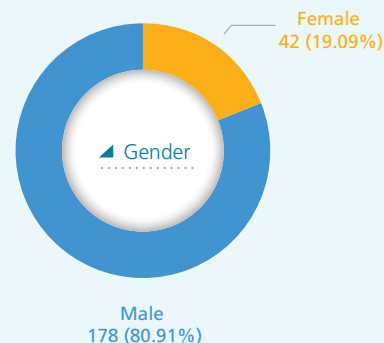
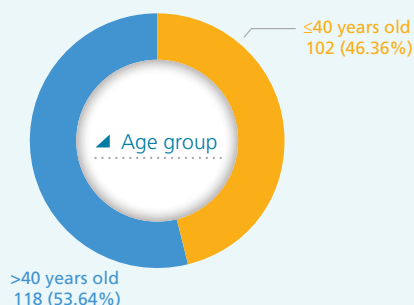
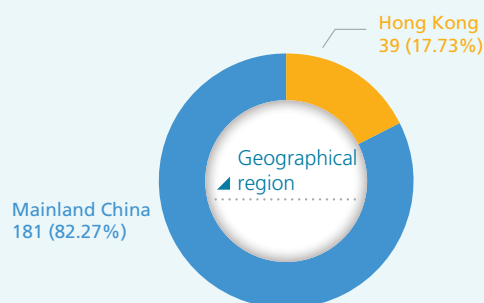
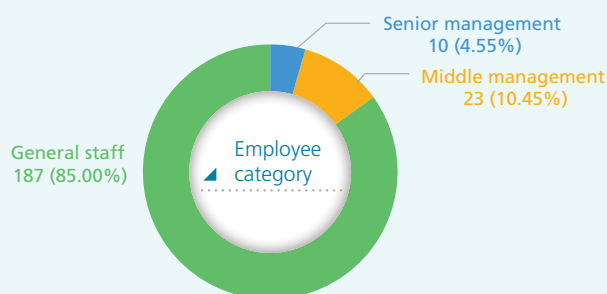
- Formulate the Management System of Attendance and Leave-taking for Employees
- Offer staff annual, personal, public, sick, marital, maternity/paternity, breastfeeding and compassionate leaves, etc.

Other Benefits

- The Enterprise Supplementary Medical Insurance Programme
- Maintain accident insurance
- Meal allowance for employees
- Provide training opportunities and appropriate support for employee continuing education
- Offer a variety of recreational and cultural activities

Employee distribution

Total number of employees for 2024: 220

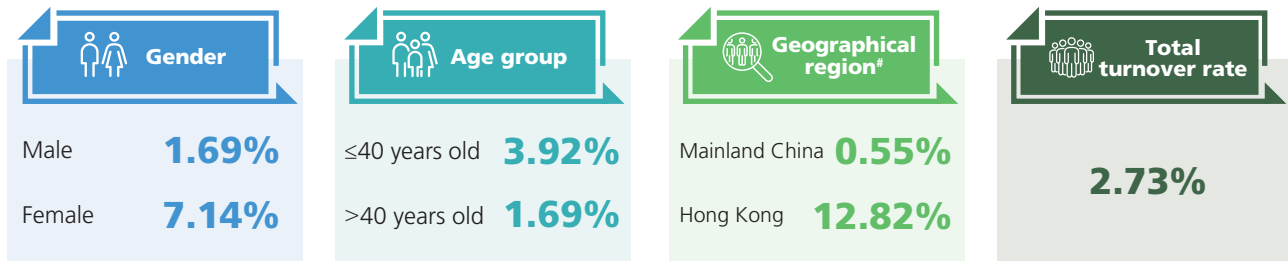


FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Due to the industry's particularity, the proportion of men who are responsible for the front-line work on the production base of Huade Petrochemical is relatively large, with a ratio of male to female of approximately 15:1. The ratio of male to female in the back office is approximately 2:1. The Group upholds the concept of equal opportunities in staff recruitment and, apart from ensuring that candidates meet the qualifications required for the positions, seeks to recruit female staff as far as possible in order to achieve gender balance. There are 3 ethnic minority employees in the Group.

In the Hong Kong Headquarters, the percentage of senior management personnel employed from the local community is zero. At Huade Petrochemical, 100% of senior management personnel are employed from the local community.

Employee turnover rate



* Note: Since 2024, the regional turnover rate was categorized in terms of the work locations of the staff.

The higher employee turnover rate in the Group's Hong Kong Headquarters during the year was due to the lower base of staff in the Hong Kong Headquarters, and the reason for job change was to pursue better personal career development.

Ratio of basic wages and remuneration for male and female during the year

Region	Employee type	The overall average annual compensation ratio of male and female employees
Hong Kong Headquarters	Senior Management	Not applicable (all members are male)
	Middle Management	1:0.885
	General Staff	1:0.729
Huade Petrochemical	Senior Management	Not applicable (all members are male)
	Middle Management	1:0.91
	General Staff	1:0.94

New employees profile during the year

New employees	Number of persons	Age		Gender		Region	
		Aged above 40	Aged 40 or below	Male	Female	Hong Kong	Mainland China
Hong Kong Headquarters	7	3	4	3	4	7	0
Huade Petrochemical	0	0	0	0	0	0	0

Parental Leave

	Number of employees that took parental leave		The total number of employees who returned to work after parental leave ended		The number of employees who returned to work after parental leave and were still employed 12 months later		Return to work rate		Retention rate	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Hong Kong Headquarters	0	1	Not applicable	1	Not applicable	Not applicable	Not applicable	100%	Not applicable	Not applicable
Huade Petrochemical	9	3	9	2	9	3	100%	100%	100%	100%

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

2.1.3 Occupational Health and Safety

The Group attaches great importance to the occupational health and safety of its employees, and Huade Petrochemical has completed ISO 45001 certification.

Occupational Disease Checking

Staff are at risk of contracting occupational diseases if they are not equipped with adequate protective equipment in the course of their work. The Group attaches great importance to occupational health and safety of our staff and strictly complies with the policies and regulations on occupational health and occupational disease prevention and control in the places of operation, including the Law of Prevention and Treatment of Occupational Diseases of the People's Republic of China, and has incorporated the occupational health

supervision procedures into the comprehensive health, safety and environment ("HSE") system formulated to control and eliminate occupational disease factors to ensure the health of staff, providing a solid foundation for a safe and healthy working environment. Occupational health related seminars are arranged annually. During the year, the Group provided trainings for a total of 138 person-times, with more than 899 training hours.

The staff of the Hong Kong Headquarters will be arranged to undergo medical check-ups on an annual basis. Each employee of Huade Petrochemical will be screened for occupational diseases before the employment, during the employment of each year, and before the resignation to ensure that occupational diseases of employees can be detected and followed up in a timely manner. Huade Petrochemical also arranges medical check-ups and provides medical allowances to its staff for early detection of diseases every year. During the year, no occupational diseases were reported at Huade Petrochemical.

Noise

Noise can lead to irritation, mental stress and hearing loss. It can also impact the quality of life and interfere with daily activities. As such, Huade Petrochemical has formulated Regulations on Noise Pollution Control Management, selected low-noise equipment or implemented noise reduction measures. In addition, according to the Provision on the Administration of Occupational Health of Huade Petrochemical, Huade Petrochemical conducted internal monitoring of noise pollution sources semi-annually to grasp the noise pollution situation in a timely manner, and commissioned a third party to conduct a monitoring each year. The results of relevant assessment will be submitted to the relevant authorities of the local government.

The Group is committed to maintaining zero work-related injuries and zero accidents. In 2024, the number of work-related fatalities and major injuries suffered by the Group was nil. The number of working days lost due to work-related injuries was nil.

2.1.4 Employee Benefits

The Group purchases travel accident insurance for business trips for employees every year, provides meal allowance, gives birthday presents and holiday gifts, and keeps medicine boxes in office areas. During the year, the coffee machine at the pantry of its Hong Kong Headquarters was replaced, while two water heaters and one hair dryer were added. Huade Petrochemical increased the number of office carrels

in the office building to facilitate staff mobility, implemented the plan to renovate the balconies on each floor of the office building, and continued to invite volunteers from Guangdong Youth Academy of Traditional Chinese Medicine to the living quarters of employees to carry out the 4-day "Chinese Traditional Medicine Tour" health public welfare activities.



FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

2.1.5 Labour Union

The Group's subsidiary, Huade Petrochemical has a labour union, the Labour Union of Huade Petrochemical Company Ltd. ("**Huade Labour Union**"), of which all employees are members. Employees can express opinions through the Huade Labour Union, including but not limited to the occupational health and safety, and work welfare. After employees' opinions are put forward, the person in charge of the relevant department will immediately deal with the

relevant requests. Members of Huade Labour Union are protected by the Labour Union Law of the People's Republic of China and enjoy various rights in accordance with the laws.

During the year, Huade Labour Union collected 44 opinions or suggestions from employees, and provided benefits to employees continuously.

Work of Huade Labour Union during the year

Main opinions or suggestions



Personnel of functional departments to visit the staff of primary level more frequently to listen to and address the requests of the staff groups



Leasing of sports venues in the vicinity of office buildings to facilitate those fitness exercises for the staff



The Company to arrange health checks for female employees and let them enjoy public holidays



Increase in the number of young employee representatives in Huade Labour Union and to listen more to young employees



Increase in the number of short trips for employees with over 20 years of service



To organise events on anniversary days to deepen corporate culture



Increase in the number of protective gears for labour of different positions as appropriate



Provision of welfare



Adjustment of reimbursement points and reimbursement invoices for supplemental medical outpatient services covering regions not limited to Guangdong Province

2.1.6 Green Office

The Group actively promotes the concept of green office and encourages our employees to practice environmental recycling. Apart from the recyclable items produced in the office, we also encourage our employees to bring recyclable items such as mooncake containers, red pockets and aluminium cans from home to our Hong Kong Headquarters for recycling as an additional recycling location for our employees. When accumulated to a certain amount, the items will be taken to the Recycling Stores of "Green@Community". The Hong Kong Headquarters

continues to implement conservation measures, participate in Earth Hour, and continues to be awarded the "Hong Kong Green Organisation" certificate by the Environmental Campaign Committee, as well as the "Wastewi\$e Certificate" and "Energywi\$e Certificate" under the "HKGO Certification" Scheme. The kitchen waste generated by the staff canteens of Huade Petrochemical will be recycled by a third party as feed for animals.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

2.2 Customers

Although the Group mainly provides oil products and liquefied natural gas storage and logistics services which do not involve product recycling, we still attach great importance to the quality of our services. With our management expertise in storage and logistics, we strive to continuously optimize our services and improve our

operational efficiency under the philosophy of sustainability, so as to create value for our customers and grow together with them.

2.2.1 Service Quality and Customer Satisfaction Survey

For a service quality assurance, feedback from customers is of paramount importance. Therefore, through daily business communication, visits, annual questionnaire and other channels, Huade Petrochemical invited customers to rate the services based on the four dimensions of service quality, delivery capability, technical capability and price competitiveness, from which customer satisfaction analysis reports are prepared. According to the 49 valid responses received, customers were very satisfied with the service performance of Huade Petrochemical during the year.

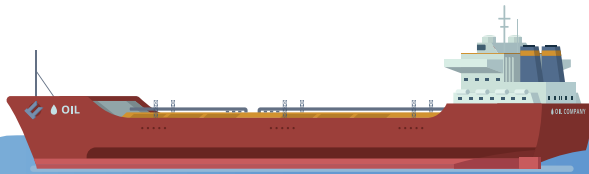
2.2.2 Handling Customer Complaints

The Group has measures in place to respond to customer complaints. In particular, when providing loading and unloading services, Huade Petrochemical needs to be punctual, timely and accurate to avoid any accident. Therefore, the staff in the dispatching position are required to be on duty around the clock and keeping the contact number available. They are responsible for the communication and feedback on production planning and other situations during production. Through regular daily business training and technical guidance, Huade Petrochemical has enhanced the dispatching ability of the employees to deal with emergency situations and complex situations, and response guidelines are formulated according to different business situations. During the year, the Group had not received any customer complaints.



2.3 Supplier Management

The Group attaches great importance to the interests of its suppliers and other partners and the quality of their services and has therefore established the Supplier Management Measures, Administrative Measures on the Safety Supervision of Contractors of Huade Company as well as the Code of Conduct on the Safety of All Staff of Huade Company.



Supplier Assessment

Once a supplier has been engaged to provide services, the relevant business unit will conduct an assessment of the supplier's services. In addition, a series of compliance controls, including annual review and audit management, are performed each year to fully understand and critically review the supplier's qualifications and decide whether to continue their work relationship. Suppliers with poor or unacceptable performance will be removed from the supplier list and will need to go through a reselection process before they can be added back to the list in the future. The relevant working partners will be blacklisted and never be employed.

The assessment criteria for suppliers include compliance, protection of employees' labour rights and interests, occupational safety of employees, environmental protection and business ethics. There is an assessment checklist for on-site suppliers, with more than 200 indicators covering violations of rules and regulations, irregularities and labour discipline, etc., and penalties and demerit points will be imposed for any violations.

Supplier Selection

The Company has established and refined procedures for the selection of suppliers. During the supplier selection, background checks have been conducted and the suppliers have to undertake in writing to comply with the Supplier Code of Conduct established by the Company before they enter the selection process.

The selection process is open and transparent, and a special selection expert committee is generally set up to examine and evaluate different aspects such as the quality of service, professional competence and quotations of suppliers, to introduce green management and including factors such as environmental protection, environmentally friendly materials and resource conservation in the criteria for consideration, so as to promote the joint implementation of environmental protection, energy saving and emission reduction by our partners. Also, the committee gives priority to suppliers who hold ISO 9001, ISO 14001, ISO 45001 and other related certifications. When signing a contract, the supplier needs to sign the Health, Safety, Environment and Fire Safety Management Agreement at the same time.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

During the Reporting Period

Number of Suppliers

427 suppliers from Mainland China
71 suppliers from Hong Kong, Macau and Taiwan
3 suppliers from overseas countries

International Certifications of Suppliers

20 suppliers obtaining ISO 9001
21 suppliers obtaining ISO 14001
20 suppliers obtaining ISO 45001

Supplier Appraisal

0 supplier removed from the list due to poor performance
4 supplier working partners blacklisted
59.2% of Huade Petrochemical's procurement comes from local sources

Supplier Trainings

1,728 hours
828 person-times

Supplier Safety

At the same time, we pay attention to production safety of our suppliers. In order to ensure that on-site suppliers and their staff are well informed and aware of safety, in addition to requiring them to obtain relevant qualifications, the Group also provides on-site safety training to our suppliers according to the actual situation. The Group has zero tolerance for on-site violations that lead to safety hazards by suppliers. If violations are found, they must be rectified in a timely manner and, depending on the seriousness of the incident, points may be deducted or penalties imposed and the supplier may even be blacklisted.



DEVELOPING Together

Sinopec Kantons upholds the values that enterprise development is closely tied to the progress of the society, and actively participates in various social responsibility actions. We contribute to the revitalization of the vast countryside. We fulfill our responsibility as corporate citizen and actively engage with the community, participate in public welfare activities with full efforts, convey warmth with practical actions, promote social development, and draw a magnificent picture of building a better future together.

- 3.1 Community Care
- 3.2 Community Programme
- 3.3 Community Protection



FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

3. Developing Together

During the year the Group continued to exert influence and fulfill its responsibility as a corporate citizen by integrating with the society in its development. We actively encourage our staff to participate in community service activities and devote to doing charity work to help those under-privileged children and families as well as the elderly and youth in the community. At the same time, we are also keen to organize environmental protection activities and do our best to clean the surrounding environment.

During the year, the Group organized 337 person-times for volunteer activities, contributed 1,719 hours of community services and donated more than HK\$850,000 equivalent to support university students, new arrivals, ethnic minorities, the elderly and other disadvantaged groups.



➤ Mid-autumn festive gifts



➤ Donation to The Hong Kong Polytechnic University, HK\$540,000



➤ In-kind donation to local Elderly Nursing Home

商界展關懷
caringcompany 2023/24
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

3.1 Community Care

The Company has been organising festive activities in the surrounding community for many years. The Hong Kong Headquarters regularly organise staff visits to the Siu Sai Wan Day Care Centre for the Elderly, a recreational center for the elderly in the community, to deliver gifts to the elderly during festive seasons.

Huade Petrochemical donated caring supplies such as medical supplies, beddings, nutritional products, etc., equivalent to RMB10,000 to the local Elderly Nursing Home at Huiyang District. The service center mainly provides the elderly with medical, nursing and psychological care to soothe their pain and enhance their living quality.

We used consumption support to boost sales and revenue of Qinghai Province in the assisted areas, so as to support rural revitalisation, with a number of local agricultural products procured by Huade Petrochemical amounting to about RMB135,000.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

3.2 Community Programme

The Group organised the “Better Life” youth and children caring programme, which has been conducted for years and has become a regular project, which aims to provide academic support, arrange STEM-themed activities for children and youths aged 6-18 from low-income families, and a staff member is assigned to interact with them and keep in touch with them on a regular basis. Following the launch of the project, staff members regularly report on the progress of the recipients. The Company spent HK\$240,000 on the activity during the year.

Huade Petrochemical actively participated in charity events initiated by local community organizations. For the third consecutive year, it donated to Guizhou Province to help revitalizing the village and education welfare, totaling RMB20,000.



➤ *Better Life youth & children caring programme*



➤ *Beach clean-ups*



➤ *Donation to local Blue Bay Public Welfare*



➤ *Tree plantings*

3.3 Community Protection

The Group continues to make every effort to protect the environment of the communities around us. During the year, the Hong Kong Headquarters organised and participated in beach clean-ups, country park tree plantings and clean-ups.

The Huizhou Daya Bay community where Huade Petrochemical is located has a large area of mangrove wetlands and many beaches. Therefore, in addition to organizing employees to participate in beach clean-ups, Huade Petrochemical donated RMB20,000 to the local Blue Bay Public Welfare as funding support for the purchase of saplings and promoting green ocean.

VALUING HSE

Sinopec Kantons attaches great importance to the construction of the HSE system. Adhering to the HSE policy of “people-oriented, safety first, prevention-prioritized and comprehensive governance”, the Company continuously improve and optimise the HSE management system to ensure its operation effectiveness, and regulates the safety production system in a comprehensive manner.

- 4.1 Safety Culture
- 4.2 Safety Equipment
- 4.3 Safety Inspection and Auditing
- 4.4 Environmental Management



4. Valuing HSE

4.1 Safety Culture

The Group is engaged in the oil products and liquefied natural gas storage and logistics business, and as oil products and liquefied natural gas are flammable and explosive in nature, it may lead to serious economic loss and casualties if not handled properly. As such, the Group believes that safety culture is an inseparable element of production, and that productivity is guaranteed given the safety is assured.

The Group has no safety incident, environmental pollution and casualties during the past three years (including the current year) and will continue to strive to maintain our goal of zero work-related injuries, zero pollution and zero incident.

HSE Committee

The Group has established a health, safety and environment management committee (HSE Committee). The Group has adhered to the safety management policy of "safety first, prevention-focused," and held HSE meetings on a regular basis based on the principle of "plan, do, check and act".

Main responsibilities:

- Responsible for organizing and establishing emergency management mechanism, to study potential hazards of major accidents and management plans, to approve technical transformation projects such as production safety and occupational health, to co-ordinate the management of emergency resources, and to approve emergency plans.
- To regularly study the latest legal and regulatory developments, assess the impact on production, and revise and improve the HSE management system.
- To promote the participation of all staff in safety training and activities, in order to improve the knowledge, skills and overall quality of the management and operation staff in production safety.
- To actively encourage operating entities to jointly establish a set of integrated safety management system and strengthen safety management.

In 2024, the Guangdong Provincial Department of Transport organised the Guangdong Provincial Competition of Vocational Skills of Fluid Handling Workers in Traffic and Transportation Industry, which covered various aspects of knowledges such as loading and unloading techniques, emergency response, fire-fighting and first aid, etc. Both of Huade Petrochemical and Zhan Jiang Port Petrochemical won the Third Prize (Organisation).



Caofeidian Shihua honoured with the "Award of Outstanding Contributions to Production Safety"



▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Safety Training

Huade Petrochemical will develop an annual HSE training programme every year, which includes various forms of training programs such as ongoing projects, one-off projects, internal and external trainings, and pre-site training for suppliers. During the year, Huade Petrochemical conducted 30 external trainings and 15 internal trainings regarding the safety trainings.

The Group conducts HSE video promotion and education every quarter, especially safety accidents of peers, which is of profound educational significance. Therefore, the Company has organized and compiled a total of 20 typical production safety accident cases of domestic and foreign terminal companies and peers, covering ship-shore and oil depot accidents, in order to encourage operating entities to learn and draw lessons to avoid the occurrence of similar incidents.

In October 2024, the Group held the third Crude Oil Terminal HSE Management Technique Training at

China University of Petroleum (East China) in Qingdao. The five-day fully enclosed training invited professors of universities and industry experts to review the HSE system framework of enterprises. Laws and regulations, production safety standards and safety regulations on hazardous chemicals, knowledge of maritime terminal claim process and experiences of excellent enterprise safety management were shared, and learnings on accident cases were included during the training. Representatives of HSE management personnel from all domestic operating entities attended the training, with a total of 34 participants.

In November 2024, Huade Petrochemical held the 2024 continuing education training course for professional (part-time) safety management personnels and three types of manpower, aiming at further enhancing the safety and legal awareness of employees and suppliers, strengthening the foundation of safety management, and ensuring the safety of construction sites.

Safety Drills

During the year, Huade Petrochemical conducted a total of 7 safety drills. Huade Petrochemical has formulated the Special Emergency Plan for Oil Spill Pollution in Marine (Water) Environments Related to Port Facilities and Ship Operations, to strengthen the emergency response capacity of port terminals, and to test the operability and practicability of emergency response plans, the coordination and command among members of emergency response

organizations and the emergency response capacity of emergency response teams. In December 2024, the Tabletop Drill for Offshore Oil Spill Emergency Response Exercise 2024 was organized and conducted at the start station in Mabianzhou. Seven external organizations including 35 participants in total were invited to the drill. Local government agencies also attended the drill for observation.

Allocation of Fire Safety Personnel

Huade Petrochemical has engaged a professional fire-fighting team specialized in petrochemical fire safety to station at the two production bases at the start station in Mabianzhou and the Nanbianzao oil depot respectively, mainly responsible for emergency rescue within the production base, construction site monitoring and daily fire inspection, maintenance of mobile fire-fighting equipment and facilities, training on fire and harmful gas prevention, and fire patrol inspection. In addition to complying

with the Management Requirements for National Comprehensive Fire-fighting and Rescue Team, the team is also familiar with petrochemical industry knowledge, and is required to participate in the safety training of the production base, occupational health examination, induction examination, etc., cooperate with Huade Petrochemical's internal drill plan, participate in weekly training plans, emergency drills, etc.

4.2 Safety Equipment

Operating entities of the Group conduct regular inspections on safety equipment every year, and they have added and upgraded the relevant equipment based on the inspection results.

Port automation

To promote the construction and development of smart ports and achieve automated, intelligent, and unmanned port functions, two loading arms with an automatic docking system were added to the start station in Mabianzhou during the year, allowing the automatic docking without manual intervention, thereby reducing potential safety hazards associated with manual operations. The invested amount for the project was approximately RMB1 million and the project has been completed during the year.

Oil spill monitoring devices

The Huade Petrochemical's start station in Mabianzhou originally had a set of oil spill monitoring equipment. After the inspection, it was found that the equipment was corroded, and some of its parts could not be used normally. Therefore, Huade Petrochemical has formulated a replacement programme for the oil spill monitoring equipment in this year, with an estimated investment of approximately RMB1 million to purchase 4 sets of oil spill monitoring equipment and ancillary facilities. As of the end of 2024, the progress of the replacement programme was half way through, and is expected to be completed next year.



Fire-fighting equipment

A new centrally controlled fire emergency lighting system was added during the year. When a fire occurs, the emergency lighting system of the entire control room will be activated in sequence, starting from the alarm area of the fire. At the same time, we have added a monitoring system for the power supply of fire-fighting equipment, while setting up corresponding signal sensors in the power distribution box of the fire-fighting equipment to collect voltage and current signals and switch status of the monitored power circuit on-site, thus allowing real-time monitoring of the status of the power supply of fire-fighting equipment. The investment of the project was approximately RMB100,000, and the project was completed during the year.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Oil leakage detection

A nitrogen purging system was added to the working platform at the start station in Mabianzhou during the year, which will help monitor the airtightness of the equipment before and after unloading oil products, thereby reducing the risk of leakage during the unloading of oil products.

Combustible gas detection

83 combustible gas alarms were installed in Nanbianzao oil depot during the year, covering the vicinity of emission sources of combustible gas.

Toxic and hazardous gas detection

13 toxic and hazardous gas alarms have been installed in areas where hydrogen sulfide, a type of toxic and hazardous gas, exists, covering the vicinity of the emission sources of hydrogen sulfide in Nanbianzao oil depot.

At the same time, all of the on-site alarms/zone alarms are equipped with audio and light alarm functions, all of which are checked annually. The investment of the project was approximately RMB1 million, and the project has been completed during the year.

4.3 Safety Inspection and Auditing

The Group's operating entities are subject to regular and/or spot checks by the government authorities and external industry management departments in the places where it operates. At the same time, the Group conducts HSE audits on its operating entities every year, accompanied by external experts invited from time to time, during which potential safety hazards are identified, and operating entities are urged to make corrections based on the inspection results. All operating entities have completed their annual safety audits during the year.

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

4.4 Environmental Management

Huade Petrochemical has set up ESG Working Subcommittee, conducts energy management, data tracking of natural resources usage, identification of various environmental pollutants, control of environmental pollutant at source, monitoring of relevant environmental pollutant emissions and regular analysis of environmental data in accordance with the environmental management guidelines.

In 2007, Huade Petrochemical embarked on the waterway expansion project and commenced operations. In 2024, Huade Petrochemical was required by relevant regulatory authorities to reprocess the environmental acceptance check procedure in accordance with the Regulations on Environmental Management of Construction Projects (2017 Revision) and fined with RMB510,000. The acceptance check procedure has been completed during the year. Save as disclosed, the Group has encountered no other incidents of non-compliance related to environmental protection and has strictly complied with relevant laws and regulations in all material aspects.

EMS system

Huade Petrochemical has established the EMS system and obtained ISO 14001 certification. The ISO 14001 standard focuses on reviewing the effectiveness of Huade Petrochemical's environmental protection policies and plans, environmental risks and compliance with regulations, the progress of achievement of goals and indicators, and the implementation of environmental management procedures, via the following steps:

1. Identify relevant environmental regulations and other requirements and ensure compliance.
2. Monitor the environment impact of key operations.
3. Develop environmental goals and plans while continuously improving the environmental performance.
4. Conduct internal audits and management reviews of the EMS system to ensure its effectiveness.
5. Improve employees' environmental awareness and ensure the sustainability of environmental management.



Pollutants discharge permits

Huade Petrochemical has applied for discharge permits for each production base. The pollutants discharge permits have specified the monitoring sites, monitoring items, monitoring frequency and discharge standards for noise, wastewater and waste gas. At the same time, according to the requirements of the pollutants discharge permits, it engaged an independent third party to conduct regular sampling and monitoring, and the self-monitoring information is regularly reported in the National Pollution Source Monitoring Data Management and Sharing System.



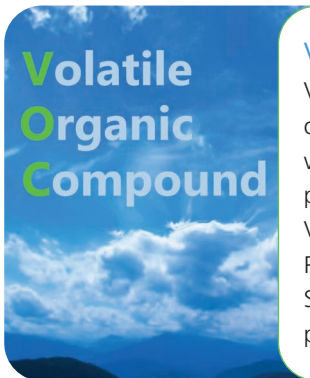
Zhan Jiang Port Petrochemical being honoured with the Environmental Credit Rating for Enterprises in Zhan Jiang – Green Label for consecutive years

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY



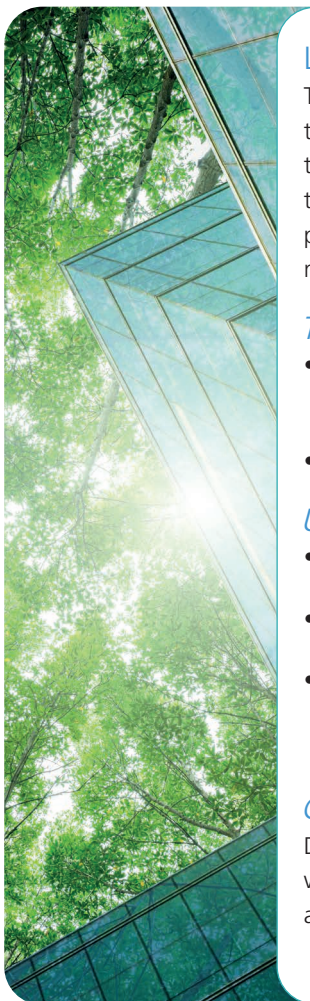
Green energy

In response to climate change, the storage area of Vesta, an operating entity, in the Netherlands has invested more than EUR120,000 in the installation of 288 solar panels, with an annual production capacity of more than 100,000 kWh, which is sufficient for the electricity usage in the entire storage area. Meanwhile, Huade Petrochemical has purchased approximately 5 million kWh of green electricity (mainly solar energy) this year, accounting for about 10% of total electricity consumption.



Volatile organic compounds (VOCs)

VOCs cause air pollution and smog issues, and prolonged exposure to high concentrations of VOCs can lead to discomfort in the eyes, nose, and throat, and even headaches, dizziness, vision disorders and other injuries. Operating entities of the Group generate VOCs when providing loading services for oil products. In this regard, the operating entities have installed VOCs recovery system in that production process to reduce VOCs emissions. Zhan Jiang Port Petrochemical has invested more than RMB10 million in the installation of the system. Qingdao Shihua and Ningbo Shihua have also done so, all of which are now in the trial operation period.



Land conservation

The crude oil pipeline of Huade Petrochemical is over 170 kilometres long, connecting the terminal and clients, mostly is on land or buried underground. Therefore, the condition of the crude oil pipeline is extremely important for the land. We engage a third party from time to time to inspect the condition of the pipelines, such as internal corrosion, corrosion of the pipelines by external soil, etc., and to design the rehabilitation proposal. Different monitoring measures are taken due to different pipeline geographical region.

Terrestrial portion

- On-duty staff arranged for daily inspection and record keeping conducted by mobile phone positioning
- Trees planted on the earth for greening and slope stabilization

Underground portion

- General checkings conducted in river crossings as appropriate
- A third party will be commissioned to carry out soil sampling on a regular basis
- A third party will be engaged from time to time to carry out the assessment of geological hazards, such as the possibility of earth collapses, mudslides, landslides, etc., exposed pipelines due to soil erosion, or overhanging and deformed pipelines

Community education

Despite the fact that the pipelines have been laid to avoid residential areas as far as possible, we have kept conducting good community educations to educate residents not to damage the ancillary facilities to the pipelines and the residents are encouraged to report such cases.

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Marine biodiversity

The oil jetties served by the Group are located along the coastline and their daily operations pose potential risks to marine life. Approximately 10 kilometres of Huade Petrochemical's crude oil pipelines are located underwater and therefore the condition of the pipelines directly affects the surrounding marine ecosystem.

The start station in Mabianzhou is located on Mabianzhou Island, which belongs to the ecological red line and is the Daya Bay Aquatic Resources Nature Reserve. At the same time, it is possible that Chinese white dolphins, which is on the IUCN's Red list, may live there due to its location near the Pearl River Estuary. Therefore, the Group attaches great importance to operational safety and ecological protection, and minimizes the impact on Chinese white dolphins and other marine life.

Policies

To this end, the Group is committed to giving priority to biodiversity conservation in its development, and to covering the entire life cycle of all projects with biodiversity conservation measures to ensure ecological security. The Group has formulated a Biodiversity Policy. In addition, Huade Petrochemical has formulated the Guidance on Biodiversity Conservation.

Daily maintenance

Huade Petrochemical has already replaced a new submarine pipeline in 2022. The new submarine pipelines are constructed to avoid the season of fish spawning, while the thickness and the class of steels used have been upgraded, to enhance the anti-corrosion technology and cathodic protection, in order to slow down the corrosion rate. Also, the thickness of the pipeline is regularly checked. The approach bridges to jetties/berths are ensured to be corrosion-resistant, and the following measures are adopted for daily maintenance:

Sea surface portion

- cameras installed around the pipelines for 24-hour monitoring of the sea surface conditions
- Weekly sea patrols organised to prevent construction damage in the vicinity
- Signage placed to prevent inadvertent trespassing by fishermen

Underwater portion

- Pipeline route investigation conducted as appropriate
- The issuance of Certificate of Compliance for Marine Facilities for submarine pipelines and their inspections conducted

Daily operations

Before unloading of oil products

Well preparation for docking, such as having cable-breaker machines, checking equipment status, and ensuring the airtightness of the equipment with nitrogen purging systems, to ensure a safe berthing.

During unloading of oil products

Frontline staff wear protective equipment and hold a permit to operate, strictly follow the operating procedure guideline. Considering the dock lines were provided by oil tankers, we have installed a cable stress monitoring system to monitor the dock lines tension of each oil tanker. In the event of insufficient or excessive rope tension, timely communication and adjustment are made to the captain, and problematic ropes are rejected.

After unloading of oil products

Maintain the equipment and check the airtightness of the equipment with the nitrogen purge system.

Drills for emergency response

Huade Petrochemical has formulated the Marine Oil Spill Emergency Response Plan and will organise regular marine oil spill drills every year to enhance its emergency response capability. In 2024, there was no oil spillage incident during unloading of oil products by Huade Petrochemical.

Marine microplastics survey

Microplastics are plastic fragments in diameter of less than 5mm, which are widely found in the marine environment. In addition to the threats to marine life and human health posed by cumulative effects of microplastics in the food chain, microplastics may also have an impact on climate change. On one hand, the persistence of microplastics in the oceans will directly generate a large amount of greenhouse gases during the degradation process, which will aggravate climate warming. On the other hand, by interfering with the carbon capture and storage capacity of marine biological pumps and micro-biological carbon pumps, microplastics will affect the carbon cycle of the marine ecosystem, and in turn indirectly release more carbon dioxide and cause ocean deoxygenation and ocean acidification.

In October 2024, Huade Petrochemical engaged a third party to conduct surveys and assessments marine microplastics.

Location of inspection: Xia Yong Waters, Daya Bay, where the Mabianzhou Island is located

Particulars of inspection: seawater, sediment and organisms (fish and shellfish)

Results of inspection: The abundance level of microplastics is relatively low, and the components are mainly PE, PP-PE and PET, reflecting a relatively low pollution load index.

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Pre-project



Appoint qualified third parties to perform different duties separately

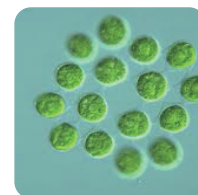
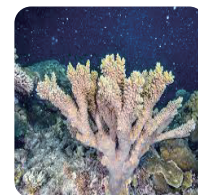
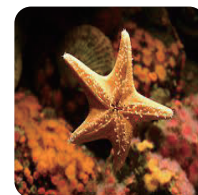
- ▶ Conducting feasibility study report to provide relevant professional evaluations on site selection, land use (sea use), earthquake, geological hazards, lightning hazards (lightning protection), environment, safety, occupational health, navigation and fire-fighting, etc.
- ▶ Conducting multidimensional impact assessment, including but not limited to environmental impact assessment ("EIA"), collecting opinions from local communities via questionnaires



Submit the project plan to local government authorities



Obtain approvals from relevant government authorities and carry out the project



During Project



Adopt conservation measures to reduce the impact, according to the recommendation of various assessment reports

- ▶ Standing protective/emergency supplies: oil spill monitoring equipment, oil containment, oil skimmers, oil absorbent materials
- ▶ Operation time: piling will not be processed at night
- ▶ Construction: utilizing new technology to prevent marine pollution caused by construction waste; regular sampling and monitoring



Carry out daily training and education on ecological and environmental protection for employees to raise their awareness

Post-project



Ecological compensation

- ▶ To engage a qualified third party to formulate an implementation plan on ecological compensation and implement the compensation measures, including but not limited to fisheries restoration
- ▶ To organise and complete the acceptance tests of environmental protection
 - Case study: An implementation plan on ecological compensation for naphtha unloading project and waterway dredging project of Mabianzhou Jetty has been formulated and completed in 2024. A total of nearly RMB 18.5 million has been invested in the ecological compensation programme, including marine (seabed) litter clean-up (about RMB 9.5 million), micro-plastic assessment (about RMB 1 million) and fisheries restoration (about RMB 8 million). For fisheries restoration, Huade Petrochemical released around 14 million fish fry, shrimp fry, crab fry and other marine organisms.

Regular sampling and inspection

- ▶ During each cycle, a completed EIA has been undergone before each project kicks off, and sampling tracking has been conducted quarterly since 2022
- ▶ As revealed by the results of sampling tracking for 2024, the quality of the sea water achieved the standard and the biodiversity was maintained at a good level

IMPROVING Continuously

Sinopec Kantons continuously enhances its environmental management systems, boosts resources efficiency, strictly controls pollutants emissions, and actively addresses climate challenges, striving for coordinated development between the business and the environment and progressing towards a cleaner and more sustainable business model.

- 5.1 Energy Management
- 5.2 Management of Solid Wastes
- 5.3 Management of Water Resources
- 5.4 Air Pollutant Management
- 5.5 Greenhouse Gas Emissions



5. Improving Continuously

Although the Group's business mainly comprises the provision of logistics and storage services for natural gas and petrochemical products and it is not considered as a polluting or carbon-intensive enterprise, we firmly believe that reducing global warming requires the concerted efforts of the whole community. As such, the ESG Working Committee of the Group has formulated a five-year emissions target plan in 2020 to strengthen the monitoring of the Group's use of resources and the impact of its business operations on the surrounding environment, to continuously implement energy saving and emission reduction measures, and to review the Group's environmental performance. In terms of resources usage, the Company's operating entities have established management measures and usage targets in relation to energy and water resources.

During the year, there were no violations of laws and regulations relating to emissions of exhaust gases, waste water and solid waste emissions, and disposal of hazardous waste that would have a significant impact on the Group.

5.1 Energy Management

The Group complies with laws and regulations such as the Law of the People's Republic of China on Energy Conservation and has established internal guidelines such as the Company's Energy Conservation Management Regulations and the Energy Conservation Supervision and Management Rules.

5.1.1 Energy Saving Targets

The energy consumption of Sinopec Kantons and its subsidiaries is mainly related to electricity and diesel consumption. In particular, the electricity consumption of Huade Petrochemical is mainly for crude oil transmission; while diesel consumption is mainly for boilers and tugboats. Besides, both the Hong Kong Headquarters and Huade Petrochemical consume gasoline for vehicles.

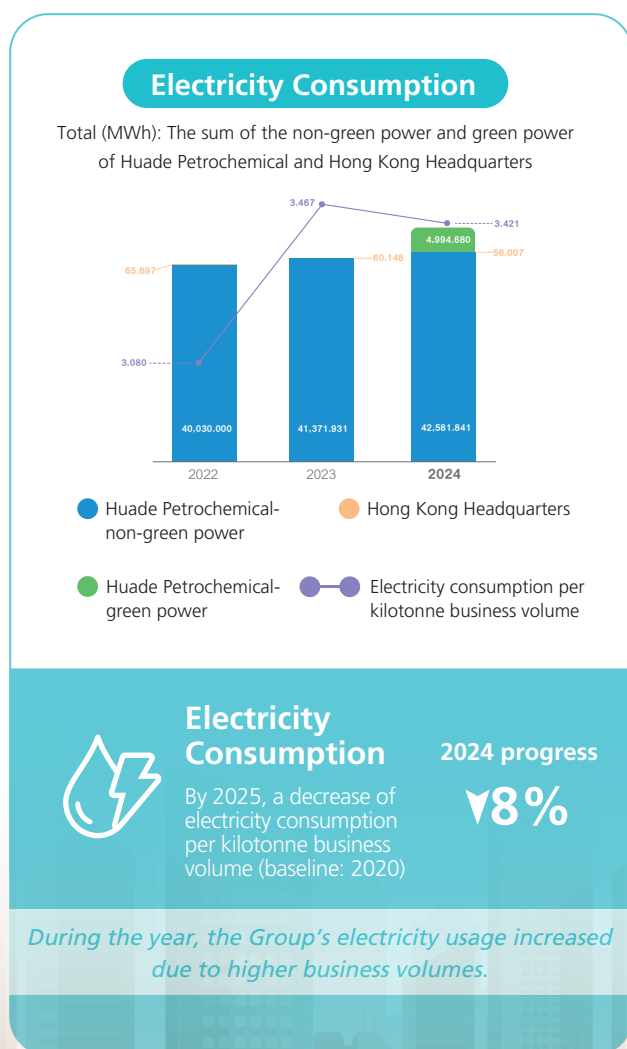
As the major unit of energy consumption of the Group, Huade Petrochemical has set its emission reduction goals for 2025. Indicators for annual energy consumption are reviewed every year and have been included for indicator assessment, and the performance of which are followed up every month, aiming to analyse energy consumption; meanwhile, it has adjusted the operation of machines and equipment according to the business and actual operating conditions to minimise energy consumption, air pollution and greenhouse gas emissions.



FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

5.1.2 Energy Saving Measures

Electrical energy



The electricity used by the Hong Kong Headquarters mainly came from natural gas and coal, while the nuclear power and solar energy used as electricity by Huade Petrochemical accounted for approximately 90% and 10%, respectively.

Case Study: Huade Petrochemical tracks and analyzes the electricity usage of the production base every week. Since the energy consumption of the start station in Mabianzhou in 2023 was relatively high, reaching 0.68kWh/tonne, the production plan was optimized in 2024, successfully reducing it by 10% to 0.61kWh/tonne, saving about 100,000 kWh of electricity usage and approximately RMB650,000 in electricity bills.

Case Study: One of our operating entities, FOT, implemented multiple measures to manage energy resources during the year:

- Replacing traditional HVAC systems to VRF AC system to reduce electricity consumption
- Oil storage tanks' floating roof seal upgraded to double seal for reducing the vapour emission, hence, to reduce energy consumption
- Replacement of over 100 lights at tank farm/boundary with LED to save power

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

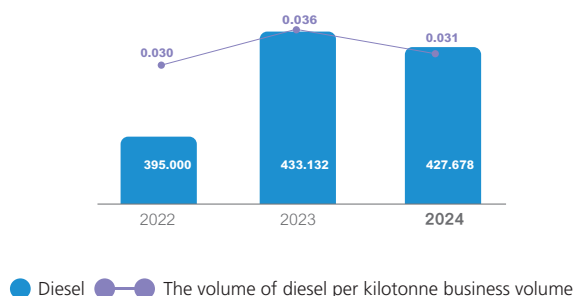
Diesel and gasoline

Huade Petrochemical strictly controls the operating hours of the steam boilers at the start station in Mabianzhou and schedules the testing of boiler emission monitoring to coincide with the commissioning of the equipment, thus reducing the number of boiler start-ups and significantly reducing diesel consumption. Meanwhile, Huade Petrochemical has fully migrated to the use of low sulfur diesel, the cleanest diesel in China at present to reduce the generation of air pollutants. In addition, Huade Petrochemical has tried its best to arrange carpooling to reduce the use of vehicles.

Apart from taking various measures to reduce energy use and greenhouse gas emissions in our production operations, we also continue to promote energy conservation awareness and aim to deliver the concept of energy saving and emission reduction to our staff through various activities. To reduce paper consumption, the Group established an online workflow system to replace the traditional paper workflow for improving efficiency.

Diesel

Total (tonnes): The volume of diesel of Huade Petrochemical



Diesel Consumption

By 2025, 5% decrease of diesel consumption per kilotonne business volume (baseline: 2020)

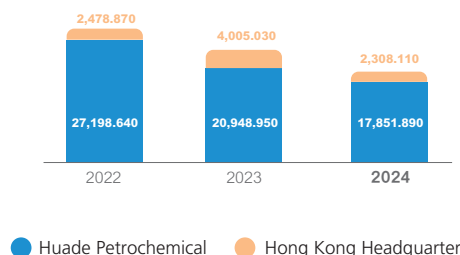
2024 progress

▼37%

The decrease of diesel was mainly due to the high inventory at the end of 2023.

Gasoline

Total (litre): The sum of consumption volume from Huade Petrochemical and Hong Kong Headquarters



The decrease of gasoline was due to the reduced car usage.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

5.2 Management of Solid Wastes

The solid wastes of the Group mainly come from the daily operation of Huade Petrochemical, while the daily operation of the Hong Kong Headquarters also produces a few municipal solid wastes. No such statistics can be provided from the Hong Kong Headquarters as separate solid wastes data is not available for the building where the Hong Kong Headquarters is located.

The Group has reduced hazardous and non-hazardous wastes by making efforts in procurement, reducing wastes from source and recycling. At the same time, the Group keeps abreast of the latest laws and regulations and communicates closely with stakeholders to obtain the latest information to meet the increasingly stringent environmental laws and regulations. In particular, Huade Petrochemical has strictly complied with the Environmental Protection Law of the People's Republic of China, the Law

of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Administrative Regulations of Sinopec on the Prevention and Control of Pollution by Solid Wastes and other relevant laws and regulations in material aspects, and has formulated the Administrative Regulations of Huade Company on the Prevention and Control of Pollution by Solid Wastes and the Regulations on Clean Production Management of Huade to strengthen the supervision of all aspects of solid wastes and effectively prevent and control environmental risks. All wastes generated by Huade Petrochemical's production base will be sorted out according to the nature of the wastes, set up different temporary storage points (storage yards), and then unified recycling, according to the regulations, and engaged a qualified third-party to dispose of the wastes. The Group has set the hazardous and non-hazardous waste reduction goals for 2025.

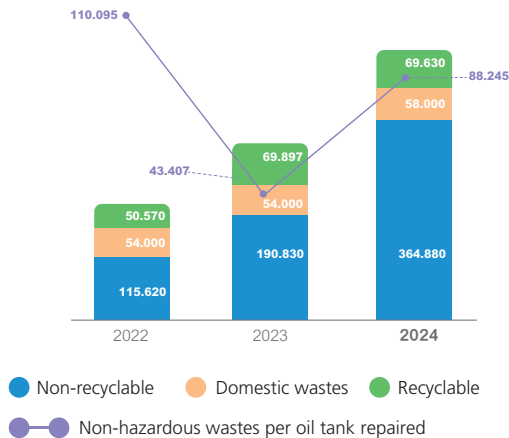
Solid Waste Treatment Process of Huade Petrochemical



FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Non-hazardous Wastes

Total (tonnes): The sum of non-recyclable wastes, recyclable wastes and domestic wastes volume of Huade Petrochemical



Non-hazardous Wastes

2024 progress

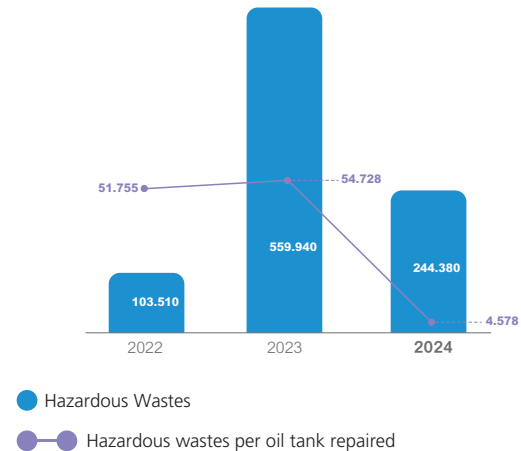
By 2025, 10% decrease of non-hazardous wastes per oil tank repaired (baseline: 2020)

▼34%

Non-hazardous waste volumes increased due to a number of upgrading and modification projects during the year, which have generated one-off construction waste and industrial waste as well as some of the waste for 2023 being deferred for disposal to 2024.

Hazardous Wastes

Total (tonnes): The hazardous wastes volume of Huade Petrochemical



Hazardous Wastes

2024 progress

By 2025, 15% decrease of hazardous wastes per oil tank repaired (baseline: 2020)

▼95%

Hazardous waste volumes decreased due to the reduction in the number of tanks undergoing major maintenance during the year and the adjustment of some maintenance plans to next year.

Recycling initiatives

The Hong Kong Headquarters has set up recycling bins for plastics, metals, fluorescent tubes, battery cells, etc. The bins are collected and delivered to the Recycling Stations of Green@Community to reduce the amount of waste disposed of at landfills and to promote environmental awareness on a monthly basis.

▼ FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

5.3 Management of Water Resources

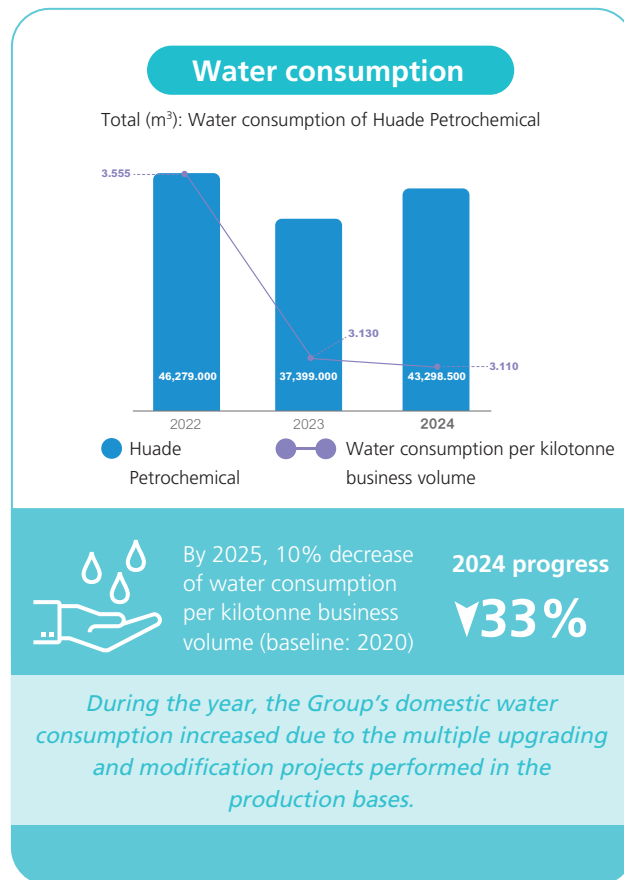
5.3.1 Domestic Water Usage

The water resources used by the Group are supplied by municipal water authority and can be obtained on demand. In 2024, there was no issue in sourcing water which was fit for purpose. Nevertheless, we have fully implemented sustainable administrative measures for reducing water consumption during operation, carried out water conservation training and posted water conservation phrases where water was used. It has set indicators for annual water consumption for each production base, improved the water meters at key water consumption points at each production base, carried out inspections for leakage of underground pipes on a non-regular basis, collects statistics and analyzes the water consumption of each production base every month, strictly controls the water consumption, and analyzes the reasons for excessive consumption of water to avoid wasting. The Group has set a water consumption goal for 2025.

As water consumption of the Hong Kong Headquarters is calculated on an apportioned basis by the building in which it is located and does not reflect actual usage, this data only includes Huade Petrochemical.

5.3.2 Sewage Treatment

In respect of wastewater discharge, the Group has strictly complied with the laws and regulations and internal policies requirements, such as the Prevention and Control of Water Pollution Law of the People's Republic of China, Integrated Sewage Discharge Standard, Measures for the



Administration of Environmental Protection of Sinopec, and Regulations for the Administration of Wastewater Pollution Prevention and Control of Sinopec in order to strengthen and regulate the management of wastewater pollution, to achieve wastewater discharge in compliance with the standards.

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

Source of sewage

The sewage primarily originates from the unloading of crude oil sediments, domestic usage, industrial effluents (including tank dewatering), initial rainwater, and various other wastewater collected in the sewage reservoir. Therefore, the volume of sewage treatment will surpass the statistics of domestic water usage.

Discharge permit

Huade Petrochemical has applied for pollutants discharge permits, and commissioned a third party to carry out monitoring on different projects according to the requirements of discharge permits on a regular basis, so that the discharge can meet the standards.

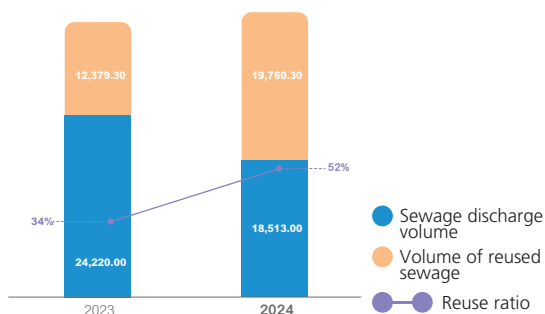
Sewage facilities

We have established a sewage treatment center. The production base of Huade Petrochemical boasts a comprehensive sewage pipeline system, which collects all oil-contaminated stormwater, firefighting water, and domestic wastewater, channeling it uniformly towards the sewage treatment center for centralized processing. The wastewater from the Nanbianzao oil depot is transported to the sewage treatment plant designated by the government in the Daya Bay Petrochemical Park, and the wastewater from the first station in Mabianzhou is used for green irrigation after treatment.

We install the online rainwater monitoring instruments. Huade Petrochemical has conducted real-time monitoring of rainwater discharge, with relevant data directly uploaded to the local environmental protection department.

Sewage treatment volume

Total (m³): The sum of discharge from the start station of Mabianzhou, Nanbianzhou oil depot and the reused volume



In 2024, the sewage treatment capacity of Huade Petrochemical experienced a modest increase, primarily due to the implementation of several upgrading and modification projects at the start station in Mabianzhou, which augmented the supply of domestic water.

Sewage volume and reuse ratio

The start station in Mabianzhou of Huade Petrochemical strictly implements the zero discharge target. All of the sewage generated from the production base will not be discharged into the sea, with 100% reuse instead. At the same time, the start station in Mabianzhou of Huade Petrochemical has set up an environmentally friendly toilet.

The sewage reuse ratio of Nanbianzao oil depot reaches approximately 20%.

FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

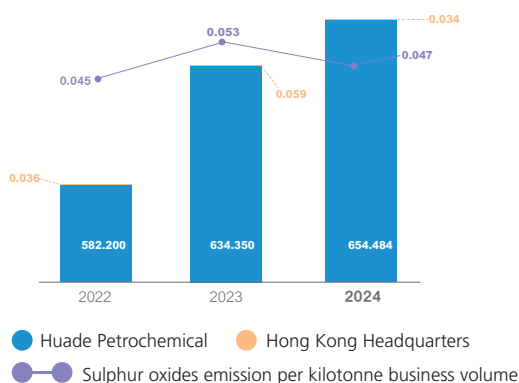
5.4 Air Pollutant Management

Huade Petrochemical has strictly abided by the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Standards for Air Pollutant Emissions from Boilers and other regulations. It has also established comprehensive administrative regulations for exhaust emissions, set up outlets in its boilers for the discharge of air pollutants, applied for

pollutants discharge permits, and commissioned a third party to carry out monitoring on different projects according to the requirements of emission permits on a regular basis, in accordance with the requirements of the emission permit, so that the emissions can meet the standards.

Sulphur oxides

Total (kg): Emissions from the combustion of gasoline and diesel at Huade Petrochemical and diesel at the Hong Kong Headquarters



SOx

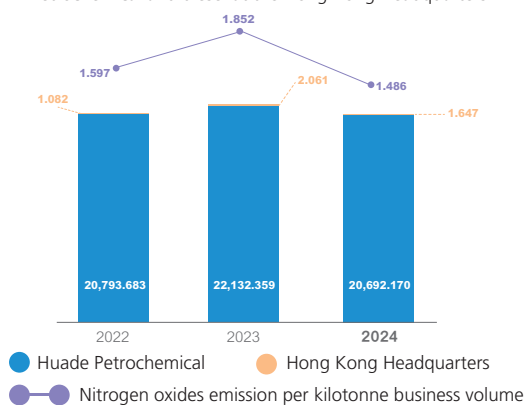
By 2025, 10% decrease of SOx emission per kilotonne business volume (baseline: 2020)

2024 progress

▼45%

Nitrogen oxides

Total (kg): Emissions from the combustion of gasoline and diesel at Huade Petrochemical and diesel at the Hong Kong Headquarters



NOx

By 2025, a decrease of NOx emission per kilotonne business volume (baseline: 2020)

2024 progress

▼25%

Huade Petrochemical formulated the Huade Petrochemical Leak Detection and Repair (LDAR) Management Regulations to carry out LDAR leak detection and repair work at all production sites, repair of a small number of leakage points timely to reduce the possibility of volatilization of unorganized organic gases. At the same time, an oil and gas adsorption recovery device was added to the oil waste tank (part of the sewage treatment facility) at the start station in Mabianzhou to reduce the disorderly emission of productive organic gases.

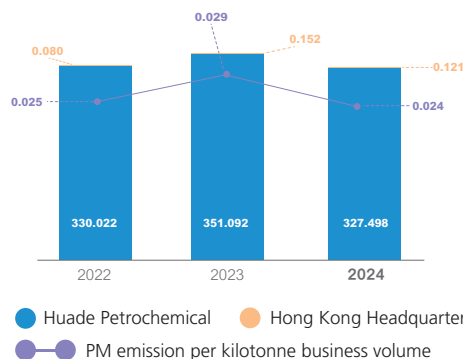
By using the latest standard of low-sulfur clean diesel oil, Huade Petrochemical has been able to reduce exhaust emissions from the boilers at the start station in Mabianzhou.

The diesel and gasoline used in the Group's day-to-day operations produce non-greenhouse gas air pollutants and therefore data collection and analysis of nitrogen oxides, sulphur oxides and particulate matter is carried out on an ongoing basis and emission targets are set for 2025.

During the year, the Group's air pollutants remained stable.

PM

Total (kg): Emissions from the combustion of gasoline and diesel at Huade Petrochemical and diesel at the Hong Kong Headquarters



By 2025, a decrease of PM emission per kilotonne business volume (baseline: 2020)

2024 progress

▼33%

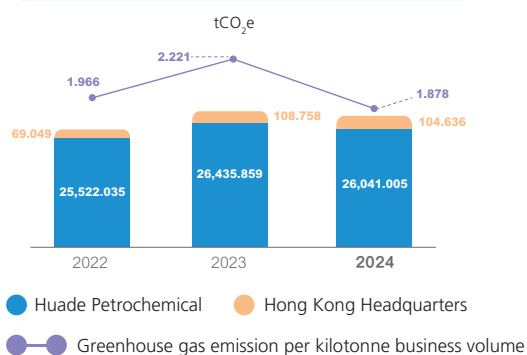
FIVE PILLARS OF OUR SUSTAINABILITY STRATEGY

5.5 Greenhouse Gas Emissions

As the Group is primarily a service provider, there are not many direct carbon emissions in the course of business operations. The main source of Scope I is the use of diesel

and gasoline combustion. Scope II is mainly from the use of electricity for service equipment and office premises. The main sources of Scope III are air travel on business trips and office paper purchases for staff.

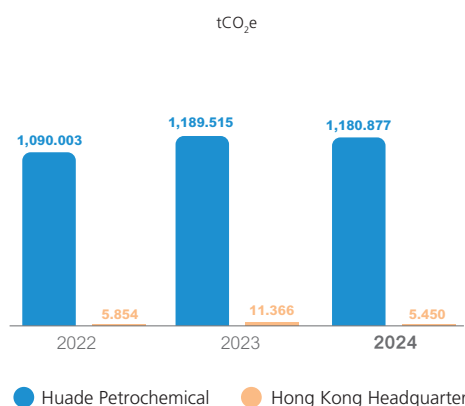
GHG Emissions - Total volume



By 2025, a decrease of GHG emission per kilotonne business volume (baseline: 2020)

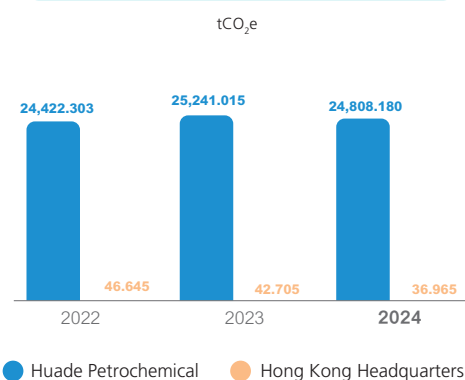
2024 progress
▼42%

GHG Emissions - Scope I



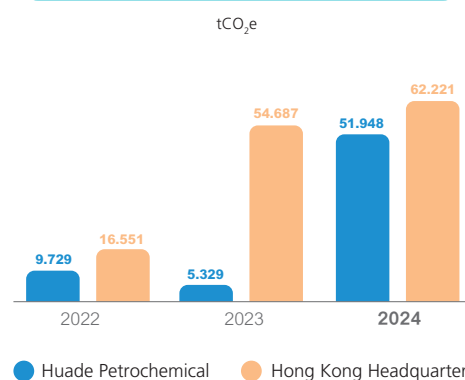
Scope I emission decreased slightly due to the reduction of gasoline and diesel consumption.

GHG Emissions - Scope II (Note)



Huade Petrochemical purchased about 5 million kWh of green electricity, which avoided about 2,900 tonnes of carbon emission, the scope II emission decreased.

GHG Emissions - Scope III



Huade Petrochemical's Scope III emission has increased significantly due to the inclusion of air travel data of its staff. Hong Kong Headquarters has also increased its air travel.

Note: The carbon intensity of electricity of Huade Petrochemical for 2024 has been updated according to the announcement made by the Ministry of Ecology and Environment of the PRC on 26 December 2024. The carbon intensity of the Hong Kong Headquarters will be updated according to the announcement of HK Electric Investments Limited.

▼ RESPONDING TO CLIMATE CHANGE (TCFD)

Governance

The Board has the ultimate responsibility for monitoring the management of climate risks and opportunities. Under the leadership of the Chairman of the Board, the Board is committed to integrating sustainability into all aspects of its operations and overseeing the sustainability strategy, reporting and risk management framework. The Board regularly receives updates from the ESG Working Committee on the development and implementation of the sustainability strategy.

In order to better manage climate initiatives of the Company, we strengthened members and the governance structure of the ESG Working Committee to manage and monitor the overall sustainability performance of our businesses. The ESG Working Committee is delegated by the Board to oversee the implementation of sustainability measures and manage sustainability-related matters by the senior management, while the ESG Working Subcommittee is responsible for assisting the senior management in achieving sustainability goals. For details of the structure and terms of reference of the ESG Working Committee, please refer to the “Company Profile” – “Structure and Management of Governance” section of this Report.

In order to ensure that the Board is aware of the latest trends in climate-related issues, we provide relevant training on demand to ensure that members of the Board have the necessary expertise and skills to oversee climate-related issues and their management. In order to better support the decision-making process, the Board may also seek the professional advice from external experts when necessary.

While addressing climate change is becoming a global consensus, we are committed to prioritizing or adopting energy-saving and emission reduction technologies and greenhouse gas emission reduction initiatives in decision-making, and making a transition to a cleaner and more sustainable business model.

- Measuring our carbon emission: The Company conducted detailed collating, inventory and analysis of energy consumption and carbon emission, and set up a data dashboard for monitoring. In order to ensure the scientificity and standardization of calculation, the Company has set up an internal database for natural resource data and greenhouse gas data, regularly updated it according to the prevailing calculation method, and expanded the scope of data collection. Each business unit regularly conducts statistics on all energy data and emission data every month. We comply with Appendix C2 of the Listing Rules of the Stock Exchange and related guidance documents, and refer to the GHG Protocol Corporate Accounting and Reporting Principles for calculation and disclosure.
- Energy management: In order to achieve the 2025 emission reduction target, the ESG Working Subcommittee has formulated corresponding energy saving and emission reduction indicators for the production bases of Huade Petrochemical, and is responsible for reviewing and evaluating the implementation and effectiveness of emission control and emission reduction measures of the production bases on a monthly basis, and the ESG Working Committee conducts the regular supervision.
- Adjustment of the power composition: Since the indirect carbon emissions (Scope II) generated by purchased electricity account for more than 90% of the Group’s total carbon emissions, the ESG Working Committee studied the feasibility of green electricity procurement, and successfully procured approximately 5 million kWh of green electricity (accounting for about 10% of total electricity consumption) in 2024. In the daily procurement of equipment, suppliers are required to disclose the energy efficiency index of products in the quotation, so that the Company can prioritize and make purchases, and improve energy efficiency at the source.
- Energy consumption and carbon auditing: In order to make carbon data and energy consumption more scientific and credible, the Company engaged a third-party for auditing, so as to better sort out and analyze energy data.

Major Climate Risk and Responding Actions

Based on the scenario analysis, we analyzed the climate change risks and opportunities faced by the Company in the future with reference to models recommended by the TCFD and other analytical techniques. We found that under the general trend of energy transition, the demand for electricity from fossil fuels will gradually decrease in the long run, but the demand for industrial products made from refining of crude oil will be very strong. The likelihood and impact of physical risks will increase, and the Group will face the pressure of business diversification and low-carbon transformation.

The risks and opportunities that climate change may bring are as follows:

Type of Risks	Climate Risk	Risk Description	Financial Impact	Response
Physical risks	Acute – sudden climatic hazards Including but not limited to extreme weather such as typhoons, heavy rainfall, flooding and persistent high temperatures	<ul style="list-style-type: none"> ● Extreme weather will damage the jetties and related facilities, affect the smooth navigation of the waterway, and require dredging works. Persistent high temperature is likely to cause fires or accelerate the aging of equipment, and the operation of the jetties may be affected, resulting in business interruption ● LNG vessels operated by joint venture and associate (which are not covered by this Report) of the Group are operating at sea for a long time, and frequent hurricanes may affect the scheduled routes and navigation plans may be interrupted ● Extreme weather may affect or threaten the safety and health of employees working at coast and sea, resulting in decrease in productivity 	<ul style="list-style-type: none"> ● Operating expenses such as maintenance costs and labour costs have increased ● Revenue decreases 	<ul style="list-style-type: none"> ● Improve safety guidelines for typhoon, flood and tide prevention, conduct annual flood and tide control drills, and establish an emergency response system and contingency plans, and prevent and reduce the impact of extreme weather ● Regular maintenance and repair of the terminal and related facilities to keep them in good operating condition and resistant to hurricane impact
	Long term – day-to-day operational risks More frequent delays in transportation or terminal operations due to extreme weather	<ul style="list-style-type: none"> ● Extreme weather has led to an increase in vessel demurrage, resulting in a lower demand for services 	<ul style="list-style-type: none"> ● Revenue decreases 	<ul style="list-style-type: none"> ● Strengthen monitoring of sea surface and coastal weather, and arrange routes and berthing operations as early as possible in response to weather changes to reduce delays ● Strengthen communication with vessels, downstream customers, customs, etc., to improve operational efficiency
	Long term – sea level rise	<ul style="list-style-type: none"> ● Sea level rise could lead to more frequent flooding, while ocean acidification could damage assets along the coast, increase maintenance costs, and necessitate the redesign or relocation of production facilities 	<ul style="list-style-type: none"> ● Operating costs increase, revenues decrease, and asset values decline ● Credit costs increase, and premiums for insurance contracts may increase 	<ul style="list-style-type: none"> ● Strengthen the inspection and maintenance of production facilities ● Strengthen the supply chain management, and require suppliers to comply with all applicable environmental protection laws and regulations, regulatory rules and standards during review ● Suppliers are encouraged to use raw energy-saving, water-saving, material-saving and healthy materials, products and services that are conducive to environmental protection



RESPONDING TO CLIMATE CHANGE (TCFD)

Type of Risks	Climate Risk	Risk Description	Financial Impact	Response
Transition risk	New low-carbon policies/regulatory compliance risks The government has implemented more policies to respond to climate change, such as carbon taxes, carbon credits, carbon trading, carbon emission rights, etc.	<ul style="list-style-type: none"> In the face of stricter emissions requirements, enterprises may need to increase capital expenditure to meet the requirements, and they need to comply with stricter operational compliance requirements, which will increase the burden on enterprises It is expected that the price of carbon will rise, and increase the cost of environmental management and business decision-making within the Company 	<ul style="list-style-type: none"> Operating expenses costs increase. In 2024, approximately 5 million kWh of green power were utilized, resulting in an additional expense of around RMB40,000 for electricity. Labour costs and compliance costs increase 	<ul style="list-style-type: none"> Implement energy saving and emission reduction measures to meet or exceed the local regulatory requirements where the operations are based Consider to the purchase of new energy saving facilities to replace old equipment Regularly monitor the development trend of laws and regulations
	Market Risks In the context of decarbonization, the application of clean energy will be increased and fossil energy will be gradually phased out	<ul style="list-style-type: none"> The demand for traditional fossil energy has decreased, resulting in a decrease in demand for oil product jetties and storage services Downstream customers face stricter environmental protection requirements or industry consolidation, which affects crude oil imports, in turn reducing the business volumes of jetties 	<ul style="list-style-type: none"> Revenue decreases 	<ul style="list-style-type: none"> Develop diversified businesses, including the provision of chemical products receiving, loading and transshipment services, in order to reduce the impact of the decline in demand for crude oil and refined oil products
	Technology risks/technical risks	<ul style="list-style-type: none"> Continuous development of low-carbon technologies, the phasing out of energy-intensive technologies, and the development of novel raw materials to replace crude oil, resulting in likely reduction of the demand for crude oil 	<ul style="list-style-type: none"> Revenue decreases 	<ul style="list-style-type: none"> Actively expand diversified green businesses
	Credit risks/reputation risks	<ul style="list-style-type: none"> The concept of low-carbon has become more popular in the market, which has a negative impression of traditional energy-related industries, products and enterprises The pace of low-carbon development of the Company is not up to investors' expectations 	<ul style="list-style-type: none"> Brand value declines 	<ul style="list-style-type: none"> Actively expand diversified green businesses

We are aware that the climate risks and nature of impacts are constantly changing. Therefore, we will regularly review the climate response strategies and actions. In order to address the climate risks and opportunities identified in our latest climate risk assessment, we will expand the use of green electricity and explore measures to strengthen carbon emission management in the supply chain in the next phase.

As described in the previous sections, we have developed environmental indicators for greenhouse gas emissions, water, waste and energy management. With the promotion of climate action efforts, we will continue to improve the quality of data collection and measurement processes, and continue to monitor key environmental indicators to build stronger capacities to respond to climate change.

Appendix I: Data Summary

Note: Some figures in this Report may not add up to 100% due to rounding of data.

Society

Description		Unit	2024			2023			2022		
Number of employees	Total	No. of persons	220			222			228		
by gender	Male	No. of persons	178			180			182		
	Female		42			42			46		
by age group	40 or below	No. of persons	102			105			117		
	Above 40		118			117			111		
by type of employment	Full-time	No. of persons	220			221			226		
	Part-time/Short-term/ Contract		0			1			2		
by geographical region ¹	Mainland China	No. of persons	181			201			206		
	Hong Kong		39			21			22		
by employee category	Senior management	No. of persons	10			10			11		
	Middle management		23			22			22		
	General staff		187			190			195		
Employee turnover rate	Overall		2.73%			5.41%			7.02%		
by gender	Male		1.69%			2.78%			4.95%		
	Female		7.14%			16.67%			15.22%		
by age group	40 or below		3.92%			5.71%			8.55%		
	Above 40		1.69%			5.13%			5.41%		
by geographical region	Mainland China		0.55%			3.48%			3.88%		
	Hong Kong		12.82%			23.81%			36.36%		
Work-related fatalities and serious injuries		No. of persons (ratio)	0 (0%)			0 (0%)			0 (0%)		
Lost days due to work injury		Working days (ratio)	0 (0%)			0 (0%)			0 (0%)		
Lost-time injury rate (LTIR)			0			0			0		
Training for employees			Training Hours (hours)	% of trained employees	Training hours per person (hours)	Training Hours (hours)	% of trained employees	Training hours per person (hours)	Training hours (hours)	% of trained employees	Training hours per person (hours)
Overall			13,815	100%	63	8,311	100%	37	13,956	100%	61
by gender	Male		11,023.10	100%	62	7,458	100%	41	11,533	100%	63
	Female		2,791.80	100%	66	853	100%	20	2,423	100%	53
by employee category	Senior management		901	100%	90	799	100%	80	684	100%	62
	Middle management		1,671	100%	73	1,158	100%	53	1,126	100%	51
	General staff		11,243	100%	60	6,354	100%	33	12,146	100%	62
Number of suppliers	Total		501			396			632		
by geographical region	Mainland China		427			341			598		
	Hong Kong, Macau and Taiwan		71			51			26		
	Overseas		3			4			8		

¹ In 2023 or before, the geographical region was based on the employee's labour contract location. In 2024 and thereafter, the division is based on employee work location.

Environment

Description		Unit	2024	2023	2022
Greenhouse gas emissions	Total	tonnes of CO₂e	26,145.641	26,544.617	25,591.084
	Hong Kong Headquarters	tonnes of CO ₂ e	104.636	108.758	69.049
	Huade Petrochemical	tonnes of CO ₂ e	26,041.005	26,435.859	25,522.035
	Scope I¹	tonnes of CO₂e	1,186.327	1,200.881	1,095.857
	Hong Kong Headquarters	tonnes of CO ₂ e	5.450	11.366	5.854
	Huade Petrochemical	tonnes of CO ₂ e	1,180.877	1,189.515	1,090.003
	Scope II²	tonnes of CO₂e	24,845.145	25,283.720	24,468.948
	Hong Kong Headquarters	tonnes of CO ₂ e	36.965	42.705	46.645
	Huade Petrochemical	tonnes of CO ₂ e	24,808.180	25,241.015	24,422.303
	Scope III³	tonnes of CO₂e	114.169	60.015	26.280
	Hong Kong Headquarters	tonnes of CO ₂ e	62.221	54.687	16.551
	Huade Petrochemical	tonnes of CO ₂ e	51.948	5.329	9.729
	Emissions per kilotonne(kt) business volume	tonnes of CO ₂ e	1.878	2.221	1.966
Electricity consumption	Total	MWh	47,632.528	41,432.079	40,095.697
	Hong Kong Headquarters	MWh	56.007	60.148	65.697
	Huade Petrochemical (including green power)	MWh	47,576.521	41,371.931	40,030.000
	Consumption per kt business volume	MWh	3.421	3.467	3.080
	Total procured volume of green power	MWh	4,994.68	0	0
Water consumption ⁴	Total	m³	43,298.500	37,399.000	46,279.000
	Consumption per kt business volume	m ³	3.110	3.130	3.555
Diesel	Total	tonnes	427.678	433.132	395.000
	Hong Kong Headquarters	tonnes	0	0	0
	Huade Petrochemical	tonnes	427.678	433.132	395.000
	Consumption per kt business volume	tonnes	0.031	0.036	0.030
Gasoline	Total	Litre	20,160.000	24,953.980	29,677.510
	Hong Kong Headquarters	Litre	2,308.110	4,005.030	2,478.870
	Huade Petrochemical	Litre	17,851.890	20,948.950	27,198.640
Particulate matter	Total	kilogramme	327.620	351.244	330.102
	Hong Kong Headquarters	kilogramme	0.121	0.152	0.080
	Huade Petrochemical	kilogramme	327.498	351.092	330.022
	Emissions per kt business volume	kilogramme	0.024	0.029	0.025
Nitrogen oxides	Total	kilogramme	20,693.817	22,134.419	20,794.765
	Hong Kong Headquarters	kilogramme	1.647	2.061	1.082
	Huade Petrochemical	kilogramme	20,692.170	22,132.359	20,793.683
	Emissions per kt business volume	kilogramme	1.486	1.852	1.597
Sulphur oxides	Total	kilogramme	654.518	634.409	582.236
	Hong Kong Headquarters	kilogramme	0.034	0.059	0.036
	Huade Petrochemical	kilogramme	654.484	634.350	582.200
	Emissions per kt business volume	kilogramme	0.047	0.053	0.045
Hazardous wastes ⁵	Total	tonnes	244.380	559.940	103.510
	Per oil tank repaired	tonnes	4.578	54.728	51.755
Non-hazardous wastes ⁶	Total	tonnes	492.510	314.727	220.190
	Per oil tank repaired	tonnes	88.245	43.407	110.095

¹ Scope I: Direct emissions from fuel combustion from mobile sources (e.g. vessels and vehicles) and stationary sources (e.g. boilers and stoves). Greenhouse gas emissions from both mobile and stationary sources are calculated with reference to the Greenhouse Gas Protocol Calculation Tools

² Scope II: Indirect emissions from electricity purchase. On or before 2021, emission coefficient is made with reference to the website of HK Electric Investments Limited and the benchmark emission coefficient of the PRC regional grid for emission reduction projects in 2017. On or after 2022, emission coefficient refers to the "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, Sustainability Report of HK Electric Investments Limited and the Announcement on Electricity Carbon Dioxide Emission Factors of the Ministry of Ecology and Environment of the PRC

³ Scope III: Other indirect emissions outside the Company (e.g., business travel flights and paper waste disposal). Flight emissions are calculated with reference to International Civil Aviation Organization Carbon Emissions Calculator

⁴ Water consumption in the Hong Kong Headquarters is not included as water consumption in the premises where the Hong Kong Headquarters locates is calculated on an apportionment basis, it does not reflect actual usage

⁵ Hong Kong Headquarters did not produce any hazardous waste

⁶ As the non-hazardous wastes produced by the Hong Kong Headquarters were relatively fewer, and there is no separate data regarding the non-hazardous wastes produced in the premises where it locates, therefore, the non-hazardous waste data does not cover the Hong Kong Headquarters

Appendix II: Content Index

This content index has been prepared in accordance with Rule 13.91 of the Main Board Listing Rules of the Stock Exchange and Appendix C2 “Environmental, Social and Governance Reporting Guide”, with reference to the Global Reporting Initiative (GRI) Standards. In the event of any discrepancy between the disclosure requirements of the Appendix C2 “Environmental, Social and Governance Reporting Guide” of the Stock Exchange and the GRI Standards, the Appendix C2 “Environmental, Social and Governance Reporting Guide” of the Stock Exchange shall prevail.

Statement of use: Sinopec Kantons Holdings Limited has reported with reference to the GRI standards for the period from 1 January 2024 to 31 December 2024

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): GRI 11: Oil and gas sector 2021

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 2: General Disclosure (2021)				
2-1		Organizational details	Company Profile	
2-2	Reporting Boundary	Entities included in the ESG report of the organization	About the Report	
2-3		Period, frequency and contact person for reporting	About the Report	
2-4		Restated information	Not applicable	No information has been restated for the year
2-5		External assurance	Appendix III: Independent Limited Assurance Report	
2-6		Activities, value chains, and other business relationships	Company Profile Supplier Management	
2-7		Formal employees	Human Resources	
2-8		Informal employees	Human Resources	
2-9		Structure and composition of governance	Structure and Management of Governance	
2-10		Nomination and selection of the highest governance structure	Structure and Management of Governance	
2-11		Chairman of the highest governance structure	Structure and Management of Governance	
2-12	Governance Structure	Role of the highest governance structure in overseeing the impact management	Structure and Management of Governance	

APPENDIX

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
2-13	Governance Structure	Delegation of responsibility for managing impacts	Structure and Management of Governance	
2-14	Governance Structure	Role of the highest governance structure in the ESG report	Structure and Management of Governance	
2-15		Conflicts of interest	Compliance Management	
2-16		Communication about critical concerns	Respond to Key Stakeholders' Concerns and Communications	
2-17		The Group's knowledge of the highest governance structure	Structure and Management of Governance	
2-18		Performance evaluation of the highest governance structure	Not applicable	Please refer to the Corporate Governance Report of 2024 Annual Report of the Company
2-19		Emolument policies	Not applicable	Please refer to the Corporate Governance Report of 2024 Annual Report of the Company
2-22		Statement on sustainable development strategy	Philosophy of Sustainable Development	
2-26		Mechanisms for seeking advice and raising concerns	Compliance Management	
2-27	General Disclosure of A1 – A3 General Disclosure of B1– B8	Compliance with laws and regulations	Operating Legally Respecting Stakeholders Developing Together Valuing HSE Improving Continuously	The Group did not incur fines for major violations during the year
2-29		Methods of stakeholder engagement	Respond to Key Stakeholders' Concerns and Communication	
GRI 3: Material Issues (2021)				
3-1	Reporting Principles	Process for determining materiality issues	Materiality Issues Analysis	
3-2	Reporting Principles	List of material issues	Materiality Issues Analysis	
3-3	Reporting Principles	Management of material issues	Materiality Issues Analysis	

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 201: Economic Performance 2016				
201-1		Direct economic value generated and distributed	Company Profile	
201-2	General Disclosure of A4 A4.1	Financial impact of climate change and other risks and opportunities	Responding to Climate Change	
201-4		Financial assistance received from government	Not applicable	Please refer to the financial statements of the 2024 Annual Report of the Company
GRI 202: Market Presence 2016				
202-2		Proportion of senior management employed from the local community	Human Resources	
GRI 203: Indirect Economic Impacts 2016				
203-1		Infrastructure investments and supporting services	Not applicable	Production bases of the Group are all established on the land designated by the government for such purposes
203-2		Significant indirect economic impacts	Supplier Management Developing Together	
GRI 204: Procurement Practices 2016				
204-1		Proportion of expenditure on purchases from local suppliers	Supplier Management	
	B5.1	Number of suppliers by geographical region	Supplier Management	
GRI 205: Anti-corruption 2016				
205-1		Operations assessed for risks related to corruption	Not applicable	There was no risk of corruption at the sites of the Group
205-2	B7.2	Communication and training of anti-corruption policies and procedures	Compliance Management	
205-3	B7.1	Confirmed incidents of corruption and actions taken	Compliance Management	Zero concluded legal cases regarding corrupt practices during the year
	B7.3	Description of anti-corruption training provided to directors and staff	Compliance Management	
GRI 206: Anti-competitive Behaviour 2016				
206-1		Legal action for anti-competitive behaviour, anti-trust and monopoly practices	Compliance Management	

APPENDIX

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 207: Tax 2019				
207-1		Tax policy	Not applicable	The Group fulfills its responsibilities as a tax resident in accordance with the law
207-2		Tax governance, control and risk management	Not applicable	The Group fulfills its responsibilities as a tax resident in accordance with the law
207-3		Stakeholder participation and management related to tax concerns	Not applicable	The Group fulfills its responsibilities as a tax resident in accordance with the law
207-4		Country-by-country reporting	Not applicable	Please refer to the financial statements of the 2024 Annual Report of the Company
GRI 301: Materials 2016				
301-1	A2.5	Materials used by weight or volume	Not applicable	The business of the Group does not involve product packaging
301-2		Use recycled materials	Not applicable	The business of the Group does not involve product packaging
301-3		Reclaimed products and their packaging materials	Not applicable	The business of the Group does not involve product packaging
GRI 302: Energy 2016				
302-1	A2.1	Energy consumption within the organization	Energy Management	
302-2	A2.1	Energy consumption outside the organization	Energy Management	
302-3	A2.1	Energy intensity	Energy Management	
302-4	A1.5 A2.3	Reduction of energy consumption	Energy Management	
GRI 303: Water and Effluents 2018				
303-1	A2.2	Interactions with water as a shared resource	Management of Water Resources	
303-2	A2.4	Management of water discharge-related impacts	Management of Water Resources	
303-3	A2.2	Water withdrawal	Management of Water Resources	
303-4	A2.2	Water discharge	Management of Water Resources	
303-5	A2.2	Water consumption	Management of Water Resources	

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 304: Biodiversity 2016				
304-1	A3.1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high-biodiversity value outside protected areas	Environmental Management	
304-2	A3.1	Activities, products and services that have a significant impact on biodiversity	Environmental Management	
304-3	A3.1	Habitats protected or restored	Environmental Management	
304-4	A3.1	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Environmental Management	
GRI 305: Emissions 2016				
305-1	A1.2	Direct (Scope I) greenhouse gas emissions	Greenhouse Gas Emissions	
305-2	A1.2	Energy indirect (Scope II) greenhouse gas emissions	Greenhouse Gas Emissions	
305-3	A1.2	Other indirect (Scope III) greenhouse gas emissions	Greenhouse Gas Emissions	
305-4	A1.2	Greenhouse gas emission intensity	Greenhouse Gas Emissions	
305-5	A1.5	Greenhouse gas emission reduction	Greenhouse Gas Emissions	
305-7	A1.1	Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and other significant air emissions	Air Pollutant Management	
GRI 306: Effluents and Wastes 2016				
306-3		Significant spills	Not applicable	There were no leakage incidents in the Group's operations during the year
GRI 306: Wastes 2020				
306-1	A1.3 A1.4	Waste generation and significant waste-related impacts	Management of Solid Wastes	
306-2	A1.6	Management of significant waste-related impacts	Management of Solid Wastes	
306-3	A1.3 A1.4	Waste generated	Management of Solid Wastes	
306-4	A1.3 A1.4	Waste transferred from disposal	Management of Solid Wastes	
306-5	A1.3 A1.4	Waste disposed directly	Management of Solid Wastes	

APPENDIX

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 401: Employment 2016				
401-1	B1.2	New employees and the employee turnover	Human Resources	
401-2		Benefits provided to full-time employees (excluding temporary or part-time employees)	Human Resources	
401-3		Parental leave	Human Resources	
GRI 402: Labour Relations 2016				
402-1		Minimum notice period for changes in operations	Not applicable	There are no significant changes to the Group's operations
GRI 403: Occupational Health and Safety 2018				
403-1	B2.3	Occupational health and safety management system	Occupational Health and Safety	
403-2	B2.3	Hazard identification, risk assessment and accident investigation	Safety Inspection and Training	
403-3		Occupational health services	Occupational Health and Safety	
403-4		Worker participation, consultation and communication on occupational health and safety	Labour Union	
403-5	B3.1 B3.2	Occupational health and safety training for employees	Occupational Health and Safety Safety Inspection and Training	
403-6		Promotion of worker health	Human Resources	
403-7	B2.3	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	Occupational Health and Safety	
403-8		Workers covered by occupational health and safety management system	Occupational Health and Safety	
403-9	B2.1 B2.2	Work-related injury	Occupational Health and Safety	
403-10	B2.3	Occupational diseases	Occupational Health and Safety	
GRI 404: Training and Education 2016				
404-1	B3.1 B3.2 B7.3	Average number of hours of training per employee per year	Trainings for talents	
404-2		Employee skill enhancement programme and transition assistance programme	Trainings for talents	
GRI 405: Employee Diversity and Equal Opportunity 2016				
405-1	B1.1	Diversity of governance bodies and employees	Human Resources	
405-2		Ratio of basic wages and remuneration between male and female employees	Human Resources	

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 406: Non-discrimination 2016				
406-1		Incidents of discrimination and remedial actions taken	Human Resources	The Group received no such reports during the year
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1		Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labour Union Supplier Management	
GRI 408: Child Labour 2016				
408-1	B4.1 B4.2	Sites and suppliers with significant risk for incidents of child labour	Supplier Management	
GRI 409: Forced or Compulsory Labour 2016				
409-1	B4.1 B4.2	Operations and suppliers with significant risk for incidents of forced or compulsory labour	Supplier Management	
GRI 410: Security Practices 2016				
410-1		Security personnel who received training on human rights policies or procedures	Not applicable	The Group's security personnel are all outsourced third parties
GRI 411: Rights of Indigenous Peoples 2016				
411-1		Incidents of violations involving rights of indigenous peoples	Not applicable	There are no indigenous peoples in all business locations of the Group
GRI 413: Local Communities 2016				
413-1	B8.1 B8.2	Operations with local community engagement, impact assessments and development programmes	Developing Together	
413-2		Operations with significant actual or potential negative impacts on local communities	Not applicable	The production bases of the Group are all established on the land designated by the government for such purposes, which has no actual or potential significant negative impact on local communities

APPENDIX

GRI Standards	Stock Exchange Environmental, Social and Governance Guide	Disclosure Content	Reporting Chapter	Description
GRI 414: Supplier Social Assessment 2016				
414-1	B5.2 B5.3 B5.4	New suppliers that were screened using social criteria	Supplier Management	
414-2		Negative social impact in the supply chain and actions taken	Supplier Management	
GRI 415: Public Policy 2016				
415-1		Political contributions	Not applicable	The Group did not make a political contribution
GRI 416: Customers Health and Safety 2016				
416-1		Assessment of the health and safety impacts of product and services categories	Occupational Health and Safety	
416-2		Incidents of non-compliance concerning the health and safety impacts to products and services	Not applicable	The Group has no incidents of non-compliance concerning health and safety impacts to services
	B6.1	Percentage of total products sold or shipped that need to be recycled for safety and health reasons	Not applicable	The Group's business does not involve products
	B6.4	Quality verification process and product recall procedures	Not applicable	The Group's business does not involve products
	B6.2	Number of complaints about products and services and how to deal with them	Service Quality and Customer Satisfaction Survey	
	B6.3	Maintaining and protecting intellectual property practices	Intellectual Property Rights	
GRI 418: Customer Privacy 2016				
418-1		Complaints of substantiated violation of customer privacy or loss of customer information	Not applicable	The Group received no such complaints during the year
	B6.5	Consumer data protection and privacy policy, and related enforcement and monitoring practices	Information Security	

English translation for reference only

Appendix III: Independent Limited Assurance Report



2025-ZAB006

To the Board of Directors of Sinopec Kantons Holdings Limited,

We have been engaged by Sinopec Kantons Holdings Limited (the “**Company**”) to perform a limited assurance engagement on the selected 2024 Key Data as defined below in the 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 2024 Key Data in the Company’s 2024 ESG Report:

- Scope 1: Direct greenhouse gas emissions (Tons)
- Scope 2: Indirect greenhouse gas emissions (Tons)
- Consumption of purchased electricity (KWh)
- Consumption of gasoline used in the vehicle (Litre)
- Consumption of gasoline used in the fire pump (Litre)
- Consumption of diesel used in the vehicle (Tons)
- Consumption of diesel used in the boiler (Tons)
- Consumption of diesel used in the tugboat (Tons)
- Consumption of water resources (Cubic metre)
- Weight of hazardous waste generated (Tons)
- Weight of non-hazardous waste generated (Tons)
- Total number of suppliers (units)
- Number of suppliers in Chinese mainland (units)
- Number of suppliers in Hong Kong, Macao and Taiwan regions of China (units)
- Number of suppliers in other countries and regions (units)
- Number of employees
- Type of employment (Full time, part-time/contract)
- Employees under or at the age of 40
- Employees over the age of 40
- Number of employees in Chinese mainland
- Number of employees in Hong Kong SAR, China
- Number of senior management employees



APPENDIX

- Number of middle-level management employees
- Number of general employees
- Total person-times of training (person-times)
- Total class hours of training (class hours)
- Person-times of senior management attending training courses (person-times)
- Class hours of senior management attending training courses (class hours)
- Person-times of middle management attending training courses (person-times)
- Class hours of middle management attending training courses (class hours)
- Person-times of general employees attending training courses (person-times)
- Class hours of general employees attending training (class hours)

Our assurance work was only within the scope of the selected 2024 Key Data of 2 entities, selected by the Company, i.e. the Hong Kong Headquarters and the wholly owned subsidiary Huade Petrochemical Co., Ltd. We have not conducted work at other entities. We have not performed any procedures with respect to 2022 or any other information included in the 2024 ESG Report, which is scoped out from our assurance work.

II. Criteria

The criteria used by the Company to prepare the selected 2024 Key Data in the 2024 ESG Report is set out in the “About the Report – Reporting Reference” section on page 2 of the 2024 ESG Report (the “**basis of the reporting**”), which is based on the “ESG Reporting Guide”, Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) by Hong Kong Exchanges and Clearing Limited (“**HKEx**”), and at the same time, the criteria referred to reporting standards or guidelines such as the United Nations Sustainable Development Goals (SDGs), the Global Reporting Initiative (GRI) Sustainability Reporting Standards, and the Task Force on Climate – related Financial Disclosures (TCFD).

III. The Board of Directors’ Responsibilities

The Board of Directors of the Company is responsible for the preparation of selected 2024 Key Data in the 2024 ESG Report in accordance with the basis of the reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected 2024 Key Data in the 2024 ESG Report that is free from material misstatement, whether due to fraud or error.

IV. Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (Including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

V. 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 on the selected 2024 Key Data in 2024 ESG Report.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's selected 2024 Key Data in the 2024 ESG Report had been prepared, in all material respects, in accordance with the basis of reporting. Our work is not intended to express an opinion on the effectiveness of the Company's systems and procedures. Our work involves assessing the risks of material misstatement of the selected 2024 Key Data in the 2024 ESG Report whether due to fraud or error and responding to the assessed risks. The extend of procedures selected depends on our judgement and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures only in the Hong Kong Headquarters of the Company and its wholly owned subsidiary Huade Petrochemical Co., Ltd. We have not conducted work on other locations. Our procedures include:

1. Enquiry and interviews with the department heads and relevant employees of the Company who involved in providing the selected 2024 Key Data in the ESG Report;
2. Perform analytical procedures on the selected 2024 Key Data in the 2024 ESG Report;
3. Examination on a sample basis, of documentary evidence relating to the selected 2024 Key Data in the 2024 ESG Report;
4. Recalculation on the selected 2024 Key Data in the 2024 ESG Report;
5. Perform other procedures deemed necessary.

VI. Inherent Limitation

We draw attention of the users that currently there are no generally accepted practices to evaluate and measure non-financial information, therefore there are different measurement methods, which may impact the comparability among entities.

VII. Conclusion

Based on the Limited Assurance Procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the selected 2024 Key Data in the 2024 ESG Report is not prepared, in all material respects, in accordance with the basis of reporting.

VIII. Restriction on Use

Our report has been prepared for and only for the Board of Directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

BDO China Shu Lun Pan CPAs LLP

Shanghai P.R. China
17 March, 2025

中石化冠德控股有限公司
SINOPEC KANTONS HOLDINGS LIMITED

香港銅鑼灣威非路道 18 號
萬國寶通中心 34 樓全層
34/F, CitiCorp Centre, 18 Whitfield Rd.,
Causeway Bay, HK.
www.sinopec.com.hk