



中国石化
SINOPEC

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2025

Environmental, Social and Governance(ESG) Report



Sinopec Engineering (Group) Co.,Ltd.

Report Information

This is the 13th Environmental, Social and Governance ("ESG") Report (hereafter the "Report") issued by Sinopec Engineering (Group) Co., Ltd. (hereafter the "Company" or "SEG") since its listing. The Report mainly presents the Company's social responsibility practices and performance in the economic, social and environmental dimensions for the year 2025.

(i) Report Information

Reporting Period: From 1 January 2025 to 31 December 2025 (the "Reporting Period"). Certain information refers to previous years, or is presented in a current, forward-looking manner.

Reporting Cycle: Annual, covering the year 2025.

Reporting Scope: This Report covers the Group's key ESG-related matters and performance during the Reporting Period.

Information Sources: The contents of this Report are compiled from the Company's internal documents, statistical reports and aggregated performance data from its subsidiaries and branches. All information has been reviewed by the Board of Director of the Company. Certain operational and financial data are extracted from the Company's 2025 annual report; in the event of any inconsistency, the 2025 annual report shall prevail. Unless otherwise stated, all amounts disclosed in this Report are denominated in RMB.

Report Availability: This Report is available in both electronic and printed formats. The electronic version can be downloaded from the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and from the "News and Announcements" section of Sinopec Engineering (Group) Co., Ltd. at www.segroup.cn/segroup/en/.

(ii) Compliance Guidelines

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

(iii) Disclaimer

This report contains forward-looking statements. Except for historical facts, all statements about events that may or will occur in the future (including but not limited to premises, objectives, estimates, and business plans) are considered forward-looking statements. Due to the influence of external variable factors, the actual future development outcomes or trends may differ from those stated in this report. The forward-looking statements in this report were made on 13 March 2026. Unless otherwise required by regulatory authorities, Sinopec Engineering (Group) Co., Ltd. has no obligation or responsibility to update the aforementioned forward-looking statements.

(iv) Reader Feedback

Readers are welcome to scan the QR code below to provide feedback on this Report.



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Chairman's Statement

Dear Shareholders and Friends,

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

The year 2025 marks the conclusion of the 14th Five-Year Plan and a pivotal year for the Company in advancing sustainable development. The Company anchored itself to the development vision of Building a World-Leading Technology-Driven Engineering Company, adhered to the development positioning of Technological Innovation + Engineering Services, and continuously enhanced the value creation capabilities in Engineering Services, Technological Innovation, and Capital Operation. We have achieved remarkable development results. Over the five-year period, the Company secured a total of RMB 411.787 billion in new contracts, generated revenue of RMB 301.413 billion, achieved a profit of RMB 11.034 billion, created operating cash flow of RMB 18.265 billion, and distributed dividends of RMB 7.463 billion. While achieving sustainable and steady development, we have created substantial value for the industry, society, and our shareholders and employees.

We have consistently integrated ESG concepts into every aspect of our development strategy, production operations, and management practices, embracing "Low-Carbon, Green, Safe, and Responsible" as the foundation of our development. We are firmly committed to a sustainable development path and respond to the expectations of all stakeholders with concrete actions, earning wide recognition from the industry and society.

Focusing on Corporate Governance to Consolidate the Foundation for Sustainable Development

In 2025, we successfully completed the conversion of shares held by CNPC tradable shares, further optimising our shareholding structure and governance framework. We comprehensively revised the Company's Articles of Association, enabling the Audit Committee of the Board to fully assume the functions of the Supervisory Committee, thereby improving internal control mechanisms and strengthening risk prevention and control. Our industrial layout continued to expand, with the incorporation of Sinopec Environmental Technology Co., Ltd. to establish a professional environmental governance platform, contributing to the protection of clear waters, blue skies, and pure land. The acquisition of equity in East China Pipeline Design Research Institute was completed, further enhancing our comprehensive strength in the pipeline storage and transportation design sector. The Company maintains leading ESG performance, with its Wind ESG Rating consistently at the industry's highest AA level, and winning the "China Listed Company ESG Annual Best Practice Award" for two consecutive years.

Strengthening Innovation-Driven Development to Forge an Engine of New Quality Productive Forces

Adhering to the philosophy of Open Cooperation and Integrated Innovation, we have deepened the integration of Industry, Academia, and Research with top-tier research institutes and universities, and collaborated with overseas clients and partners to promote advantageous technologies globally. In 2025, we successfully hosted the Sub-Forum on Process Industry Innovation and Process Systems Engineering Reconstruction at the 12th World Congress of Chemical Engineering, bringing together nearly 200 experts, scholars, and corporate representatives from the chemical field worldwide for exchange and discussion, thus building an industry platform for innovation and cooperation. We accelerated the implementation of the digital and intelligent transformation, issuing the Guidelines for the Comprehensive Promotion of the Company's New Industrialisation Framework for the Engineering Construction Industry. We developed a series of replicable and scalable achievements in areas such as intelligent design, machine-assisted manufacturing and digital delivery, promoting the transformation and upgrading of the engineering construction model towards "Standardised Lean Design + Factory-Based Intelligent Manufacturing + Modularised Installation". The application of AI has entered a practical phase. On the design front, efficiency is enhanced through knowledge graphs and generative design. In management, we are advancing intelligent management of the whole life cycle supply chain and the construction of smart sites. In construction, intelligent equipment such as trackless crawling welding robots and multi-axis pipeline welding robots is widely applied, leveraging digital and intelligent empowerment to improve development quality.



Deepening the Green Transition to Enhance the Brand of Premium Projects

We are dedicated to delivering premium projects and benchmark initiatives with ingenuity, supporting the high-quality development of the petrochemical industry globally. In 2025, the ExxonMobil Huizhou Ethylene Project commenced successful operation, creating a model of Global Rules and Chinese Efficiency. The Huajin Aramco Fine Chemicals and Raw Materials Project achieved mechanical completion for all 32 main production units, marking a critical breakthrough in project construction. The world's largest single-site coal-to-olefins project, which we designed, was fully commissioned. We successfully signed a FEED+ convertible EPC contract with Saudi ACWA Power for the Yanbu Green Hydrogen/Green Ammonia Project in Saudi Arabia, planning to construct the world's largest green hydrogen/green ammonia facility. Concurrently, we are systematically advancing our own green transition by scientifically setting environmental protection and energy consumption targets for the 15th Five-Year Plan period, refining carbon emission statistical mechanisms, comprehensively conducting climate risk analysis, and building a comprehensive climate risk prevention and control system. We are steadily promoting green energy projects, including sustainable aviation fuel, natural gas and LNG, green hydrogen-based energy, biomass utilisation, and photovoltaics, continuously improving our green industrial layout and protecting the ecological environment through concrete actions.

Maintaining Strong QHSE Performance and Aligning with Global Sustainability Consensus

We have integrated QHSE management throughout our entire operational process, aiming for Zero Defects and striving to ensure Zero Accidents, Zero Pollution, and Zero Harm. We strictly regulate subcontractor management, strengthen the professional development of grassroots safety teams, and establish a 24/7 overseas health support platform to build a robust safety defence line across all regions. We formulated three green and low-carbon policy documents, including the Guidelines for Green Ecological Design in Refining and Chemical Enterprises. Two of our entities were recognised as Sinopec Green Enterprises. We established eight benchmark green construction sites, with 104 green construction sites passing acceptance inspections. We are advancing the Zero-Waste Group initiative towards higher standards, earnestly implementing measures to reduce carbon emissions, decrease pollution, enhance efficiency, and increase green coverage, thereby practising the concept of global sustainable development.

Cherishing a People-Oriented Approach and Fostering Symbiotic and Shared Development

We continuously improve our talent cultivation system, prioritising the development of young talent as an operating focus. We have deepened the implementation of the Seedling Programme, establishing a platform for young talent to engage in cross-regional, cross-business, and cross-departmental exchanges and on-the-job training, thereby stimulating their innovative potential. We actively fulfil our social responsibilities by leveraging our in-house safety training base to cultivate the Immersive Public Safety Education Programme, a branded public welfare initiative, fulfilling our social responsibility. Actively responding to the Rural Revitalisation Strategy, we consistently carry out consumption-based and educational assistance, contributing to the economic development and social progress of rural areas. In our overseas operations, we uphold the principle of inclusive growth, improve community communication mechanisms, respect local cultures and religious beliefs, and actively create employment opportunities in the localities where we operate, achieving coordinated progress and shared development between the enterprise, society, and local communities.

Looking ahead, the green and low-carbon transition of the global energy industry is accelerating, the goal of Carbon Peaking and Carbon Neutrality is deeply implemented domestically, and the pace of energy transition continues to accelerate. The clean and efficient utilisation of traditional fossil fuels coexists with the large-scale development of new energy. Technologies such as green refining and chemicals, CCUS, hydrogen energy, and bioenergy have become development priorities. This presents both challenges and vast opportunities for us. Currently, the Company has formulated and obtained Board approval for the 15th Five-Year Development Plan Outline, which defines the seven major development strategies of Value Oriented, Innovation Drive, Cost Leadership, Digital & Smart Empowerment, Green & Clean, Global Development, and Integration Symbiosis.

In 2026, the Company will strictly implement the decisions and arrangements of the Board, focusing on advancing development initiatives such as strengthening strategic guidance and integrated coordination; continuously promoting innovation-driven development, lean management, digital and intelligent empowerment, and green and low-carbon practices; providing high-level support for the transformation and upgrading of the energy and chemical industry; leading the new industrialisation of the engineering construction sector to a high standard; advancing the internationalisation of engineering construction enterprise operations with high quality and efficiency; and achieving diversified value creation for the listed company. These efforts will enable us to take more solid strides toward building a world-leading technology-driven engineering company.

Dear friends, sustainable development is not only a call of our times but also a corporate mission. Let us join hands, move forward in the same direction, embark on a new journey towards high-quality and sustainable development, and work together to build a green and better future!

JIANG Dejun
Chairman of the Board
Beijing, China
13 March 2026

Board's Statement on ESG Governance

The Board of Directors of Sinopec Engineering (Group) Co., Ltd. commits to continuously strengthening its oversight and participation in the Company's ESG-related matters. The Company complies with the requirements of the "Environmental, Social and Governance Reporting Code" issued by the Stock Exchange of Hong Kong Limited and continues to improve its ESG governance framework, actively integrating ESG considerations into major corporate decisions and business practices.

Board's Role in ESG Governance

The Board assumes ultimate responsibility for the Company's ESG governance. The ESG Committee under the Board oversees the Company's ESG commitments and performance on key issues. It collaborates with other specialised committees and management departments to integrate ESG factors into internal control, risk management, strategic planning, performance incentives and other areas, and reports ESG implementation progress and major plans to the Board. The ESG Committee consists of five directors, with the Chairman of the Board serving as the Committee Chair. The Committee meets at least once a year, and additional meetings may be convened as needed. It communicates with the Board on ESG-related matters as appropriate. During the Reporting Period, the ESG Committee convened one meeting.

ESG Governance Policy and Strategy

The Company recognises the potential impact of ESG-related risks and maintains an ESG issues database based on risk identification, macro policies, emerging trends and stakeholder feedback. Through stakeholder surveys and expert assessments, the Company conducts materiality assessments to prioritise these issues and determine the focus areas for ESG governance.

ESG Performance and Progress Review

The Company has implemented a key ESG performance indicator framework covering greenhouse gas emissions, resource consumption, pollutant discharge, occupational health and safety, and integrity and anti-corruption. Progress against these indicators is monitored on a regular basis. The Company integrates ESG performance metrics, including safety standards, environmental protection measures, and compliance requirements, into the evaluation frameworks for key management teams and subsidiaries, ensuring organisational alignment with and accountability for our ESG commitments. To ensure the reliability of its ESG performance indicators, the Company engaged Grant Thornton (Special General Partnership) to provide independent assurance on the Sinopec Engineering (Group) Co., Ltd. 2025 ESG Report and to issue an independent assurance opinion on 17 ESG performance indicators.

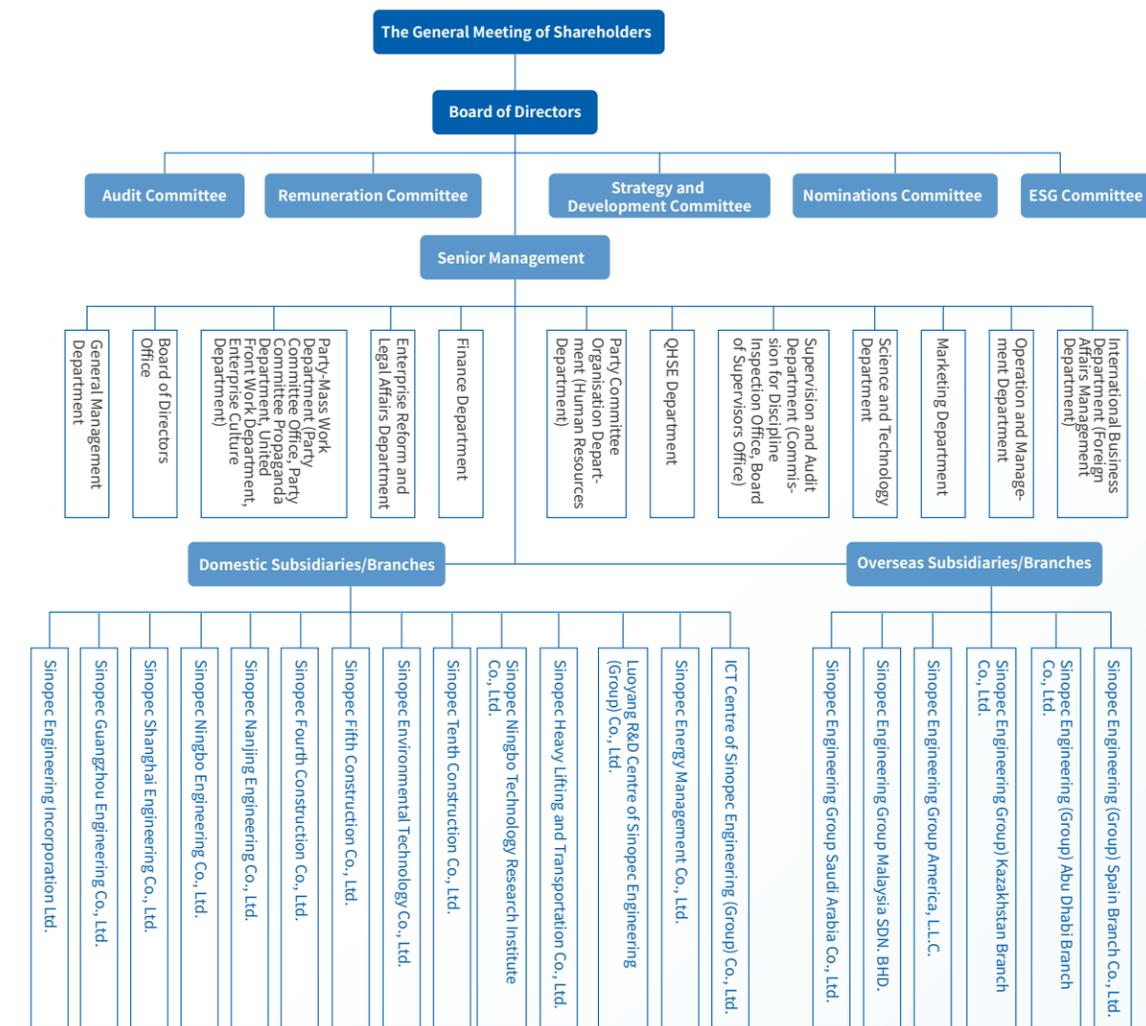
The Board of Directors of Sinopec Engineering (Group) Co., Ltd.
13 March 2026

About SEG

Company Profile

The Group is a comprehensive service provider covering the entire energy and chemical industry value chain and full project lifecycles. With over 70 years of history, it operates across multiple industrial sectors, including petroleum refining, petrochemical, aromatics, new coal chemical, inorganic chemical, pharmaceutical chemical, clean energy, storage and transportation facility, as well as environmental protection and energy conservation. The Group is committed to providing global clients with full industry chain services, including engineering R&D, technical consulting, technology licensing, engineering consulting, engineering design, project management, financing and EPC (engineering, procurement and construction) contracting. Its services also cover material procurement, equipment manufacturing, construction and installation, large-scale equipment lifting and transportation, as well as pre-commissioning and start-up services. The Group has delivered, on schedule, hundreds of modern chemical plants featuring large investment scales, complex processes, advanced technologies and high-quality standards for clients in more than 30 countries and regions. Over the years, it has built extensive and stable client relationships and earned significant industrial influence and social recognition.

Organisational Structure



Development Strategy

The Group's development vision is to "build a world-leading technology-driven engineering company". Its development strategy focuses on "Value Oriented, Innovation Drive, Cost Leadership, Digital & Smart Empowerment, Green & Clean, Global Development, and Integration Symbiosis".

Progresses and Achievements in the "14th Five-Year Plan" Period

- Total value of newly signed contracts: RMB 411.787 billion.
- Total operating revenue reached RMB 301.413 billion, with a net profit of RMB 11.034 billion and a net operating cash inflow of RMB 18.265 billion.
- Maintained a dividend payout ratio of 65% for five consecutive years, with cumulative cash dividends of RMB 7.463 billion cumulatively.
- Completed the full circulation of shares held by China National Petroleum Corporation, the largest such project among central energy enterprises.
- Completed the equity acquisition of East China Pipeline Design Research Institute.
- The MSCI ESG rating was upgraded to BB, making the Group the first company in China's engineering sector to reach this rating threshold.
- The Group's Wind ESG rating rose to AA, maintaining a leading position within the industry.
- Awarded Wind's "China Listed Company ESG Annual Best Practice Award" for two consecutive years.
- Selected for the S&P Global Sustainability Yearbook.
- Readmitted into Stock Connect, with market capitalisation returning to the HK \$30 billion level.
- Received an A+ rating for two consecutive years in Sinopec's quality assessment of listed companies.
- Received three National Science and Technology Awards. Among them, the project R&D and Industrial Application of Complete Technology for Million-Ton-Scale Ethylene Production from Complex Raw Materials received the First Prize of the National Science and Technology Progress Award (2021).
- Achieved industrial application of a series of major technological breakthroughs, including third-generation aromatic hydrocarbon technology, residual oil catalytic cracking (RTC) technology, PAO production technology, 48K large-tow carbon fibre, high-isotactic polybutene-1 technology and megaton-scale green hydrogen project engineering technology.
- Established the Key Laboratory for Refining and Petrochemical Process Reengineering and Multi-Energy Coupling Utilisation, the Key Laboratory for Hydrogen Energy Technology, the Key Laboratory for Soil and Groundwater Pollution Prevention and Green Remediation, and the Thermal Power and Water Technology Centre.
- New patent applications totalled 2,125, with 4,580 patents granted in total.
- Cumulative R&D investment reached approximately RMB 12.1 billion.
- Technology development contracts totalling over RMB 2.2 billion were signed. Technology licensing and transfer contracts totalling nearly RMB 2.1 billion were signed.
- Received 34 National Quality Engineering Awards, including 22 Gold Awards and 89 Provincial (Ministerial) Quality Engineering Awards.
- Completed the special research project "Leading the New-Type Industrialisation of the Engineering Construction Industry" and released the Guidelines for the Comprehensive Promotion of the Company's New Industrialisation Framework for the Engineering Construction Industry.
- Completed the overall scheme design for China's first 14,000-ton large, combined ring-track crane.
- Invested RMB 700 million in advanced tooling, RMB 480 million in heavy lifting and transportation equipment, and RMB 270 million in modular manufacturing.



Value Oriented



Innovation Drive



Cost Leadership



Digital & Smart Empowerment

- Delivered nearly 60 smart factory projects in total.
- Successfully built an Information Architecture 2.0 digital system featuring the "Data + Platform + Application" structure, with seven major application systems supporting the full value-chain business of refining engineering.
- Completed the standardisation of 39 business processes for the project management platform.
- Completed the Smart Construction Site Platform, covering 18 key business areas and 129 standardised unit processes.
- R&D has been completed for multiple scenarios including intelligent safety management, intelligent design generation, intelligent design review, intelligent project management and intelligent Q&A, with a total of 140 information and digitalisation software copyrights, 32 patents and 29 provincial- and ministerial-level honours obtained.
- Total investment in digitalisation and information technology development: RMB 710 million.



Green & Clean

- Total investment in and expenditure on clean technologies in 2025 amounted to RMB 1.659 billion.
- In 2025, two units were recognised as "Sinopec Green Enterprise Demonstration Units", and 104 construction sites were designated as green construction sites.
- Successfully signed the FEED + convertible EPC contract for ACWA Power's large-scale green hydrogen project in Saudi Arabia, which, upon completion, will become the world's largest green hydrogen and green ammonia plant.
- Promoted the design and construction of 847 projects involving clean energy technologies such as LNG, hydrogen energy and biomass energy.
- Carried out 107 Contract Energy Management (CEM) projects with a total investment of RMB 908 million and achieved a total carbon reduction of 1.69 million tonnes.
- Established Sinopec Environmental Technology Co., Ltd. as a dedicated platform for the environmental management business.



Global Development

- In 2025, annual overseas revenue reached USD 2.6 billion, representing a year-on-year increase of over 70%.
- Established five regional centres for major markets in the Middle East, Central Asia, Africa, Southeast Asia, and the Americas.
- Newly signed overseas contracts exceeded USD 16 billion, accounting for nearly 30%.
- The unique competitive advantage of "Global Rules + Chinese Efficiency" has gained global recognition.
- Five affiliated engineering companies achieved breakthroughs in overseas front-end business.



Integration Symbiosis

- Secured projects valued at USD 12.656 billion through consortium arrangements with strategic partners, including the Company's share of USD 5.288 billion.
- Global partner suppliers: 4,695; global approved subcontractors: 1,073, including 131 key strategic subcontractors.
- Jointly established the Sinopec Energy Conservation and Low Carbon Joint Research Centre with Sun Yat-sen University, and the Biomass Utilisation Joint Research Centre (High-Value Utilisation of Lignin) with Guangdong University of Technology.
- Developed branded public welfare initiatives such as the "Immersive Emergency Safety Popular Science Practice" programme and the "Safety + Rural Revitalisation" programme.

Note: Unless otherwise stated, the statistical data covers the period from 2021 to 2025.

01

CORPORATE GOVERNANCE

ESG Management

Corporate Governance System

Compliance and Risk Management

Supporting UN Sustainable Development Goals:

5



GENDER
EQUALITY

16



PEACE, JUSTICE
AND STRONG
INSTITUTIONS

17



PARTNERSHIPS
FOR THE GOALS



ESG Management

The Group strives to promote the deep integration of ESG factors into its corporate governance framework and continues to refine its ESG governance structure to establish a top-down sustainability management and implementation system.

- The Board of Directors serves as the highest decision-making body for ESG governance and is responsible for overall ESG planning and coordination.
- The Board of Directors has established an ESG Committee composed of five directors, with the Chairman serving as the Committee Chair. The Committee meets at least once a year to review and make decisions on significant ESG-related matters, review the Group's annual ESG report and provide recommendations to the Board on ESG issues and their implications for other corporate decisions. The Strategy and Development Committee and the Audit Committee also participate in the Group's review and decision-making concerning ESG-related matters.
- The ESG Working Group is responsible for coordinating and implementing ESG initiatives, organising ESG work across departments, subsidiaries and institutions, and driving the implementation of key ESG priorities.
- The Company and its subsidiaries are responsible for implementing comprehensive ESG practices within their respective scopes of operation.

The Group formulated and issued the Social, Environmental and Governance (ESG) Reporting Management Regulations, establishing standardised tools and procedures for collecting ESG information. In addition, the Group organised targeted ESG training, effectively enhancing ESG management and information disclosure capabilities.

During the Reporting Period, the Company revised the Working Rules of the Board's ESG Committee, further clarifying and expanding the Committee's supervisory scope over key ESG issues and strengthening the Board's overall planning and supervisory functions with respect to ESG governance.

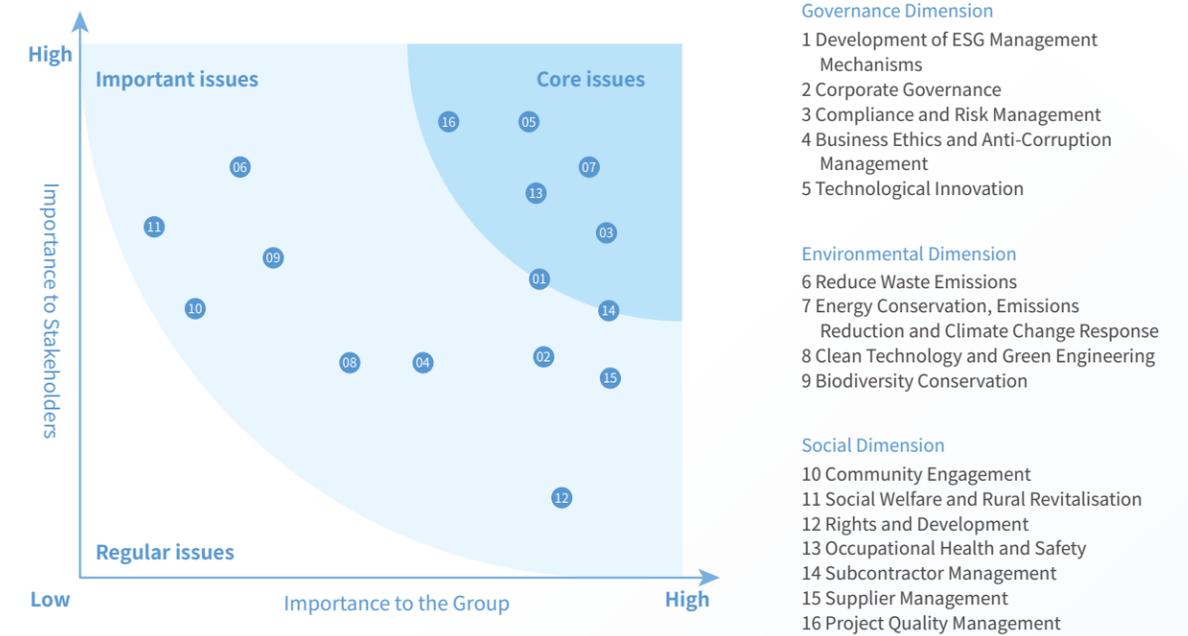
The Company was included in Wind's 2025 "Top ESG Best Practices of Chinese Listed Companies".



Identification of Key Issues

In 2025, the Group continued to carry out the assessment and identification of key ESG issues.

Identification	Through comprehensive analysis of macro policies, industry trends and peer sustainability benchmarking, the Group identified 16 material sustainability issues that are significant to both the Company and its stakeholders.
Assessment	Stakeholder surveys and expert reviews were conducted to assess the significance of these issues, resulting in a materiality assessment.
Selection	Based on the assessment results, the Group developed a prioritised materiality matrix outlining the key focus areas for ESG governance.



ESG Value Management and Stakeholder Communication

The Group proactively identifies and engages with its stakeholders and has identified five major stakeholder groups through effective communication channels, based on which it develops sustainability initiatives and solutions.

Stakeholders	Key Communication Topics	Communication Channels
Government and Regulatory Authorities 	Development of ESG Management Mechanisms Compliance and Risk Management Biodiversity Conservation Waste Reduction	Government Oversight Daily Communication and Reporting Project Approval Statistical Report Filing
Shareholders and Investors 	Corporate Governance Energy Conservation, Emissions Reduction and Climate Response Business Ethics and Anti-Corruption Management Technological Innovation	Annual Reports and Other Statutory Information Disclosure Annual Results Announcement Capital Market Communication Website, Hotlines, Visits, and Roadshows, etc.
Employees 	Employee Rights and Development Occupational Health and Safety	Trade Union Corporate Culture Activities
Value Chain Partners 	Clean Technology and Green Engineering Subcontractor Management Supplier Management Project Quality Management	Daily Business Communication Strategic Cooperation Negotiations Questionnaires News Releases Customers Communication and Satisfaction Surveys
Community 	Community Outreach Social Welfare and Rural Revitalisation	Charitable Activities Community Outreach Events Open Days



During the Reporting Period, the Group successfully hosted the Green Mine and Petrochemical Sustainable Development Forum at the China-SCO Sustainable Development Industry Cooperation Conference.

Corporate Governance System

Corporate Governance Structure

General Meeting of Shareholders

The General Meeting of Shareholders is the highest governing body of the Company. The Company ensures the equal treatment of all shareholders and safeguards their lawful rights and interests. During the Reporting Period, the Company held four meetings, including the general meeting of shareholders and class meetings of shareholders, and reviewed and adopted 15 resolutions.

Board of Directors

The Board has established five specialised committees: the Nomination Committee, the Remuneration Committee, the Strategy and Development Committee, the Audit Committee and the ESG Committee. Leveraging their respective expertise, these committees provide strategic guidance and recommendations to enhance the Board's decision-making process.

Independent Non-Executive Directors fulfil three key roles—participating in decision-making, maintaining oversight and balance, and providing professional advice—while exercising their authority with independence and objectivity. Dedicated meeting mechanisms and support platforms have been established for Independent Non-Executive Directors to safeguard the interests of all shareholders, especially minority shareholders.

Employee representative directors are elected and replaced by employees through democratic processes such as employee representative conferences, representing employees in major corporate decisions, articulating employee concerns and safeguarding their legitimate rights and interests.

Senior Management

The Company's Senior Management team consists of six members. Senior Management report to the Board of Directors to implement Board resolutions and manage business operations. Senior Management are accountable to the Board.

In compliance with laws and listing regulations, the Company has formulated 17 governance policies, including the Articles of Association. The Company also closely monitors domestic and international regulatory developments and refines and updates these policies in a timely manner.

Reventing Conflicts of Interest

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

The Articles of Association stipulate that the Directors and Senior Management must comply with regulatory requirements, avoid conflicts between their personal interests and those of the Company, and must not use their authority for improper gain.

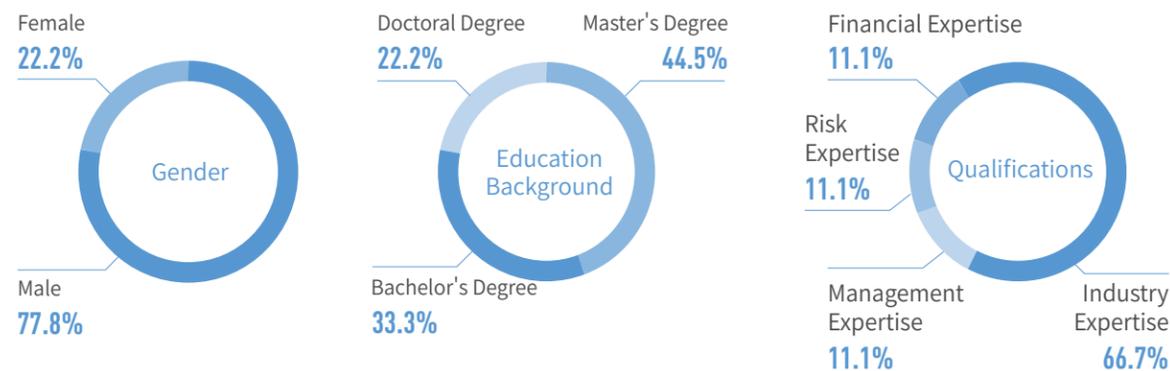
Board Development

Effectiveness of the Board of Directors

<p>Board Meeting Attendance</p> 	<p>All Directors diligently discharge their duties, exercise their authority in compliance with laws and the Articles of Association, and implement shareholders' resolutions.</p> <p>During the Reporting Period, the Board held nine meetings, reviewed and approved 34 resolutions. For details of the Board attendance rate, please refer to Section "Attendance of the Board Meetings and General Meetings, Report of the Board" of the 2025 Annual Report.</p>
<p>Other Positions Held by Independent Non-Executive Director</p> 	<p>To ensure that Independent Non-Executive Director can effectively fulfil their duties, the Articles of Association states that Independent Non-Executive Director must comply with the HKEX Listing Rules and other relevant regulations.</p>
<p>Board Elections</p> 	<p>Members of the Board are elected by the General Meeting of Shareholders, with each term of office lasting three years and re-election permitted upon expiry.</p> <p>Candidates for Independent Non-Executive Director may be nominated by the Board of Directors or by shareholders holding more than 1% of the Company's voting shares, individually or jointly. Other director candidates (excluding Independent Non-Executive Director) may be nominated by the Board of Directors, or by shareholders holding more than 3% of the Company's voting shares, individually or jointly. The list of director candidates is then submitted to the General Meeting of Shareholders for approval.</p> <p>Ms. Zhang Xuyan was appointed as an Independent Non-Executive Director of the Fifth Session of the Board of Directors of the Company on 9 May 2025.</p>

Diversity of the Board of Directors

The Company has established the Board Diversity Policy, which stipulates that nominations and appointments of Board members shall be based on the skills and experience required for effective Board operation, while taking into account diversity objectives and requirements. The Company's Board diversity considerations include, but are not limited to, professional experience, skills, knowledge, length of service, regional background, cultural background, educational background, gender and age. The current members of the Board come from diverse backgrounds with extensive professional experience across fields including petrochemicals, engineering construction, process safety, project management, green and low-carbon development, finance and ESG, enabling informed decision-making by the Board. The Company actively promotes gender diversity. During the Reporting Period, one female director was added. As of the date of this report, female directors account for 22.2% of the Board.



Independence of the Board

The Board of Directors consists of six Non-Executive Directors, accounting for 67% of the Board, including three Independent Non-Executive Directors. Non-Executive Directors and Independent Non-Executive Directors do not hold any other positions within the Company apart from their directorships. The Board's Remuneration Committee and the Audit Committee are served by two Independent Non-Executive Directors respectively.

The Company has established the position of Lead Independent Non-Executive Director, which is concurrently held by the Chairman of the Board Audit Committee. The Lead Independent Non-Executive Director is responsible for convening and presiding over meetings of Independent Non-Executive Directors and facilitating communication in three aspects: among Independent Non-Executive Directors, between Independent Non-Executive Directors and other Directors, and between the Company and its shareholders, and acts as a communication channel, enabling shareholders (especially minority shareholders) to understand the actions taken by Independent Non-Executive Directors in fulfilling their duties, and also serves as an intermediary between Directors and shareholders (particularly when general communication channels are insufficient).

<p>Framework for Independent Non-Executive Directors</p> 	<p>The Company's Rules for Independent Director stipulate that Independent Non-Executive Directors shall comprise at least one-third of the Board, and set out provisions regarding their qualifications, nomination, election and removal, duties and rights, and support measures for the performance of their duties.</p>
<p>Election Procedures and Qualifications for Independent Non-Executive Directors</p> 	<p>The nominator of a candidate for Independent Non-Executive Director ("Candidate") shall seek the consent of the nominee, find out the occupation, academic qualification, professional title and working experience including part-time jobs of the nominee, and provide written proofs of the same to the Company before making the nomination; the Candidate shall give a written undertaking to the Company agreeing to be nominated, undertaking the truthfulness, accuracy and completeness of his/her particulars disclosed and guaranteeing the performance of a director's duties after being elected; the nomination committee of the board of directors shall review the qualifications of the position of nominees and formulate clear review opinions for submission to the board of directors for consideration.</p> <p>The Candidate shall make a public declaration regarding his/her compliance with independence requirements and other criteria for serving as independent non-executive directors.</p> <p>Independent Non-Executive Directors are required to conduct an annual self-assessment of their independence status and provide written confirmation to the Company.</p>
<p>Performance of Independent Non-Executive Directors</p> 	<p>Independent Non-Executive Directors fulfil their roles in decision-making, maintaining oversight and balance, and providing professional advice by diligently performing their duties and participating in major corporate decisions.</p> <p>During the Reporting Period, Independent Non-Executive Directors issued opinions on key corporate matters including board nominations, executive appointments, related-party transactions, dividend distributions, auditor reappointments and share repurchases, exercising their oversight role to protect the interests of the Company and its shareholders.</p> <p>Independent Non-Executive Directors demonstrated their commitment by conducting thorough research and staying well-informed about the Company's operations.</p>

Board Committees

Names of Committees	Key Responsibilities	Composition and Activities
Strategy and Development Committee	<ul style="list-style-type: none"> Responsible for developing the Company's long-term strategic plans and overseeing major capital investment and financing decisions. 	<ul style="list-style-type: none"> The Committee consists of two Executive Directors, three Non-Executive Directors, and one Independent Non-Executive Director. During the Reporting Period, the Committee held one meeting.
Audit Committee	<ul style="list-style-type: none"> Responsible for making recommendations regarding the appointment, reappointment or removal of the Company's external auditors and their remuneration; reviewing the financial statements to be submitted to the Board of Directors; and examining the Company's financial policies, internal audit procedures, internal control systems and risk management frameworks. During the Reporting Period, the Company dissolved the Board of Supervisors, with the relevant functions taken over by the Audit Committee. 	<ul style="list-style-type: none"> The Committee consists of three Independent Non-Executive Directors, including one member with accounting or auditing expertise. During the Reporting Period, the Committee held two meetings.
Nominations Committee	<ul style="list-style-type: none"> The Nomination Committee makes recommendations to the Board regarding director appointments, reappointments and succession planning. It identifies qualified candidates for directorship and nominates or advises the Board of Directors on the selection of such individuals. 	<ul style="list-style-type: none"> The Committee consists of two Executive Directors and three Independent Non-Executive Directors. During the Reporting Period, the Committee held one meeting.
Remuneration Committee	<ul style="list-style-type: none"> The Remuneration Committee studies and makes recommendations to the Board regarding the remuneration structure and policies for all Directors and Senior Management. Upon authorisation by the Board, it either determines or makes recommendations regarding the remuneration packages of individual Executive Directors and members of senior management. 	<ul style="list-style-type: none"> The Committee consists of three Independent Non-Executive Directors. During the Reporting Period, the Committee held one meeting.
ESG Committee	<ul style="list-style-type: none"> The ESG Committee advises the Board of Directors on major decisions relating to the Company's ESG strategy and development. The ESG Committee oversees the implementation and progress of the Company's ESG development strategies and plans, supervises the Company's commitments and performance on key issues such as climate change, health and safety, labour rights, and clean and green development, and advises the Board of Directors accordingly. The Committee reviews the Company's annual ESG report and provides recommendations to the Board of Directors. 	<ul style="list-style-type: none"> The Committee consists of three Executive Directors and two Independent Non-Executive Directors. During the Reporting Period, the Committee held one meeting.

Management of Remuneration for Directors and Senior Management

The Company has formulated the SEG Senior Management Remuneration Management Measures and the SEG Executives' Performance Evaluation Management Measures. Quantitative indicators include economic performance, operational management, risk control and compliance, key task indicators, as well as ESG-related mandatory indicators such as safety, environmental protection, quality and integrity. Performance-based compensation is awarded based on evaluation results.

The Remuneration Committee makes recommendations to the Board regarding remuneration plans and evaluation matters for Directors and other members of senior management. In determining remuneration, the Remuneration Committee considers factors including the Company's objectives, industry remuneration benchmarks, as well as the responsibilities and performance of Directors and Senior Management. Senior Management remuneration consists of a base salary, performance bonuses, and long-term incentives, with the annual performance bonus accounting for no less than 60% of total annual remuneration.

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

Information Disclosure and Investor Relations

The Company strictly complies with disclosure obligations in its listing jurisdictions, refines both the content and format of its disclosures, while continuously enhancing disclosure effectiveness.

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

The Company's investor relations team won the "Best IR Team for Hong Kong Listed Companies" award from New Fortune.



Compliance and Risk Management

Compliance Management

Compliance Management

As of the end of the Reporting Period, the Company, SEI, GPEC and the Saudi Company had obtained ISO 37301 Compliance Management System certification, and had completed annual audits covering compliance management, business ethics and other related management areas.

Compliance System	Formulated the Compliance Guidelines Manual for Engineering Projects in Saudi Arabia and the Compliance Guidelines Manual for Engineering Projects in Kazakhstan, and organised the improvement and certification of the Saudi Company's compliance system.
Compliance Training	Carried out six legal training sessions focusing on the Work Safety Law of the People's Republic of China, Regulations on Ensuring Payment to Small and Medium-sized Enterprises, and other laws and regulations, as well as 16 compliance awareness activities.
Compliance Assessment	During the Reporting Period, the Group organised and completed compliance self-assessments, internal compliance audits, and third-party reviews and renewals of its Compliance Management System certification. No major compliance incidents occurred.

During the Reporting Period, the Saudi Company obtained ISO 37301 certification for its Compliance Management System.



Anti-Corruption Management

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

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

The Group has formulated institutional documents including the SEG List of Responsibilities for Strengthening Supervision of the "First-in-command" and Leadership Team, the SEG Implementation Rules for Strengthening Daily Supervision Conversations (Trial), the SEG List of Items for Exempting Leadership Personnel from Fault Liability, and the SEG Registration and Management Measures for Submission of Gifts and Cash Received in Domestic Exchanges, continuously refining its anti-corruption management system and creating a clean and incorruptible business environment.

During the Reporting Period, the Company formulated and issued the Anti-Corruption Management Policy and the Supplier Anti-Corruption Management Policy.

The Group routinely conducts training and education programmes on anti-corruption, embedding integrity reminders and requirements into various training programmes and major event arrangements. The Anti-Corruption Education Month event focuses on targeted education through themed integrity conversations and on-site warning education. The Group also innovatively launched the Family Integrity Day event, as well as other awareness activities such as immersion warning education visits to the anti-corruption base, and displaying integrity culture walls or corners in offices, ensuring that everyone develops a strong awareness of anti-corruption in their minds.

The Group conducts targeted governance initiatives focusing on key areas such as material procurement, subcontractor management and contract asset management, integrating integrity requirements into business processes. The Group conducts internal control and risk management audits of its subsidiaries, urging them to continuously standardise and improve their rules, regulations and business processes. Management improvement initiatives and targeted audits are conducted for key projects to ensure their smooth progress. Supervision initiatives targeting cross-border corruption are implemented to support the development of a comprehensive overseas risk management system.

The Group strictly implements the SEG Management Regulations for Intermediary Fees of Overseas Projects, ensuring rigorous governance of overseas project commissions and intermediary fees. In recent years, unless mandated by local regulations, the Group has rarely incurred commission fees.

The Group strictly implements the Material Procurement and Supply Resource Management Measures, fully realising centralised and digitalised management of the entire process of supplier entry, annual review and exit, preventing supply chain corruption risks from the source. For details, please refer to the section "Social Responsibility - Responsible Supply Chain - Supplier Management" of this Report.

Reporting Channels and Whistle-blower Protection

The Group strictly implements the relevant regulations of disciplinary inspection and supervision authorities on handling reports and complaints, clearly specifying the procedures for handling petitions, reports, and breaches of laws, regulations or disciplinary requirements. We support employees, customers, suppliers, and other external stakeholders in reporting illegitimate or inappropriate activities to us. We have established multiple reporting channels for integrity concerns, including a whistleblowing hotline (010-56730699), reporting mailboxes (located on the west staircase on the 7th floor of the headquarters building), and email addresses, to receive reports of violations and misconduct, and formulated relevant procedures to ensure prompt and proper handling of the reports.

The Group rigorously protects the confidentiality of reports and complaints in accordance with established protocols and regulations. Content of the reported case or personal information of the whistleblower is kept strictly confidential and strictly forbidden to be disclosed to the organisation or individuals who are the subject of the report or complaint. The Group's Integrity and Compliance Management Manual clearly states that retaliatory actions will not be tolerated. If there is intentional disclosure of a reporter's information, or retaliation against individuals who report suspected illegal or irregular conduct or behaviour that may cause company business risks, severe punishment will be imposed. The Group's Integrity and Compliance Management Manual explicitly states that the Group has zero tolerance for retaliation. Severe penalties will be imposed on those who deliberately disclose whistleblower information or retaliate against individuals who report suspected violations or potential business risks.

Business Ethics

The Company has established a business ethics and anti-corruption management framework consisting of the Board of Directors and the Supervision and Audit Department. The Board of Directors is responsible for leading and advancing relevant management initiatives at the corporate level. The Supervision and Audit Department, according to its functions, specifically organises or coordinates relevant implementation efforts, and regularly reports the overall business ethics and anti-corruption performance to the Board. Each subsidiary has its respective supervisory body with dedicated staff or staff with shared responsibilities, which implements relevant business ethics and anti-corruption initiatives.

The Group regularly conducts business ethics-related training, covering employee's professional ethics, anti-corruption, conflicts of interest, insider information protocols and other topics. Each year, all employees are organised to sign the Employee Commitment Letter and participate in awareness campaigns focusing on the content of the Integrity and Compliance Management Manual. A supervision mechanism has also been established to strictly deal with behaviours violating business ethics.

The Group has formulated a comprehensive governance policy system, including our Integrity and Compliance Management Manual, Code of Business Ethics, and Employee Code of Conduct, to regulate corporate and employee conduct as well as business activities. These policies set forth specific requirements regarding safety, environmental protection, employee health and public safety, anti-bribery and anti-corruption measures, information confidentiality, anti-money laundering and insider trading controls, customer rights protection, equity and anti-discrimination practices, conflict of interest management, fair competition practices, and reports handling procedures. An internal review mechanism has been established by the Group to periodically update our business ethics standards, ensuring ongoing regulatory compliance.

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

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

The Group firmly opposes money laundering and terrorist financing, strictly complying with state laws and regulations, local laws and regulations in our operating jurisdictions, as well as relevant international conventions, requiring thorough due diligence and identity verification of counter parties and business partners, and strictly prohibiting any assistance or facilitation of money laundering or terrorist activities.

Regarding other matters related to business ethics management, please refer to other relevant sections of this Report.

During the Reporting Period, the Company did not experience any major violations or fines in relation to corruption or bribery, unfair competition, conflicts of interest, money laundering, or insider trading.

Tax Management

The Group places great importance on tax compliance and engages professional tax consultants to provide compliance and tax advisory services, so as to ensure strict adherence to tax laws and regulations of all jurisdictions where we operate. The Group discloses its tax compliance status annually through its Annual Report to remain informed of its tax affairs.

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

Cyber and Information Security Management

The Group strictly complies with laws, regulations, and administrative provisions regarding cyber and information security. The Group's Cybersecurity and Informatisation Committee, composed of its Senior Management and leadership members from subsidiaries and relevant departments, bears ultimate management responsibility for overseeing cybersecurity-related initiatives.

The Group has formulated and implemented the Cybersecurity Management Regulations of SEG as well as other related information and cybersecurity management systems, continuously formulating relevant technical documents, enhancing the dynamic cybersecurity defence mechanism, strengthening proactive defence and advanced threat protection capabilities, and promoting hierarchical and categorised management of data security.

The Group regularly carries out information and data security trainings, covering information confidentiality, as well as cybersecurity protection and emergency response. The Group has established a reporting mechanism for information security and cybersecurity issues, requiring its employees to safeguard data and information security.

As of the end of the Reporting Period, both SNEC and SNEI had obtained the ISO 27001 Information Security Management System certification. Six subsidiaries have completed the integration of informatisation and industrialisation management system implementation, among which SEI, GPEC, SSEC, SNEI, and STCC received the "AAA" rating for the integration of informatisation and industrialisation management system.

During the Reporting Period, the Group experienced no major information or cybersecurity incidents, nor were customers and employees affected by related cybersecurity incidents.

Risk Management

The Group has established a comprehensive risk management system, strengthening the Company's role as the "Risk Prevention and Control Centre". The Group has established a universal risk classification index, assessing and prioritising risks annually, formulating quantitative and qualitative indicators, setting risk thresholds, regularly monitoring changes in indicators, and formulating relevant response measures. For details of the risk identification results of the Group, please refer to the section "Report of the Board - Risk Factors" in the 2025 Annual Report.

The Group has formulated a series of management policies including the SEG Comprehensive Risk Management Regulations, SEG Major Operational Risk Control Manual, and SEG Overseas Operations Standardisation Framework, establishing robust risk control procedures for both its domestic operations and its international expansion.

Business departments conducting domestic and overseas market development and operation management are the primary entities responsible for risk prevention. Functional departments such as Enterprise Reform and Legal Affairs assist the first line of defence in preventing risks from legal, risk, and compliance perspectives. The Supervision and Audit Department independently audits and evaluates the Company's risks and internal control systems. The Risk Management Committee and subsidiary-level risk management leadership teams maintain ultimate oversight of internal controls over each organization respectively.

The Group's major operational risk monitoring and early warning indicator matrix consists of multiple ESG-related indicators. During the Reporting Period, the structure of the indicator matrix was further refined with the categorisation by both corporate level and project hierarchy.

02

TECHNOLOGICAL INNOVATION

Technological Innovation Management Mechanism
Leading the Development of Energy and Chemical Industry
Leading the Engineering Construction Industry Toward New Industrialization

Supporting UN Sustainable Development Goals:



Technological Innovation Management Mechanism

Intellectual Property Protection

The Group strictly complies with the requirements of relevant laws, regulations and regulatory documents, including the "Patent Law of the People's Republic of China". The Group has established a series of management policies, including the SEG Intellectual Property Protection Management Regulations, SEG Patent Management Measures, and SEG Proprietary Technology Management Measures. Regular activities are carried out, including risk monitoring, alignment and updating of management systems, adjustments of patent ownership, and training on intellectual property management.

During the Reporting Period, the Group revised the Guiding Opinions on Promoting the High-Quality Development of the Company's Intellectual Property Work, conducted internal awareness activities, and further improved the intellectual property management system. During the Reporting Period, the Group was not involved in any intellectual property infringement litigation.

During the Reporting Period, the Group filed 762 new patent applications, including 583 invention patents. A total of 307 patents were granted, including 174 invention patents. As of the end of the Reporting Period, the Group held a total of 4,580 patents, including 2,440 invention patents.



As of the end of the Reporting Period, SEI had obtained certification for the Intellectual Property Compliance Management System.

Innovation Management Mechanism

The Group has formulated and implemented management policies such as the Special Action Plan for High-Quality Development and Technological Innovation and the SEG Technical Cooperation Management Measures to continuously enhance its technological development capabilities and market competitiveness. During the Reporting Period, the Group released the Technological Industrial Chain of SEG (Third Edition).

The Group continues to improve the innovation talent incentive system and actively promotes the Innovation Workshop Programme.

The Group has further strengthened external technical exchanges and promoted collaborative innovation among industry, universities, research institutes and application sectors. The Group has carried out technical exchanges and joint research projects with nearly 20 universities and research institutes, including Peking University, Xi'an Jiaotong University, East China University of Science and Technology, and the Institute of Process Engineering of the Chinese Academy of Sciences. These collaborations focus on key areas such as new energy, new materials, energy conservation and environmental protection, with 13 new joint research projects initiated during the Reporting Period.

As of the end of the Reporting Period, the Group had 14 High-Tech Enterprises.



Case

SEG Successfully Hosted the Sub-Forum on "Process Industry Innovation and Process Systems Engineering Reconstruction" at the 12th World Congress of Chemical Engineering

The forum focused on key themes such as intelligent manufacturing, digital empowerment, and green and low-carbon development. Nearly 200 experts, scholars, corporate representatives and industry leaders from the global chemical sector attended the forum, jointly exploring new pathways for technological innovation and high-quality development in the industry.

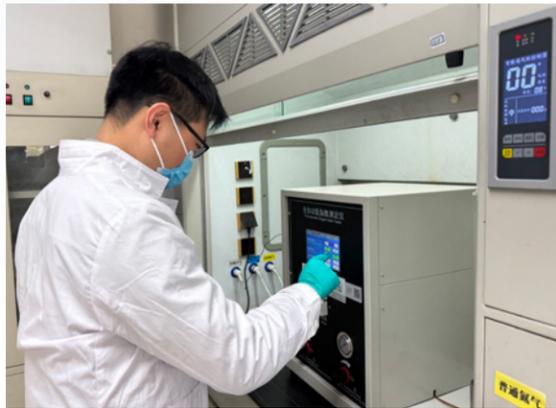
The World Congress of Chemical Engineering is an "Olympic-level" event in the global chemical industry, renowned for its long history and academic leadership, and is held once every four years. This session marked the first time in 50 years that the World Congress of Chemical Engineering and the Asia-Pacific Chemical Alliance Conference were jointly held in China.



SEI established a New Energy Research Centre (Sinopec Key Laboratory for Refining and Chemical Engineering Process Reengineering and Multi-Energy Coupling). The centre focuses on areas such as refining and chemical process reengineering, multi-energy coupling utilisation, resource recycling, and new materials engineering technologies. It places particular emphasis on advancing research on key technologies across the new energy value chain, including the low-cost storage and transportation of hydrogen energy, as well as the integrated application of new energy with petrochemical and coal chemical industries.



During the Reporting Period, SEI advanced the development of the National Key Laboratory for Deep Geothermal Enrichment Mechanisms and Efficient Development (Thermal Energy Utilisation Engineering Centre). The laboratory focuses on the efficient and comprehensive utilisation of deep geothermal energy, with particular emphasis on research into key technologies such as steam compression, heat pumps, and geothermal power generation.



The Group has continued to collaborate with Guangdong University of Technology on research into the high-value utilisation of lignin. Kilogram-scale scale-up experiments and product performance evaluations have been carried out, supporting the green and high-value utilisation of biomass resources.



The Group held a thematic exchange titled "Global Perspective in the Chemical Industry" with the Department of Chemical Engineering at Tsinghua University.

Leading the Development of Energy and Chemical Industry

The Group adheres to a technology-driven strategy and leverages the advantages of integrated and collaborative innovation in technological R&D, engineering transformation and engineering design, continuously leading the development of the industry.

Case

ExxonMobil Huizhou Ethylene Project: Showcasing "Global Rules + Chinese Efficiency"

During the Reporting Period, the ExxonMobil Huizhou Ethylene Project, constructed by SEI BEPC under a full plant EPC contract, was officially put into operation. The project is the first large-scale petrochemical project wholly invested by a foreign enterprise in China, and is also the world's largest integrated chemical complex in terms of production capacity.

The project achieved an outstanding safety performance record, receiving the client's Global President Safety Award three times. By showcasing "Global Rules + Chinese Efficiency", the project has successfully set a benchmark project jointly recognised by both Sinopec and ExxonMobil.



Case

Huajin Project: Building a "Super Project" for a World-Class Petrochemical Base

All 32 major production units of the Huajin Aramco Fine Chemicals and Raw Materials Project in which the Group participated have achieved mechanical completion. In this project, the Group undertook the construction of 20 main processes units as a major contractor, among which the 1.65 million tonnes per year ethylene unit is currently the largest ethylene unit in China.



Case

Undertaking the World's Largest Green Hydrogen/Green Ammonia Project

During the Reporting Period, GPEC signed a FEED + convertible EPC contract with Saudi ACWA Power for the Yanbu Green Hydrogen/ Green Ammonia Project in Saudi Arabia.

The project, located in Yanbu, Saudi Arabia, will produce green hydrogen using wind and solar power. It is expected to commence commercial operation in 2030. The project is designed to produce 400,000 tonnes of green hydrogen and 2.8 million tonnes of green ammonia annually, making it the largest green hydrogen/green ammonia project currently being planned worldwide.



Case

The 1.2 million tonnes per year ethylene unit of PetroChina Jilin Petrochemical, contracted by SEI, was successfully put into operation. This project marked the first implementation of ethylene technology transfer and EPC general contracting for an ethylene unit within PetroChina.



Case

The Inner Mongolia Baofeng Coal-Based Olefins Project (Phase I), the world's largest single-factory coal-to-olefins project designed by GPEC, has commenced full production. The project's single 1.35 million tonnes per year DMT0-III unit has set a new global record for the scale of a single methanol-to-olefins unit.



The Group has carried out targeted research projects focusing on key industry needs, ensuring the efficient advancement of major initiatives. During the Reporting Period, nine projects, including the 50,000 tonnes per year polyolefin elastomer (POE) industrial demonstration project, were completed and put into operation. In addition, six key projects, including the 500,000 tonnes per year multiphase polypropylene project, successfully achieved their research objectives.

Case

Maoming Vinyl Elastomer Key Technology Development and Demonstration Project Produced Qualified Products

The 50,000 tonnes per year polyolefin elastomer (POE) industrial demonstration unit, developed and constructed with participation of SEI, was successfully commissioned and put into operation, achieving the localization of key technologies in the high-end elastomer materials sector. As a high value-added chemical product, vinyl elastomers are expected to promote the transformation of traditional refining and petrochemical industries toward high-end new materials.

China's First 500,000 Tonnes per Year In-Reactor Alloy Technology Polypropylene Unit Commissioned in Zhenhai Base

This technology was developed with participation of SEI. In-reactor alloy polypropylene features excellent impact resistance and balanced rigidity and toughness, and can be widely applied in automotive, home appliances, packaging, and other sectors.

Deoiled Asphalt Gasification Optimization Technology Commissioned at Zhenhai Base

The unit was designed and constructed by SNEC. The project effectively addresses challenges related to the efficient utilization of carbon-containing resources, such as refinery deoiled asphalt and hydrocracking unconverted oil, as well as the treatment of high-COD wastewater and waste liquids. It provides strong support for the development of green enterprises and zero-waste factories.

Hainan Refining & Chemical 60,000 Tonnes per Year PBST Biodegradable Material Demonstration Project Achieved Full-Process Operation

This technology was jointly developed with the participation of SSEC. Following commissioning, the project has effectively strengthened the biodegradable plastics industry chain and market supply in Hainan. PBST products have been successfully tested as agricultural mulch films in cotton fields in Xinjiang, providing a feasible solution to the problem of residual plastic film pollution

Succinic Anhydride Production Unit via Maleic Anhydride Hydrogenation Achieved Stable Operation in Qingdao

The technology was developed by SSEC. The project has effectively enhanced the domestic supply capacity of key chemical raw materials. Succinic acid (anhydride) is an important organic chemical raw material and intermediate widely used in biodegradable plastics (such as PBS), pharmaceuticals, food additives, and fine chemicals.

Ten-Tonne-Scale Pilot Unit for Polyetherketoneketone (PEKK) Process Technology Successfully Commissioned

During the Reporting Period, the Group received a total of 37 provincial- and ministerial-level or above science and technology innovation awards, including one National Second Prize for Scientific and Technological Progress. As of the end of the Reporting Period, a cumulative total of 413 innovation achievements have received national- and provincial-/ministerial-level science and technology progress awards.

Case

Two technological innovation achievements led by SNEC — "Green and Low-Carbon Collaborative Manufacturing and Innovative Gasification Platform" and "Development and Industrial Demonstration of Typical Coal Chemical Wastewater Treatment Technology" — were recognised as "Outstanding Petroleum & Petrochemical Technologies" and "China's Outstanding Technologies" for 2025.



Leading the Engineering Construction Industry Toward New Industrialization

The Group systematically promotes innovation in engineering construction models and actively advances the application of advanced technologies and equipment. By continuously improving traditional engineering construction approaches, the Group is transforming from conventional methods to a new model featuring "standardised lean design + factory-based intelligent manufacturing + modularised installation". Through this transformation, the Group is forging a new path of industrialization tailored to the engineering construction industry.

During the Reporting Period, the Group completed a special research project titled the Leading the Engineering Construction Industry Toward New Industrialization and issued the Guidelines for the Comprehensive Promotion of the Company's New Industrialization Framework for the Engineering Construction Industry, actively promoting the practical application of research outcomes in engineering construction projects.

Strengthening Integrated Collaboration Across the Entire Industry Chain

The Group continues to deepen integrated collaborative design, integrated supply chain management, integrated design-for-constructability research, and integrated project interface management. At the same time, the Group strengthens process standardization across the entire business chain, interconnectivity of data chains, and AI applications across tool chains, continuously optimizing the integrated collaboration mechanism for engineering construction to provide customers with enhanced full lifecycle integrated value-added services.

Design	<ul style="list-style-type: none"> At the design stage, the Group is developing knowledge graphs to enhance efficiency, exploring generative design transformation, and carrying out intelligent research initiatives in 13 key areas, including ethylene units and HAZOP safety analysis. Professional models have been developed for scenarios such as intelligent review, process safety analysis, and structural design, achieving tangible results in plant-wide process optimization and intelligent drawing and 3D model verification.
Management	<ul style="list-style-type: none"> At the management level, digital technologies are leveraged to empower supply chain collaboration, establishing an intelligent supply chain management system covering the full lifecycle of projects. Integrated platforms for operations management, project management, and construction management have been established to strengthen the "data + platform + application" model and promote the development of standardised smart construction sites.
Application	<ul style="list-style-type: none"> At the application level, the Group is advancing the development of domestically developed industrial software, including piping systems, physical property databases, and process simulation tools, while deepening the application of 3D design software for civil engineering and equipment engineering.

Case

GPEC developed an integrated computational modelling software for photovoltaic power-based green hydrogen production, which received the Third Prize for Engineering Survey and Design Software at the 2025 National Excellent Engineering Survey and Design Awards.



SNEI's project the Integrated Intelligent Welding Material Warehouse Empowering Digital Welding Management was awarded the Second Prize at the 2025 Construction Project Management Achievement Competition organised by the China Construction Enterprise Management Association.



Further Enhancing Digital and Intelligent Empowerment Capabilities

The Group vigorously promotes technological R&D and intelligent assembly, focusing on specialised R&D and application in areas such as modular intelligent manufacturing, factory-based prefabrication production lines, digital simulation of lifting and transportation, and intelligent equipment. By transforming production organization through machine-assisted manufacturing, the Group accelerates the development of intelligent equipment and smart manufacturing workshops while deepening the application of AI in solution optimization and construction scheduling.

During the Reporting Period, the application rate of automatic welding for process pipelines increased to 26%, with 2.93 million inch-diameter process pipeline welds completed. A total of 86 items of high-efficiency construction equipment have been compiled, and the Guidelines for Intelligent Equipment Applications, covering scenarios such as welding, commissioning, inspection, supply chains, and green manufacturing, were officially released.

Modular Intelligent Manufacturing and Factory-Based Construction

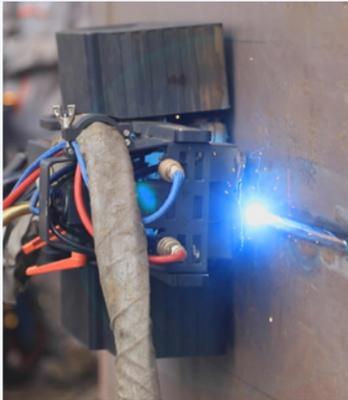
- The Qingdao intelligent production line of pipe prefabrication of STCC completed assembly and testing.
- FCC successfully conducted the precision transportation of 1,194-ton modules for the Huajin Project, with three large modules transported in an average time of only 2.5 hours.
- STCC completed the largest depth modular integral lifting of a grid roof structure in the industry, significantly reducing operational safety risks.
- A new spherical storage tank construction technology based on all-position automatic welding, independently developed by SNEI, has been applied on a large scale in the Maoming Ethylene Project.
- SLT has developed several proprietary technologies for large equipment lifting and transportation, including: 400-ton modular jacking systems, 1,100-ton tailing bracket systems, 5,000-ton hydraulic lifting systems, 2,000-ton multi-water-level mobile heavy-load wharf systems, and the "H-shaped" integrated lifting technology for loop reactors.
- SLT pioneered the development of a 14,000-ton rail-mounted crane, which has now entered the implementation stage.



SLT completed the installation of the world's largest 26MW offshore test wind turbine.

Intelligent Equipment

- Technologies such as trackless crawling welding robots and nine-axis pipeline welding robots have been promoted across multiple projects, completing 7,068 inches of pipeline welding and 360 tonnes of pipe support welding, with a first-pass welding qualification rate of 99.8%.
- Pilot applications included full-process robotic anti-corrosion operations inside tanks, intelligent inspection robot dogs, and safety monitoring systems. The Group has also promoted new-energy construction machinery, including electric forklifts and aerial work platforms.
- The automatic vertical seam welding technology for LNG storage tanks, developed by FCC, has been applied across multiple projects. The first-pass radiographic inspection qualification rate exceeded 99%, earning the Third Prize of the Sinopec Technology Progress Award in 2025.

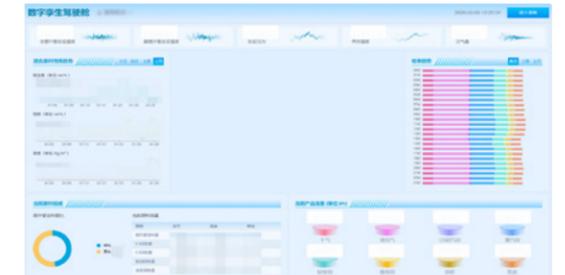


Advancing Intelligent Production and Operation & Maintenance of Facilities

The Group continues to expand the breadth and depth of digital plant delivery, steadily advancing full-volume, full-factor high-quality digital delivery. A digital twin-based intelligent operation and maintenance platform has been developed as a "system brain", integrating dynamic operational data and mechanism models to enable remote diagnostics, predictive maintenance, and process optimization. The Group is accelerating the development of the Process Remote Technical Support Centre and the Process Remote Intelligent Support Service Platform, forming replicable application models. At the same time, research initiatives related to digital twins and remote intelligent operation and maintenance (O&M) are being carried out to establish an intelligent O&M platform framework, continuously enhancing full-lifecycle intelligent O&M services for facilities and delivering high value-added operational support for customers.

Case

SEI jointly developed a "design-delivery-operation integrated" digital twin intelligent O&M platform, which has been successfully applied to the 3-million-ton-per-year deep catalytic cracking unit at Zhenhai Refining & Chemical, becoming Sinopec's first "three-in-one" digital platform, exploring a new track in intelligent production operation and maintenance services.



GPEC jointly developed the itwins 2.0 delivery platform, enabling digital delivery for:

the 5.6-million-ton-per-year fixed-bed residue hydro-processing unit, the 600,000-ton-per-year propane dehydrogenation unit at the Zhenhai Refining & Chemical high-end new materials project.



The 5.6-million-ton-per-year fixed-bed residue hydro-processing unit



The 600,000-ton-per-year propane dehydrogenation unit

SEI participated in the China International Software Expo, where the SEI Zhiyue Fundamental Physical Property Data Platform and the SEI Zhiyue 3D Plant Design Software received the Silver Award and Outstanding Award respectively among exhibited products.



03

CLIMATE ACTION

Climate Change Governance

Energy Conservation and Consumption Reduction Management

Clean Technology Opportunities

Supporting the Development of Clean Energy

Supporting UN Sustainable Development Goals:

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



Climate Change Governance

Governance Structure

The Group has established a three-tier governance structure for climate change management, consisting of the Board of Directors, management, and implementation level, with clearly defined responsibilities at each level. During the Reporting Period, members of the Board participated in one climate risk training session.

Board Level

The Board ESG Committee is responsible for reviewing and determining climate-related matters, reviewing the results of annual climate risk and opportunity assessments, and making recommendations to the Board. It also supervises the implementation of the Group's climate risk and opportunity management and response plans. In coordination with other Board committees, climate-related factors are incorporated into the Board's considerations in strategy, investment, and other major decision-making processes.

Management Level

The Climate Change Response Committee is responsible for addressing major matters related to the Group's climate change response, development planning, relevant regulations and policies, and the completion of annual climate targets. An office is established under the committee to review and formulate climate-related management systems and to carry out work such as climate risk and opportunity identification.

Implementation Level

The QHSE Department is responsible for overall planning, coordination, and supervision. Project departments are responsible for implementing climate risk management and response measures in specific projects and ensuring the implementation of climate risk control requirements.

Climate-related indicators have been incorporated into the Group's 15th Five-Year Plan, as well as the annual performance evaluation of the management team and member enterprises and are linked to annual performance bonuses.

Strategy

The Group attaches great importance to the strategic planning of climate change response as well as energy conservation and emission reduction. It has implemented a "Green & Clean" strategy to promote the innovation and industrialization of clean and decarbonization technologies in the engineering construction and energy and chemical industries. Through technological and engineering innovation, the Group supports the green development of its clients while also building itself into a green enterprise and developing green construction sites. The Group has formulated adaptation plans and mitigation measures in response to climate-related risks and opportunities, and has established a preliminary climate-related transition plan.

Risk/ Opportunity Type	Description of Risk and Opportunity	Impact Horizon ^{Note 1}	Affected Area	Regions Affected ^{Note 2}	Potential Financial Impact	Response Measures
Physical Risks						
Acute Risk	Strong Winds: Strong winds may lead to the suspension of high-altitude operations, damage temporary scaffolding and enclosure structures, and affect construction progress.	Short-, medium-, and long-term	Business operations	East Asia Southeast Asia	Limited cost impact	<ul style="list-style-type: none"> Wind protection measures are incorporated into construction plans. High-quality operations sensitive to airflow, such as welding and anti-corrosion work, are relocated to wind-protected sheds or enclosed structures. Special wind protection plans are developed for large equipment lifting and high-altitude operations, with wind speed thresholds calculated. Temporary buildings and ground facilities are reinforced or dismantled in advance where necessary, including reinforcing prefabricated structures with anchors and removing or securing loose materials at height. Regular inspections and reinforcement are conducted to ensure the structural stability of tower cranes, scaffolding, and temporary enclosure structures.
	Heavy Rainfall: Short-term heavy rainfall may cause flooding at construction sites, resulting in work interruptions, foundation scouring or environmental pollution incidents.	Short-, medium-, and long-term	Business operations	Southeast Asia	Limited cost impact	<ul style="list-style-type: none"> Proper on-site drainage systems are planned to ensure smooth drainage channels and underground pipelines. Water barriers, enclosures and isolation measures are installed to prevent impacts on surrounding ecosystems.
	Typhoons: May result in the suspension of high-altitude lifting operations, damage to temporary scaffolding and enclosure structures, and potential damage to equipment and machinery at construction sites, thereby impacting construction schedules.	Short-, medium-, and long-term	Business operations	East Asia Southeast Asia	Limited cost impact	<ul style="list-style-type: none"> Establish systematic contingency plans, issuing dedicated documents before each typhoon season and implementing a standardised process of "warning – deployment – work suspension – inspection – resumption". Coordinate with local authorities to develop and implement advance evacuation and resettlement plans for all personnel, including subcontractors. Reinforce or dismantle temporary facilities in advance, suspend all operations and evacuate personnel when necessary.
Acute/ Chronic Risks	Extreme Heat/Rising Temperature: Rising temperatures may reduce equipment cooling efficiency, increase failure rates, and elevate health risks for workers, thereby affecting construction efficiency and progress.	Short-, medium-, and long-term	Business operations	Southwest Asia Southeast Asia East Asia South Asia South America Europe	Limited cost impact	<ul style="list-style-type: none"> Establish a tiered response mechanism triggered by temperature thresholds, and incorporate it into subcontractor management. Adopt staggered work schedules in tropical and desert regions, including night operations, to avoid peak high-temperature periods. Provide cooling facilities and supplies for personnel at project sites.
	Extreme Cold: Low temperatures may increase equipment preheating energy consumption and reduce efficiency, while frozen soil conditions may affect earthwork construction.	Short-, medium-, and long-term	Business operations	North Asia	Limited cost impact	<ul style="list-style-type: none"> Install electric heat tracing systems for key pipelines and equipment and use insulation materials. Enclosures or air-supported membrane structures are set up at work areas to provide thermal insulation. Provide cold-weather protective equipment for workers and establish heated rest areas.

Risk/ Opportunity Type	Description of Risk and Opportunity	Impact Horizon ^{Note 1}	Affected Area	Regions Affected ^{Note 2}	Potential Financial Impact	Response Measures
Physical Risks						
Policy and Regulatory Risks	China plans to implement carbon emission quotas. If the Group is included in the national carbon emissions trading market as a key emitting entity, compliance costs may increase.	medium-, and long-term	Business operations	/	Increase in compliance costs	<ul style="list-style-type: none"> Conduct research on carbon emission-related policies and regulatory requirements, and improve internal carbon management mechanisms. Explore industry-specific carbon emission factor accounting methodologies to enhance the transparency and credibility of carbon emissions data disclosure.
Reputation Risk	Stakeholders are paying increasing attention to corporate climate action and environmental management. Failure to effectively respond to climate change may negatively impact the Group's reputation.	medium-, and long-term	Business operations	/	Decrease in revenue	<ul style="list-style-type: none"> Monitor negative environmental incidents disclosed on regulatory websites. In the event of such incidents involving the Group, the Investor Relations Department and the Publicity Department will provide timely explanations to investors and external stakeholders to mitigate potential reputational impact.
Market Opportunities	Under international agreements such as the "Paris Agreement" and the 2030 Agenda for Sustainable Development, as well as government policies including the Opinions on Fully, Accurately and Comprehensively Implementing the "New Development Philosophy to Achieve Carbon Peaking and Carbon Neutrality Goals", the global energy consumption structure is transitioning toward low-carbon and clean energy, creating more market opportunities for the Group.	medium-, and long-term	Business operations Value chain	/	Increase in revenue	<ul style="list-style-type: none"> Assess the impact of relevant policies, actively expand new energy businesses, strengthen analysis of emerging markets and the reserve of new technologies, and promote the integration of traditional refining technologies with new energy. Enhance communication with stakeholders to strengthen market confidence.
Technology Opportunities	"Energy conservation, carbon reduction, pollution reduction, ecological expansion and green growth" have become common goals across the energy industry, requiring engineering enterprises to continuously enhance the development, application and engineering deployment of green and low-carbon as well as green energy technologies, thereby creating more technological opportunities for the Group.	medium-, and long-term	Business operations Value chain	/	Increase in revenue	<ul style="list-style-type: none"> Actively develop and promote low-carbon technologies, enhance their maturity and reliability, and improve energy efficiency through technological innovation to foster advanced green productivity. Strengthen industry-university-research collaboration with universities and research institutions to share resources and technological achievements, accelerate the advancement of low-carbon technologies, and promote their development and application.

Note 1: Time Horizons: Short-term: 1 year; Medium-term: 3 years; Long-term: 5 years and above.

Note 2: Geographic Scope: The Company's primary business operations are concentrated in East Asia, North Asia, South Asia, Southeast Asia, Southwest Asia, South America, and Europe. Business activities in other regions are minimal and are therefore excluded from this assessment.

Financially, the Group purchases engineering construction insurance during the early preparation stages of projects. Claims can be filed for project schedule delays and asset losses caused by acute climate events such as strong winds, heavy rainfall, and typhoons to cover financial losses. During the Reporting Period, the Group did not experience any material financial impact caused by climate-related risks.

Risk Management

The Group integrates climate-related risks and opportunities into its enterprise-wide risk management system and daily operational practices. The Corporate Reform and Legal Department oversee the Group's comprehensive risk management efforts. During the risk assessment process, member enterprises and project teams incorporate climate adaptation considerations related to project design and construction, with the aim of enhancing climate resilience across projects. QHSE Department regularly compiles a list of projects affected by climate risks, identifies the associated impact factors, and documents corresponding response measures. This forms a comprehensive mechanism for climate risk management.

In addition, the Group engages third-party institutions to conduct ongoing assessments, modelling and updates of future climate risks based on IPCC^{Note 1} (Intergovernmental Panel on Climate Change) and IEA^{Note 2} (International Energy Agency) climate scenarios. This ensures the timeliness and forward-looking nature of climate risk identification and assessment. The results are submitted to the Board of Directors and senior management to support informed decision-making and ensure effective transmission of climate-related responsibilities at the governance level.

The Group continuously monitors climate-related risks by establishing a risk ranking and dynamic tracking mechanism. By systematically evaluating both the potential impacts and likelihood of risks, the Group is able to address high-priority risks in a timely manner, disclose progress on climate-risk responses, and continuously enhance action plans. These efforts ensure that climate risks remain within a manageable range and support the Group's low-carbon transition and sustainable development.

With reference to the "International Financial Reporting Standard S2: Climate-related Disclosures (IFRS S2)", the Group identifies, reports, and formulates action plans for key climate-related risks under climate change scenarios.

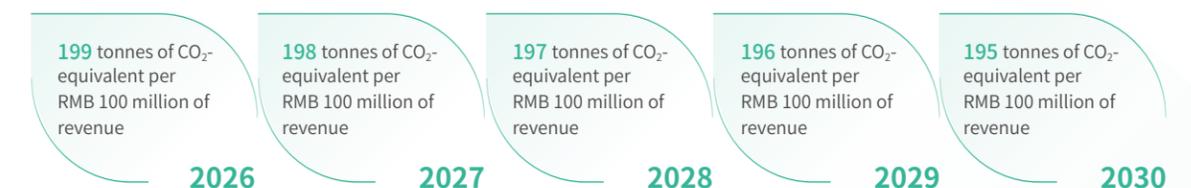
Note 1: Intergovernmental Panel on Climate Change

Note 2: International Energy Agency

Metrics and Targets

The Group has established greenhouse gas (GHG) emissions reduction targets. During the "14th Five-Year Plan" period, the Group aims to reduce its GHG emissions intensity by 5.7%, covering Scope 1 and Scope 2 emissions. The baseline year for this performance indicator is 2021, during which the Group's total GHG emissions amounted to 111,873.76 tonnes of CO₂-equivalent^{Note 3}, with an emissions intensity of 193.69 tonnes of CO₂-equivalent per RMB 100 million of revenue. During the Reporting Period, the Group formulated its "15th Five-Year Plan" GHG emissions intensity target. By 2030, the Group aims to reduce its GHG emissions intensity to 195 tonnes of CO₂-equivalent per RMB 100 million of revenue.

"15th Five-Year Plan" Greenhouse Gas Emissions Intensity Targets



During the Reporting Period, the Group continued to improve its greenhouse gas (GHG) emissions inventory management and conducted a Scope 3 GHG emissions inventory for the first time, with the accounting boundary including business travel. During the Reporting Period, the Group's total GHG emissions amounted to 139,079.67 tonnes of CO₂ equivalent, with an emissions intensity of 198.48 tonnes of CO₂ equivalent per RMB 100 million of operating revenue.

Among them: Scope 1 GHG emissions: 63,796.23 tonnes of CO₂ equivalent, Scope 2 GHG emissions: 75,283.44 tonnes of CO₂ equivalent and Scope 3 GHG emissions: 34,732.95 tonnes of CO₂ equivalent.

During the Reporting Period, the Group launched an Environmental Performance Management System based on its digital business management platform. The system includes greenhouse gas (GHG) emissions data collection and statistics, ensuring the accuracy of carbon data at the project level.

Note3: Greenhouse gas emission targets cover Scope 1 and Scope 2 greenhouse gas emissions.

Energy Conservation and Consumption Reduction Management

The Group strictly complies with relevant laws and regulations, including the "Energy Conservation Law of the People's Republic of China", and has formulated internal management policies such as the Environmental Protection Management Regulations of Sinopec Engineering Group and the Environmental Information and Environmental Protection Statistics Management Regulations of Sinopec Engineering Group, to strengthen internal energy consumption management.

In response to policies promoting the phase-out and upgrading of high-energy-consuming equipment, the Group focuses on reducing energy consumption in the energy and chemical industries at the source. It also actively promotes the electrification of key equipment to better align with carbon reduction requirements.

During project construction, the Group vigorously promotes the use of new energy vehicles and equipment, including electric aerial work platforms and walking-type electric hydraulic hammer piling machines. Solar-powered equipment is also introduced for night operations to reduce carbon emissions during construction activities. In office facilities, the Group has introduced rooftop photovoltaic systems to reduce greenhouse gas emissions from office operations.



Rooftop photovoltaic system at the FCC Craftsman Academy

During the Reporting Period, the Group's total operational energy consumption amounted to 52,765.68 tonnes of standard coal equivalent (tce). The comprehensive energy intensity per unit of revenue was 75.30 tonnes of standard coal equivalent per RMB 100 million of revenue. Detailed data on energy consumption by type can be found in Performance Report A2.1.

Clean Technology Opportunities

The Group believes that clean technologies represent a fundamental solution for addressing climate risks and capturing transition opportunities. The Group fully implements its "Green & Clean" development strategy, systematically advancing standards research and technology development to drive the advancement of clean technologies and the energy transition.

SEI participated in the development of industry standards including the Technical Specifications for Carbon Dioxide Capture in the Petrochemical Industry and the Technical Specifications for Carbon Dioxide Capture in the Petrochemical Industry – Solvent and Process Categories. It also contributed to professional series publications such as the Hydrogen Energy Industry Series and Green and Low-Carbon Transformation of Refining Structures, providing scientific and systematic guidance for emission reduction across the industry.

SEM led the drafting of the national standard the Quantification Methods and Requirements for Product Carbon Footprint of Greenhouse Gases – Vinyl Acetate, further advancing standardization in the industry.

Eight technologies developed by the SEI, GPEC, and SEGR, including flue gas turbine energy-saving technology, LQSR energy-efficient sulphur recovery tail gas treatment technology, and the low-nitrogen intensified combustion technology, were selected for inclusion in the Compilation of Advanced Energy Conservation and Carbon Reduction Technologies in the Refining Industry.

The Group actively promotes the development of various clean technologies. During the Reporting Period, the Group's total investment and expenditure in clean technologies amounted to RMB 1.659 billion. The Group has set the following target for clean technology investment: By 2026, expenditure on clean technology-related research and development will account for no less than 30% of the Group's total R&D expenditure for the year.

Renewable Energy

- SEI has carried out research on hydrogen production through electrolysis of biomass and organic waste liquids, enabling the effective utilization of biomass resources such as agricultural and forestry waste and pharmaceutical residues, as well as organic waste liquids. This approach helps address environmental pollution caused by the accumulation or discharge of such wastes. By integrating renewable resources with green electricity-based hydrogen production, the Group aims to reduce carbon emissions from traditional hydrogen production and explore pathways toward negative-carbon hydrogen production.
- GPEC has developed China's first high-power tubular electric heating furnace, which replaces traditional fossil fuel-based heating processes with electric heating of process media. The technology has successfully passed on-site hot-state testing.
- SEI has also developed electrification substitution solutions for ethylene units, helping to reduce carbon dioxide emissions.
- For further information on renewable energy initiatives, please refer to Section 3.4 "Supporting the Development of Clean Energy" of this report.

Resource Recycling and Pollution Prevention

- SSEC, in collaboration with Fudan University, has developed a waste nylon degradation and recycling technology that significantly reduces pollution caused by landfill and incineration, lowers greenhouse gas emissions, and alleviates pressure on land resources.
- GPEC is actively advancing technology development and industrial application in the CCUS (Carbon Capture, Utilization and Storage) field. In the Lianhong project, the Company successfully produced food-grade liquid carbon dioxide using tail gas from chemical units as feedstock. In the Jingbo Petrochemical project, an innovative flue-gas circulation process was adopted to directly produce high-purity carbon dioxide gas, improving carbon capture efficiency and utilization value.

Energy Efficiency

- The cold and heat energy coupling utilization technology for ethylene plants and LNG receiving terminals developed by the SEI has been applied industrially in Nangang, Tianjin. By utilizing LNG cold energy, the technology reduces the power consumption of refrigeration units by 15,000 kW, lowers the comprehensive energy consumption of the ethylene unit by 30 kg of standard oil equivalent per tonne of ethylene, and reduces carbon dioxide emissions by more than 130,000 tonnes per year. The receiving terminal is able to save 13 million cubic meters of natural gas and 3 million kWh of electricity annually.
- GPEC jointly developed China's first thousand-tonne-scale industrial side-stream unit of the dilute-ethylene liquid-phase ethylbenzene production technology, which has been successfully put into operation. Compared with the traditional gas-phase process, which operates at lower reaction temperatures and allows better control of temperature rise during the process. As a result, overall energy consumption is reduced by approximately 50%, significantly decreasing steam and fuel consumption while lowering greenhouse gas emissions and improving the purity of ethylbenzene products.
- GPEC has also completed process upgrades through the development of integrated technologies for the scale-up and energy optimization of hydrocracking units. The optimised hydrocracking process reduces pollutant emissions and directly lowers the carbon footprint of the unit, providing a key technological pathway for refinery carbon reduction.
- Relying on the integrated application of multiple energy-saving technologies, SNEC has provided systematic energy-saving support to more than 30 petrochemical cogeneration plants, achieving annual savings of 250,000 tonnes of standard coal equivalent and reducing carbon dioxide emissions by 675,000 tonnes per year.
- SEM has implemented 34 Energy Performance Contracting (EPC) projects covering circulating water system upgrades, low-temperature waste heat recovery, and compressor retrofiting. These projects help customers save a cumulative 300,000 tonnes of standard coal equivalent per year and reduce carbon dioxide emissions by 680,000 tonnes annually.

Sustainable Water Resources

- SEI implemented advanced classified wastewater treatment at the Maoming Ethylene Project, achieving deep wastewater treatment. The chemical oxygen demand (COD) of discharged wastewater is maintained at ≤ 30 mg/L, while the overall wastewater reuse rate reaches $\geq 70\%$.
- GPEC has also developed an intelligent treatment process and equipment for petrochemical wastewater based on aerobic granular sludge technology, which reduces plant footprint by over 60%, lowers energy consumption by over 35%, and decreases sludge production by over 60%.



STCC built the largest water treatment system for a chemical enterprise in China for Wanhua Chemical.



Industrial application of the olefin spent caustic freezing-crystallization unit developed by SEI, significantly reducing the discharge of high-salinity wastewater.



GPEC has developed wastewater treatment technologies for chemical units containing phenols, hydrogen sulphide, and ammonia, enabling the recovery of phenolic substances from wastewater while producing acidic gas and liquid ammonia as by-products, achieving dual benefits of pollution control and resource recovery.

New Materials and Green Buildings

- SEGR has improved cost efficiency and performance throughout the full lifecycle of corrosion protection and thermal insulation engineering. Through its application in insulation projects at more than 30 refineries, the rate of excessive heat dissipation in insulation systems has decreased from 11.8% to 7.6%. This improvement reduces annual heat loss by approximately 4.3×10^5 GJ, resulting in a reduction of about 3.1 tonnes of carbon dioxide emissions per year.
- SEGR has collaborated with Guangdong University of Technology to develop biomass aerogel technology for thermal insulation. Using cellulose as the primary raw material, this technology has a lower lifecycle carbon footprint compared with conventional insulation materials.

The rate of excessive heat dissipation 11.8%



decreased to

7.6%

Supporting the Development of Clean Energy

The Group fully supports the development of clean energy and promotes technological innovation and industrial advancement in fields such as sustainable aviation fuel (SAF), natural gas and LNG, hydrogen energy, green ammonia, green methanol, and biomass.

Sustainable Aviation Fuel (SAF)

The Group continues to advance the research, development, and application of sustainable aviation fuel (SAF). It actively promotes key technological breakthroughs in areas including biomass conversion, waste resource utilization, and low-carbon synthetic fuels, supporting the aviation industry's efforts toward carbon reduction, decarbonization, and green transition.

Case

SNEC EPC and Design for an Integrated Biomass-to-Green Methanol and Green Aviation Fuel Project

It establishes a new SAF production system based on renewable hydrogen production, biomass gasification, and syngas-directed conversion, with a planned production capacity of 100,000 tonnes of sustainable aviation fuel (SAF) per year.

GPEC is undertaking the technology development and engineering design for China's largest project producing sustainable aviation fuel from waste oils and fats, with a planned production capacity of 1 million tonnes per year.

Natural Gas and LNG

The Group continues to advance the development of technologies related to LNG storage and transportation, natural gas purification, and natural gas utilization, contributing to energy supply security and the energy transition. During China's 14th Five-Year Plan period, the Group has undertaken the construction of nine LNG storage tank and receiving terminal projects within China, significantly enhancing LNG receiving, storage, transportation, and emergency peak-shaving capacity. These projects help optimise the energy consumption structure and provide strong support for regional energy security and green development.



LNG storage tank project in Algeria EPC-contracted by GPEC, where the air pressure dome lifting operation was successfully completed.

Green Hydrogen-based Energy

The Group continues to promote innovation across key segments of the hydrogen energy value chain, including low-cost hydrogen production from renewable energy, hydrogen storage and transportation, and integrated utilization, accelerating the development of a clean, low-carbon, safe, and efficient hydrogen energy system.

Case



SEI Undertakes EPC Contract for Ningxia's First 10,000-tonne Wind-Solar Green Hydrogen Integrated Demonstration Project.



SNEC has participated in the development of a 100,000-tonne-per-year CO₂ hydrogenation-to-green methanol integrated process package. The technology can be widely applied in scenarios such as industrial tail gas treatment, carbon capture from biomass boilers and utilization of carbon-rich syngas from biomass gasification. By coupling with green hydrogen, the technology enables the large-scale production of green methanol.

SNEC has developed SEBG entrained-flow bed and SFBG circulating fluidised bed biomass gasification technologies, which can efficiently process feedstocks such as agricultural and forestry residues, municipal solid waste, and waste plastics. During the Reporting Period, the technology was successfully applied at Hunan Petrochemical and is expected to reduce carbon dioxide emissions by approximately 140,000 tonnes per year.

Sustainable Aviation Fuel (SAF)

The Group continues to promote the research, development, and application of biomass-related technologies, contributing to the establishment of a clean and low-carbon energy system through technological innovation and industrial practice.

Case

SSEC designed and constructed a pilot plant for a non-food bio-based sugar platform, which has successfully been commissioned. The project achieves a technological breakthrough in low-cost production of fermentable sugars from straw, effectively alleviating the "food-versus-industry" competition for grain resources in industrial fermentation while contributing to carbon dioxide emission reduction.

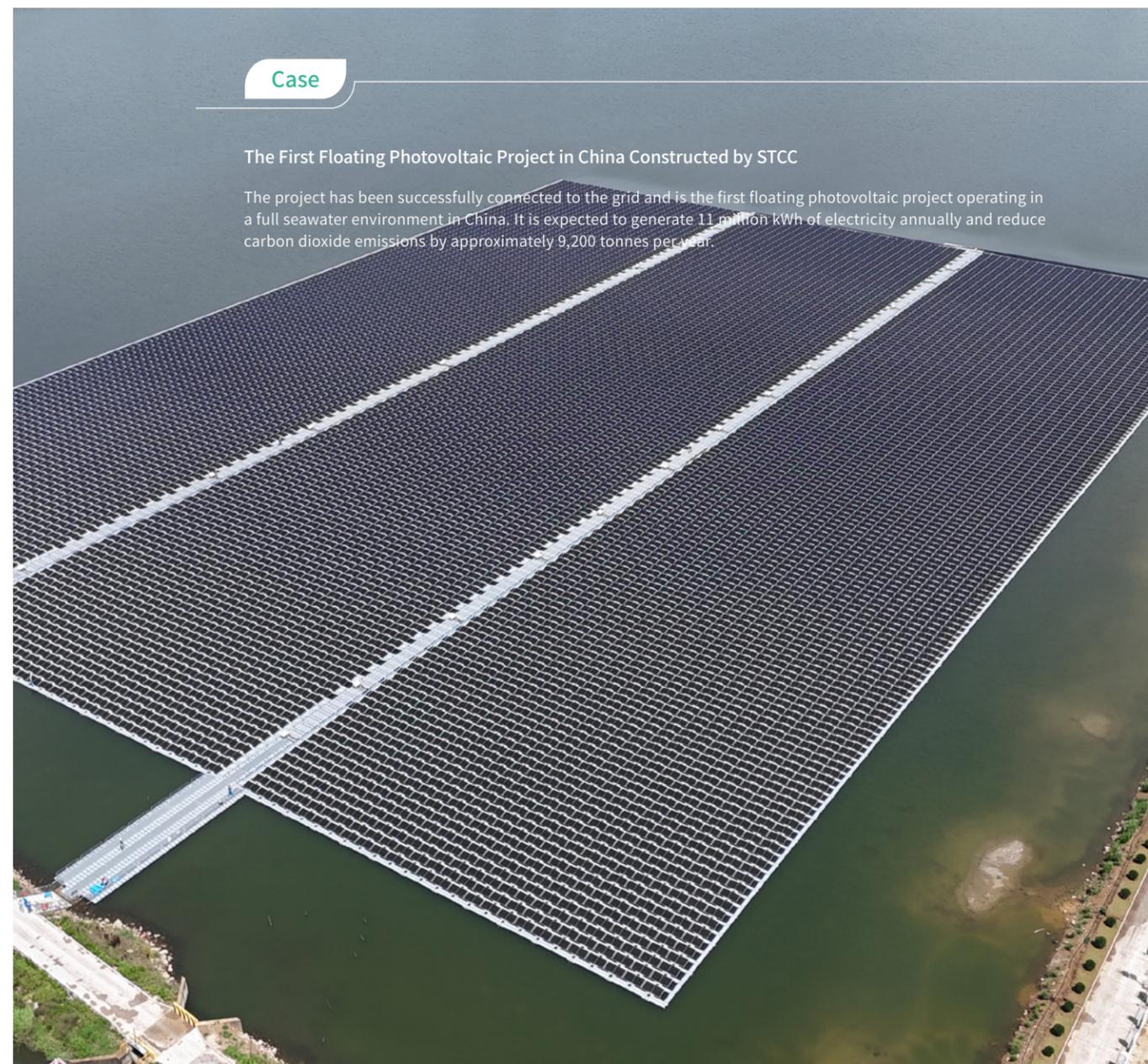
Photovoltaic Power Generation

The Group actively participates in photovoltaic engineering projects, supporting energy structure transformation and sustainable development.

Case

The First Floating Photovoltaic Project in China Constructed by STCC

The project has been successfully connected to the grid and is the first floating photovoltaic project operating in a full seawater environment in China. It is expected to generate 11 million kWh of electricity annually and reduce carbon dioxide emissions by approximately 9,200 tonnes per year.



04

ENVIRONMENTAL PROTECTION

Environmental Management

Pollution Control

Biodiversity Conservation

Supporting UN Sustainable Development Goals:



Environmental Management

Environmental Management Framework

<p>Board Level</p> <p>The Group has established an ESG Committee to oversee major environmental management issues. In coordination with other Board committees, it integrates environmental considerations into Board-level decision-making and ensures top-level environmental oversight.</p>
<p>Management Level</p> <p>The Company has established an HSE Management Committee, chaired by the Chairman of the Board, with the heads of member enterprises serving as committee members. The HSE Management Committee is responsible for handling major HSE matters, formulating development plans and relevant rules and regulations, supervising the fulfilment of HSE responsibilities, and coordinating the resolution of environmental protection issues.</p>
<p>Implementation Level</p> <p>The Quality, Safety and Environmental Protection Department is responsible for overall planning, coordination and supervision, while project departments are responsible for the implementation of environmental protection work for each project.</p>

The Group has formulated a series of management policies and procedural documents aligned with the principles of green and low-carbon development, including the SEG Environmental Protection Management Regulations and the SEG Environmental Information and Environmental Protection Statistics Management Regulations. During the Reporting Period, the Group issued the revised Guidelines for Green Design of Petrochemical Projects (Trial) and the Standardised Construction Guide for Temporary Hazardous Waste Storage Rooms at Engineering Project Sites.

During the Reporting Period, the Company and all 11 subsidiaries completed the renewal audits for ISO 14001 Environmental Management System certification, with certified entities accounting for 100% of the Group's revenue.

During the Reporting Period, Sinopec Environmental Technology Co., Ltd. was established as a dedicated platform for environmental management business for the Group.

Enhancing Environmental Awareness

<p>Environmental Activities</p>	<ul style="list-style-type: none"> The Group promotes green corporate culture, public welfare activities, tree-planting activities, etc.
<p>Training and Education</p>	<ul style="list-style-type: none"> The Group organises briefings to interpret environmental protection policies. Site induction training and targeted training programmes are conducted to enhance employees' awareness of environmental protection-related laws, regulations and management requirements.
<p>Outreach and Engagement</p>	<ul style="list-style-type: none"> The Group showcases its industry-leading green initiatives and achievements through multiple channels, including culture walls, WeChat updates, news releases, environmental columns, posters, themed videos and promotional materials. Environmental awareness at construction sites is further enhanced through banners, display boards, educational materials and handbooks, while ensuring proper environmental management at project sites.

Green Operations

<p>Green Design</p>	<ul style="list-style-type: none"> The Group promotes green design principles to optimise resource and energy efficiency at the source. During the project design phase, the Group adheres to the principle of "Overall Energy Optimisation", adopting innovative processes, technologies and equipment to reduce resource and energy consumption. Waste reduction systems and wastewater and emission treatment facilities are incorporated into project designs to reduce emissions, wastewater discharge and solid waste generation at the source.
<p>Green Construction</p>	<ul style="list-style-type: none"> Regulate the use and transportation of materials, ensuring proper classification, storage and disposal of waste to promote recycling and reuse and reduce waste discharge. Energy-efficient and environmentally friendly construction equipment and tools are prioritised, while outdated equipment is gradually phased out and replaced in accordance with relevant plans. Subcontractors are encouraged to participate in resource conservation initiatives.
<p>Green Office</p>	<ul style="list-style-type: none"> The Group promotes water and energy conservation through efficient fixtures and equipment. Paperless operations and digital workflows are implemented to improve operational efficiency. Measures are taken to reduce resource waste and minimise the procurement and consumption of single-use items.
<p>Green Living</p>	<ul style="list-style-type: none"> The Group advocates green transportation. "Clean Plate" initiatives are promoted to reduce food waste. Green awareness among employees is strengthened through training and publicity activities.

Green Enterprise Campaign

The Group actively promotes the Green Enterprise Campaign, steadily advancing various initiatives focusing on carbon reduction, pollution control, efficiency improvement and environmental enhancement. As of the end of the Reporting Period, the Group has achieved the following results: two subsidiaries were recognised as Sinopec Green Enterprises, 104 construction sites were recognised as Sinopec Green Construction Sites, and nine construction sites were designated as Green Construction Site Benchmarks.

The Group's environmental management system requires construction sites to comply with the "six 100% requirements": 100% enclosure of site perimeters, 100% coverage of exposed soil and materials, 100% vehicle washing at entry and exit points, 100% paving of site roads, 100% wet operation for earthwork excavation, and 100% sealed transportation of construction waste. Compliant disposal rate of general solid waste and hazardous waste reaches 100%.

The compliant disposal rate of both general solid waste and hazardous waste reaches 100%.

All industrial wastewater and domestic sewage are properly treated in accordance with relevant standards.

The Group also promotes the development of green and digital factories to achieve leading environmental protection standards in the domestic petrochemical engineering industry, striving to become an environmental benchmark enterprise within Sinopec.

Pollution Control

The Group strictly complies with the "Environmental Protection Law of the People's Republic of China" and other relevant laws and regulations. It has formulated a series of policies and management systems, including the SEG Environmental Protection Management Regulations, the SEG Solid Waste Environmental Protection Management Guidelines for Engineering Projects, and the Standardised Construction Guide for Temporary Hazardous Waste Storage Rooms at Engineering Project Sites. These policies and systems regulate the management of various emissions and discharges, including air pollutants, waste materials, wastewater and greenhouse gases, with the aim of minimising operational emissions and effectively managing the Group's environmental footprint.

Environmental Management Targets for the 15th Five-Year Plan Period:

Energy	Reduce comprehensive energy consumption intensity to 80 tonnes of standard coal per RMB 100 million of revenue by 2030.
Water	Reduce water consumption intensity to 5,000 tonnes per RMB 100 million of revenue by 2030.
Emissions	Reduce NOx and SOx emission intensity to 18 tonnes per RMB 1 million of revenue and reduce VOC emission intensity to 450 tonnes per RMB 1 million of revenue by 2030.
Waste	Reduce non-hazardous waste intensity to 230 tonnes per RMB 100 million of revenue and reduce hazardous waste outsourced disposal intensity to 0.8 tonnes per RMB 100 million of revenue by 2030.

Atmospheric Pollutants

The Group's engineering construction activities primarily generate atmospheric pollutants including dust, nitrogen oxides (NOx), sulphur oxides (SOx), and volatile organic compounds (VOCs). Dust mainly originates from shot blasting, sandblasting, rust removal, welding fumes, grinding and cutting operations. Nitrogen oxides and sulphur oxides are mainly produced from the consumption of diesel and gasoline by construction equipment and company vehicles. VOCs are primarily generated from anti-corrosion painting operations.

To effectively control dust pollution, the Group adopts a source control approach. Enclosed workshops are set up in prefabrication yards for sandblasting and shot blasting operations, and these activities are strictly prohibited in open-air environments. Dust control facilities are installed to ensure effective dust management throughout the operational process. In addition, construction sites implement measures such as enclosure, covering and vehicle washing to manage dust-prone areas and equipment, thereby further reducing dust emissions.

For VOCs management, anti-corrosion operations such as paint preparation, spraying and drying are conducted in enclosed environments whenever feasible. Facilities are equipped with VOCs capture and treatment systems to collect VOCs emissions generated during operations. Thermal oxidation or other treatment technologies are used to ensure compliance with emission standards. At project sites, centralised prefabrication methods are adopted to effectively control dust and VOCs emissions, ensuring that atmospheric pollutants are properly treated before discharge and thereby minimising environmental impact. The Group also reduces VOCs emissions by prioritising the use of low-VOCs coatings for outdoor painting operations. During the Reporting Period, the Group's project implementation generated a total of 3,168.64 tonnes of VOCs emissions.

To reduce emissions of nitrogen oxides and sulphur oxides, the Group is gradually transitioning from conventional fuel vehicles and construction equipment to electric vehicles and new energy machinery, thereby reducing NOx and SOx emissions from fossil fuel consumption. During the Reporting Period, the Group's project implementation generated a total of 5.18 tonnes of SOx and 106.39 tonnes of NOx.

Case

GPEC further upgraded the LQSR energy-saving sulphur recovery tail-gas treatment technology, reducing pollutant emissions by lowering sulphur dioxide concentration to below 10 mg/m³ and particulate matter concentration to below 7 mg/m³.

The North Huajin Project successfully completed the integrated lifting of a 1,200-ton large pipe-rack module. Dust emissions were reduced through "Soil-free Construction" and the hardening of main access roads, promoting source reduction of pollution through green construction methods.

GPEC and FCC implemented factory prefabrication and modular construction, significantly reducing cutting and welding operations and lowering smoke, dust and carbon emissions. Supporting measures such as flue gas recovery devices and zoned operations were adopted to enable refined pollution control.



Construction project using modular steel structures

Waste

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

For general solid waste, the Group implements a classification-based management and disposal approach. Waste wood products, wastepaper, scrap steel and waste non-ferrous metals are recycled and reused internally where feasible. Waste machinery and transportation equipment are recycled or disposed of appropriately. Waste plastics, composite packaging materials, waste batteries, waste electrical and electronic products, construction waste and other materials are transferred to qualified third-party organisations for proper disposal. Domestic waste is handled by municipal sanitation authorities. All hazardous waste is transferred to qualified third-party organisations for compliant disposal in accordance with relevant national laws and regulations.

Waste management is included in the Group's routine environmental supervision priorities. The Group strictly reviews and rectifies issues such as improper storage of hazardous waste, mixing of hazardous and non-hazardous waste, improper storage of construction waste, incomplete or non-standardised record-keeping and inadequate waste classification signage. In addition, the Group actively explores green engineering technologies to promote waste reduction at source and recycling, supporting the development of a circular economy within the industry.

During the Reporting Period, the Group's operations generated 574.46 tonnes of hazardous waste, all of which was handled by qualified third-party organisations, and 135,038.08 tonnes of non-hazardous waste.

Case

SEI developed and designed an industrial pilot unit for oil-containing sludge featuring "pyrolysis + oil and gas recovery + compliant waste treatment and discharge", achieving efficient recovery and utilisation of oil and gas resources and reducing the petroleum hydrocarbon content in the solid phase to ≤ 0.3%.

SNEC uses steel formwork to replace traditional wooden formwork in frame structure construction, preventing the generation of large amounts of wood waste at the source. Steel formwork can be reused multiple times after professional refurbishment.

Wastewater

The wastewater generated during the Group's engineering construction activities mainly includes operational wastewater and domestic sewage from construction projects. Operational wastewater mainly arises from site cleaning activities, including the washing of construction areas, vehicles and machinery. Construction project sewage is mainly generated in the living quarters of construction workers. All operational wastewater is collected, recycled and treated in compliance with relevant regulations, while construction project sewage is discharged strictly in accordance with the requirements of client to designated locations and using designated treatment methods. The Group continues to strengthen wastewater recycling efforts and consistently enhances water resource efficiency.

The Group actively explores new approaches for the recycling and reuse of water resources, continually developing efficient water utilisation solutions and technologies for the industry. For details, please refer to the "Addressing Climate Change—Clean Technology Opportunities" section of this Report.

Noise

To prevent and minimise noise pollution, the Group carefully arranges construction site layouts and work schedules to reduce noise generation. Physical noise barriers are installed at site boundaries to contain sound effectively. We have also invested in low-noise construction equipment and implement effective measures to reduce noise during construction while conducting regular monitoring to ensure compliance with regulatory standards. The Group also actively promotes the use of new energy construction machinery, such as articulated or scissor-type elevating work platforms, to achieve "zero-emissions and low-noise" operating conditions.

Case

Traditional noise pollution prevention mostly relies on end-of-pipe measures, which are often faced with challenges such as high costs and limited effectiveness. In the Huizhou Ethylene project, SEI established a full-process, closed-loop noise control system featuring "simulation warning - design optimisation - dynamic verification", enabling systematic noise control at the source, significantly reducing environmental risks and subsequent remediation costs.

Biodiversity Conservation

The Group operates in strict compliance with the "Environmental Protection Law of the People's Republic of China" and the "Administrative Measures for Ecological and Environmental Penalties", as well as relevant laws and regulations in all our operational locations. The Group has formulated comprehensive management systems, such as the SEG Environmental Protection Management Regulations and SEG Environmental Management Guidelines for Project Prefabrication Sites (Trial). In addition, the Group also rigorously adheres to the environmental policies of Sinopec, such as the Sinopec Greening Management Regulations, Sinopec Ecological and Environmental Incident Management Measures, and Sinopec Accountability Measures for Ecological and Environmental Incidents. Through these structured approaches, we proactively advance standardised ecological protection practices across our operations.

Full Life Cycle Biodiversity Conservation Measures

<p>Pre-Project Phase</p> 	<p>Conduct Environmental Factor Identification and Impact Assessments</p> <ul style="list-style-type: none"> Maintain strict compliance with China's ecological red line policy, land-use efficiency protocols, and marine functional zoning requirements. Conduct environmental factor identification and impact assessments across all operational areas, including construction zones and administrative facilities, ensuring robust and defensible environmental impact conclusions. <p>Prevent Environmental Impacts from Construction Activities</p> <ul style="list-style-type: none"> Carefully relocate and cultivate vegetation in surrounding areas that are susceptible to impact before construction to minimise ecological impacts. Pay attention to farmland reclamation during pipeline construction, adopt a combination of ecological belts and masonry in hydraulic protection, and carry out topsoil stripping for later reuse in land reclamation after project completion. These measures help reduce revegetation difficulties and improve revegetation efficiency, effectively facilitating land restoration and revegetation.
<p>During Project Implementation</p> 	<p>Minimise Environmental Impacts During Construction</p> <ul style="list-style-type: none"> Prevent light spill and leakage of fuel, drilling mud and other materials during construction. Mitigate ecological risks from potential leaks and strengthen environmental protection and ecological restoration during pipeline construction. For construction sites near the sea, assign dedicated personnel to monitor surrounding water quality and conduct real-time monitoring to ensure compliant marine discharge. Regarding oil contamination risks, install protective facilities such as drip trays beneath key equipment to effectively prevent leakage and spread, and carry out regular inspections by designated personnel. All wastewater is entrusted to qualified third-party organisations for disposal to avoid pollution. <p>Wildlife Protection</p> <ul style="list-style-type: none"> Strictly prohibit workers from destroying animal habitats, hunting, feeding or deliberately harassing wildlife during construction. Avoid disrupting ecologically sensitive periods for wildlife. Promptly rescue trapped wildlife in a timely manner.

Post-Project Completion



Ecosystem Restoration

- For environmental damage caused by construction, conduct ecological integrity restoration after the completion of construction, including vegetation restoration and soil and water conservation.
- Develop vegetation restoration plans for areas where construction activities have damaged ground vegetation. For temporarily occupied farmland, grassland, forestland and other areas, strip and store topsoil for use in restoring vegetation in temporarily occupied areas, restore these areas to their pre-construction conditions after completion

The Group actively promotes the development and deployment of soil and groundwater remediation technologies, and has established a comprehensive site remediation technology system, including bioremediation and phytoremediation. The Group also actively advocates Nature-based Solutions (NBS) to support the protection of clean water, blue skies and healthy soils.



FCC adopts biodegradable eco-bag protection technology in long-distance pipeline projects to prevent and control soil erosion.

Case

SEI undertook the environmental impact assessment (EIA) for the Saudi IVHF Island Project. Through scientific scoping and systematic identification of ecologically sensitive elements, the EIA Scoping Report was approved in a single review with no comments. The high-standard EIA process enabled proactive environmental risk prevention at the source and supported ecological protection.

The project "Key Technologies and Applications for Risk Prevention and Green Remediation of Petrochemical Contaminated Sites" undertaken by Sinopec Fifth Construction Company won the Second Prize of the Science and Technology Progress Award from the China Petroleum and Chemical Industry Federation.



GPEC strips and stores topsoil separately and restores exposed soil through re-cultivation and revegetation.

05

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Occupational Health and Safety Management Framework

Occupational Health and Safety Management of Subcontractors

Security

Supporting UN Sustainable Development Goals:

3 GOOD HEALTH
AND WELL-BEING



Occupational Health and Safety Management Framework

Occupational Health and Safety Management Framework

Board Level

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

Management Level

The HSE Management Committee handles major HSE matters, development planning, and related policies and regulations for the Group, monitors the fulfilment of HSE responsibilities, and coordinates solutions to occupational health and safety issues.

Implementation Level

The QHSE Department provides central oversight, coordination and monitoring, while respective project departments implement occupational health and safety initiatives for their respective projects.

During the Reporting Period, the Group issued the Guidelines for Standardised Safety Team Building for "Three Basics" Work and SEG Facility and Equipment Dismantling Safety Management Regulations, continuously refining its occupational health and safety management system.

As of the end of the Reporting Period, the Company and the Group's 11 subsidiaries had all passed the annual surveillance audit for ISO 45001 Occupational Health and Safety Management System certification, with certified entities accounting for 100% of the Group's operating revenue.

The Group has established a sound occupational health and safety supervision system. In the event of an accident, immediate disposal and hierarchical reporting shall be conducted in accordance with the Measures for the Management of Accidents and Incidents of Sinopec Engineering Group and the Emergency Response Plan for Emergencies. Meanwhile, an internal monthly supervision mechanism is implemented, which regularly reports key indicators such as employee casualty rate and accident rate per 200,000 working hours to Sinopec Group.

Safety Production Target

During the 15th Five-Year Plan Period:

- The rates of general incidents and HSE incidents involving personnel (including subcontractors) decreased by **40%**
- Lost Time Injury Rate (LTIR) to be reduced by **30%**
- TRIR (Total Recordable Incident Rate) decreased by **30%**

Key Tasks

The Group actively carries out multiple safety and occupational health management initiatives, committed to building a comprehensive safety management action system to enhance intrinsic safety capabilities.

During the Reporting Period, the Group achieved a total of 359 million safe working hours throughout the year, with two incidents reported. The Group had zero work-related fatalities, resulting in zero fatality rate per 200,000 safe working hours; and 17 incidents of work-related injuries of its employees, with a 0.02 incident rate per 200,000 safe working hours.

Safety Risk Identification and Investigation	<ul style="list-style-type: none"> • Established a dual prevention mechanism combining risk classification-based control and hazard identification and rectification, clarifying responsibilities for risk identification and dynamic risk control requirements, and establishing a risk inventory database. • Implemented three-tier control and full-process digital dynamic supervision with the "High-Risk Major Projects" digital supervision platform. • Conducted ongoing safety assessments of aging installations and equipment to prevent accidents and ensure personnel safety. • Enhanced health management systems, refined the list of high-risk personnel, and improved health monitoring facilities.
Strengthening Safety Capabilities	<ul style="list-style-type: none"> • Implemented the Guidelines for Professional Safety Management of "Bilateral" Engineering Projects to standardise safety management for such projects. • Systematically promoted safety standardisation demonstration for work teams, and recognised outstanding teams, team leaders, and top-performing teams. • Organised professional skill training and competitions for designers, construction technicians, and safety officers, and established certification mechanisms for three key management roles: team leaders, subcontractors, and safety officers.
Critical Operation Safety Contracting System	<ul style="list-style-type: none"> • Management implemented the "Four Ones" approach for major risk control points under their oversight, which includes conducting at least one site inspection, holding one dedicated meeting, listening to one special report, and resolving at least one issue. • Strengthened leadership influence by establishing management safety principles for knowledge, skills, and actions, and developed the "Safety Monitoring Scorecard".
Project Safety Supervision	<ul style="list-style-type: none"> • Conducted safety inspections for major risk and organised comprehensive HSE audits. • Implemented a Serious Violations Checklist to regulate critical safety behaviours such as safety harness usage for working at heights and protective measures for overlapping operations, ensuring construction safety. • Completed the "Safety Management Inspection Checklist of Whole Cycle Inspection for Repair Projects" based on thorough on-site, self, and cross inspections, and completed the supervision of multiple large-scale maintenance projects using this approach. • Established safety and quality supervision teams for key projects with on-site safety and quality experts for regular supervision and strengthened safety supervision during peak construction periods.
Equipment and Facilities	<ul style="list-style-type: none"> • Provided personal protective equipment including safety helmets, fall arrest harnesses, protective goggles, work clothes, safety boots and gloves at project sites. • Organised on-site first aid training and equipped sites with AED devices. • Installed intelligent video surveillance systems, dust and noise monitoring systems, and gas detectors to achieve real-time monitoring of on-site operations.

Occupational Health Management

- Health Check-up: Developed physical examination programmes for different age groups, and established a list of high-risk individuals.
- Occupational Health Platform: Provided employees with video consultation, hospital referral, and doctor appointment services; enhanced the Video Doctor health platform to better serve the employees' needs for daily medical care and health consultations.
- Employee Wellbeing Initiatives: Established employee health rooms equipped with emergency medicines and blood pressure monitors, set up rest stations, provided heat stroke prevention supplies, built on-site clinics, and implemented flexible work schedules.
- Health Education and Training: Continuously carried out education and training, knowledge seminars, and expert consultations to enhance employees' ability to identify and handle common diseases and respond to emergencies.
- Overseas Employee Occupational Health Management: Implemented comprehensive predeparture health examinations and assessments, conducted domestic and international health education programmes, knowledge seminars, and expert consultations to enhance disease awareness.
- Mental Health Care: Provided mental health counselling services and implemented Employee Assistance Programmes (EAP) to safeguard employees' mental wellbeing.
- Self-management for Healthy Lifestyle: Carried out the Weight Control Year event with various activities, strengthened health knowledge promotion, and offered greater choices low-fat menus at cafeteria, in addition to various sports activities organised by the Trade Union.



GPEC Workplace Exercise Competition



SSEC Employees Participate in a Charity Run for Health

Training and Promotion

The Group continues to foster a robust safety culture through enhanced communication, education, and training initiatives designed to elevate employee safety competencies. During the Reporting Period, we delivered 1,108 safety training sessions reaching 48,000 participants, accumulating 87,000 training hours.

Safety Culture

- Organised safety skills competitions for grassroots safety officers.
- Carried out various initiatives including National Safety Production Month, Awareness Week for the "Occupational Disease Prevention Law", and thematic lectures to improve the awareness of workplace safety protection and occupational health.

Safety Training

- Conducted systematic safety trainings covering HSE laws and regulations, the safety production responsibility system, high-risk operation safety control, work permits, and accident case studies.

Occupational Health and Safety Management of Subcontractors

The Group has established an integrated safety management system for subcontractors. Subcontractor management is part of our HSE management system, and subcontractor personnel are subject to the same safety management standards as the Group's employees, including the targeted safety training programmes that cover both our employees and workers of our subcontractors.

We provide regular training for subcontractors covering safety and environmental protection regulations, risk analysis, work permits, supervision and management, accident case studies, emergency response, and first aid procedures. During the Reporting Period, approximately 610 safety training sessions were conducted for subcontractors.

The Group continued to provide HSE training for key subcontractor personnel and implemented a certification-based qualification mechanism for work positions. Training programmes were organised to enhance team leaders' on-site management capabilities, and specialised training sessions were conducted to strengthen safety management capabilities for bilateral operations. These initiatives further promoted the standardisation of team-level safety management and strengthened grassroots workforce capacity.

Case

Safety Education and Incentives Reinforce the Safety Barrier

GPEC set up a safety reward programme for subcontractor personnel, awarding point cards to those with outstanding performance in construction work as motivation. Meanwhile, for personnel who violate safety regulations, a safety re-education room has been established, where they received targeted training to help them enhance their safe operation skills and rectify their problems.

"Gold Medal Supervisor" Evaluation

STCC further implemented the "Gold Medal Supervisor" mechanism, conducting monthly assessments of safety supervisors and awarding medals based on their performance to motivate their enthusiasm and sense of responsibility.

Security

Security Management

The Group has formulated the SEG Overseas Security Management Regulations and other management systems related to security management. The Group has also established HSE management mechanisms for overseas projects, with the HSE Committee coordinating safety management work for overseas projects. In addition, we have built a comprehensive risk prevention and control mechanism covering the entire process and system, conducting risk identification, analysis, and quantitative assessment for major overseas projects to ensure complete safety management coverage. During the Reporting Period, the Group released the revised Emergency Response Plan for Overseas Security Incidents, and organised subsidiaries to collaborate on the revisions and improvements of relevant policies.

Security Assurance	<ul style="list-style-type: none"> • Pay close attention to security risks in our operating locations and strictly implement the Sinopec Overseas Security Facilities and Security Forces Deployment Guidelines. We provide employees with security handbooks that are up-to-date as well as customised to different overseas destinations, ensuring that overseas employees can promptly obtain guidance and assistance in emergency situations. • We hire professional security companies for our overseas projects and equipped them with advanced security facilities and equipment and intelligent alarm systems. • Our overseas project sites set up medical rooms, emergency care stations, or medical points equipped with emergency medical kits to ensure that sudden illnesses or injuries can be promptly treated.
Security Training	<ul style="list-style-type: none"> • Provide pre-departure security training for overseas employees. • Organised 10 theoretical training sessions and 10 practical training sessions during the Reporting Period; 654 employees participated in "door-to-door" refresher training jointly organised with third-party institutions.
Health Management	<ul style="list-style-type: none"> • Monitor the physical and mental health of overseas employees, providing them with convenient medical services, such as psychological health counselling services and online medical consultations, as well as local international SOS partners • During the Reporting Period, the Group provided 27,965 health examinations for its overseas employees.
Wellbeing Improvement	<ul style="list-style-type: none"> • Provide overseas employees with a pleasant office environment, healthy dining options, and diverse recreational activities. Meanwhile, we regularly extend care and support to employees' families, strengthening their sense of belonging and cohesion.

Case

Overseas Safety Scenario Training and Drills

SNEC conducted on-site inspections of the main transportation routes for its overseas projects to address traffic safety risks and provided targeted traffic safety training customised to local conditions such as foggy weather and increased accident rates during Ramadan in Saudi Arabia.

SLT's Thai subsidiary developed emergency plans customised to local natural disasters and social security risks, organised relevant trainings for employees to enhance their preparedness regarding various emergencies. In addition, Thai subsidiary also carried out targeted emergency drills for risks such as fire safety, earthquake safety, and flood safety.

Security and Human Rights Management

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

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

06

EMPLOYEE RELATIONS

Protection of Rights and Interests

Talent Cultivation

Employee Wellbeing

Supporting UN Sustainable Development Goals:



Protection of Rights and Interests

Protection of Employees' Rights and Interests

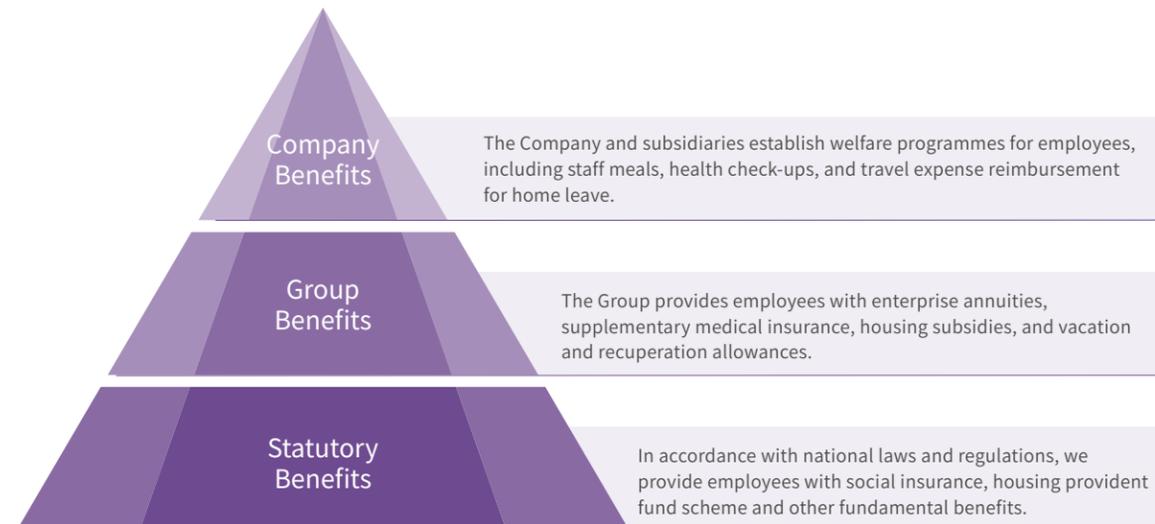
The Group strictly complies with the "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Law on the Protection of Women's Rights and Interests of the People's Republic of China", and other relevant laws and regulations, and has established a comprehensive and systematic management framework by formulating of relevant policies, such as the Labour Contract Management Measures, Remuneration Management Measures, Employee Benefits Management Measures, and Attendance Management Measures, to safeguard employees' fundamental rights and benefits.

The Group signs legally binding labour contracts with all employees in accordance with the law, clearly stipulating working hours and providing statutory overtime compensation. In our international operations, we strictly comply with applicable laws and regulations of the jurisdictions where our projects are located, ensuring that employee visas and labour contracts comply with local regulations.

Regarding working environment, the Group is dedicated to fostering an inclusive and healthy work environment, strictly prohibiting any forms of workplace harassment, discrimination, or retaliation. During the Reporting Period, there was no occurrence of any discrimination or harassment incidents in the Group.

Regarding compensation and incentives, the Group has established a market-aligned remuneration system, formulating medium- and long-term incentive plans for core staff, and implementing performance-linked assessments.

Regarding employee welfare, the Group makes statutory contributions to employees' social insurance and housing provident fund scheme strictly in accordance with national laws and regulations. In addition, the Group also provides an additional welfare security system for employees, including enterprise annuity scheme and supplementary medical insurance. Based on job requirements, we offer benefits such as health examinations and travel expense reimbursement for home leave. Overseas employees are protected by local laws and regulations in their respective jurisdictions.



The Group fully safeguards employees' rights to leave. We respect employees' rights to statutory holidays, marriage leave, bereavement leave, maternity leave, breastfeeding leave, and paid leave, ensuring adequate rest periods for all employees. In our overseas operations, we maintain deep respect for local cultures and religious practices, such as arranging flexible work schedules for Muslim employees during Eid al-Fitr.

The Group is committed to fostering a working environment of respect, inclusiveness, and support. We have established a sound mechanism for safeguarding the rights and interests of female employees, strictly complying with national regulations on statutory leaves such as pregnancy, maternity, and breastfeeding leaves. In addition, the Group has set up private and well-equipped lactation rooms for the convenience of nursing moms.



Lactation Care Room at SNEC



Employees Psychological Counselling Room at STCC

Diversity and Equal Opportunity

Employee Diversity

The Group attaches great importance to the diversity and inclusiveness of its workforce, and is committed to creating an open, fair, and vibrant working environment for all and continuously optimising the talent structure.

As of the end of the Reporting Period, our total workforce comprised 16,049 employees, of which 4,379 were female, representing 27.29%, significantly higher than the average percentage in the engineering and construction sector. A total of 11,758 employees, 73.26% of the total, hold bachelor's, master's or higher degrees.

The Group is dedicated to building a global talent management system, continuously expanding talent pools in countries such as Saudi Arabia and Kazakhstan, establishing overseas human resource centres, and providing talent assurance for the implementation of its "Global Development" Strategy.

The Human Resources Department is responsible for managing the matters related to employee diversity and equal employment, with the Human Resources Department manager serving as the person in charge of these affairs.

Total Employees of the Group	Female Employees	Employees with a Bachelor's Degree or Above
16,049 persons	4,379 persons	11,758 persons

Equal Employment

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

The Group ensures equal treatment across all aspects of employment - from career development and performance reviews to internal mobility and remuneration - regardless of gender, age, or ethnicity. During the Reporting Period, 100% employees participated in our performance evaluation and promotion assessment processes. Internal recruitment resulted in 769 male and 212 female employees appointed to new roles, higher than previous years. Our gender pay equity study shows minimal differences between the median pays of male and female employees, with a ratio of 0.9670.

The Group values the contribution of every employee, and is committed to providing employees with reasonable remuneration, maintaining a reasonable pay ratio. The CEO-to-median employee pay ratio is 5.67:1.

Total Employees of the Group

Talent Cultivation

The Group implements a multi-tier talent development system to support employee growth. As of the end of the Reporting Period, the Group had 2 Members of the Chinese Academy of Engineering, 10 National Engineering Survey and Design Masters, 32 experts receiving the State Council Special Allowance, and 5,831 employees holding senior or higher professional titles.

Members of the Chinese Academy of Engineering 2 persons	National Engineering Survey and Design Master 10 persons	Employees Receiving the State Council Special Allowances 32 persons	Employees Holding Senior or Higher Professional Titles 5,831 persons
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Employee Training

The Group issued the 2025 Annual Employee Training Plan, establishing tiered and category-based training objectives and course systems. The Plan includes 43 key training programs, covering senior management, middle management, and frontline employees across the management, professional and technical, and operational tracks. The Group has developed a "learning roadmap" training system, designing step-by-step training programs aligned with employee career development pathways. In addition, the Group implements a blended training approach combining online, offline, and hands-on training.

Multi-Tier Training Framework

Senior Management	Training programmes focused on strengthening strategic vision, participating in high-quality development initiatives, enhancing governance capabilities, studying the spirit of the "Two Sessions", and improving compliance management and risk prevention capabilities.
Middle Management	Training organised through a combination of centralised internal training and targeted external programmes, focusing on management capability development.
Frontline Employees	For newly recruited employees, a mentorship-based training model combining supervisor guidance and practical assessments is implemented.
Management Track	Management Track Leadership and project management training programmes, including Project Manager Capability Enhancement Programme and Young Business Talent Development Programme.
Professional & Technical Track	Specialised technical training and professional qualification development programs.
Operational Skills Track	Professional training programmes such as technical knowledge seminars and specialised skills training.

During the Reporting Period, the Group's employee training programmes recorded a total of 55,382 person-times of participation, with an average training duration of 28 hours per employee.

The Group regards young talent as a key driving force for sustainable development and has continuously implemented the "Young Talent Development Program". Through this program, the Group has established platforms for young employees to gain experience and exchange roles across regions, business lines and departments, fostering the development of versatile young professionals. During the Reporting Period, a total of 28 young employees participated in job rotation and training programs, with exchanges covering multiple areas including international business, project execution and management, technology research and development, and compliance operations.

Case

The Group organised the "Strength" Series Youth Practical Training Speech Competition, reviewing the achievements in building the Company's young talent pool since the implementation of the "Seedling Program" three years ago. The event showcased the responsibility and contributions of young professionals in supporting the Company's high-quality development. Over the past four years, a total of 138 young employees has participated in practical training and development programs.



Career Development

The Group has formulated policies such as the SEG Position Management Guidelines, and standardised professional title management and quantitative evaluation mechanisms to enhance the objectivity, fairness, and accuracy of talent assessment, thereby comprehensively strengthening the development of various talent teams.

The Group has also established systems such as the SEG Professional and Technical Classification Standards and Operational Skills Classification Standards, clearly defining professional categories and job classifications. Based on the Talent Qualification Evaluation Standards, the Group sets out requirements regarding the knowledge, skills, and competencies required for different roles, providing reference standards for talent selection and development while supporting employees in career planning and self-improvement.

The Group has developed the Global Talent Evaluation Framework, which evaluates talents across three dimensions: core competencies, professional capabilities, and management capabilities. The Group also promotes a two-way talent development mechanism that supports local employees in "going global" while attracting international talent, thereby enhancing the Company's global operational capabilities. In internal recruitment, priority is given to candidates with overseas work experience, providing them with broader platforms for global career development.

Case

SNEI has collaborated for three consecutive years with the Maharat Training Centre under Saudi Aramco and Nanjing University of Posts and Telecommunications to jointly organise a China-Saudi international talent development programme under the Belt and Road Initiative through university-enterprise cooperation. During the Reporting Period, 20 outstanding Saudi employees participated in specialised training programmes.



Employee Wellbeing

Employee Communication and Engagement

The Group places great emphasis on developing employee communication and engagement mechanisms. We have established the Trade Union and Employee Representative Conference mechanism and employee grievance mechanisms to ensure that employee concerns are effectively expressed and addressed in a timely manner.

Employee Representative Conference Mechanism

During the Reporting Period, the Group and its subsidiaries organised Employee Representative Conferences respectively, reviewing reports and proposals including the Annual Work Report, Production and Operations Report, Trade Union Work Report, and Report on Employee Representative Proposals, and held special meetings to specify implementation measures and accountability requirements.

During the Reporting Period, the Group focused on advancing the implementation of employee proposals concerning assistance for employees in difficulties, improvement of working conditions, and mental health care for overseas employees, achieving a satisfaction rate of 100%.

Employees Feedback Collection

The Company has established a multi-tiered feedback system with diverse communication channels, through which employees can submit improvement suggestions and grievances through face-to-face discussions, satisfaction surveys, suggestion boxes, internal communication platforms, and email communications. We strictly enforce confidentiality protocols to protect the personal information of all contributors, safeguarding employee rights and interests. Collected feedback is systematically categorised and submitted to relevant departments for analysis, serving as a crucial reference for workplace improvements in the following year.

Labour Dispute Resolution

The Group has established a comprehensive dispute resolution process with the formulation of the SEG Labour Dispute Management Guidelines. This system effectively handles labour disputes arising during employment as well as those following contract termination. Employees can initiate dispute resolution through various channels including phone calls, emails, in-person meetings, or written petitions to the HR Department, who shall respond within 5 working days regarding case acceptance. For accepted cases, the HR Department conducts a thorough analysis within 15 working days and develops a proposed dispute resolution plan based on relevant laws and regulations. During the Reporting Period, no labour disputes were recorded within the Group.

Factory Affairs Disclosure

The Group has formulated the Detailed Implementation Guidelines for Facility Affairs Disclosure, which specifies the content, procedures, requirements, and departmental responsibilities for factory affairs disclosure, providing an institutional framework for democratic oversight across all units. Information is shared through various channels including dedicated work meetings, public notice boards, and our OA information platform. Key disclosures cover major corporate decisions and their implementation, critical production and operational management issues, financial status of enterprises, matters directly affecting employee rights and interests, and integrity and compliance of leadership conduct.

Comprehensive Care for Employees

The Group upholds a people-oriented philosophy and provides comprehensive care and support for its employees.

Care for Female Employees

Based on a profound awareness of the challenges and pressures faced by female employees in both career and life, we actively carry out care initiatives for female employees, and organise forums for female employee representatives to share experiences and exchange insights.

We organise themed activities on International Women's Day, showing our care and enhancing employees' sense of belonging and happiness through health lectures, psychological counselling, and festival greetings.



GPEC "Bloom with Elegance, Power of She" Fun Sports Event



SNEI Flower Arrangement Activity

Care for Families of Employees

We have established an extensive care system for families of our employees, organizing the "Family Open Day" events, setting up the "Caring Day Care" and other initiatives to help employees' family members understand their work, and help employees better balance work and family life.

We provide families of employees stationed abroad for long-term assignment with care, sending festival greetings and gifts to their family members back home on special occasions such as the International Children's Day.



STCC conducted a special training on parent-child education



SFCC organised the "Safety Helmets - Children's Safety Painting Activity" during the Dragon Boat Festival

Care for Retired Employees

We provide retired employees with comprehensive support and emotional care through systematic and long-term measures.

Assistance for Disadvantaged Employees

We have formulated the SEG Assistance and Relief Fund Management Measures, providing necessary assistance and support to employees in need.

做最好的自己

07

SOCIAL RESPONSIBILITY

Responsible Value Chain
Community Relations
Philanthropy

Supporting UN Sustainable Development Goals:

<p>1 NO POVERTY</p>	<p>4 QUALITY EDUCATION</p>	<p>5 GENDER EQUALITY</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>



Responsible Value Chain

Serving Clients with Integrity

Quality Management

The Group has established a series of management systems and procedural documents, including the SEG Quality Management Regulations, and has built a comprehensive quality management framework. Responsibilities at all levels have been clearly defined to ensure the orderly implementation of quality management activities.

Board Level

An ESG Committee has been established to oversee major quality issues. In coordination with other Board committees, quality-related matters are incorporated into the Board's decision-making processes to ensure oversight at the highest level.

Management Level

The HSE Management Committee is responsible for addressing major HSE-related matters, development planning, and relevant regulatory frameworks. It supervises the fulfilment of HSE responsibilities and coordinates the resolution of quality issues.

Implementation Level

The QHSE Department is responsible for overall coordination, supervision, and monitoring, while project departments execute quality management tasks for individual projects.

During the Reporting Period, the Company and 11 subsidiaries successfully passed the annual surveillance audit of the ISO 9001 Quality Management System. Entities certified under ISO 9001 accounted for 100% of the Group's operating revenue. No major quality accidents or complaints were reported during the Reporting Period.

Dedicated Client Service

The Group is committed to serving every client with superior technology and cutting-edge equipment to ensure comprehensive quality delivery across all projects. Through excellence in construction services, we have established a strong brand image and market reputation, earning widespread recognition and appreciation from diverse clients.

The 1.2 million tonnes-per-year Ethylene and Downstream High-end New Materials Industrial Cluster Project in Tianjin Nangang, undertaken by SEI, received the Grand Prize in the Engineering Project Management Achievement Competition issued by the China Construction Enterprise Management Association.



The Huizhou Ethylene Project undertaken by SEI received the ExxonMobil Global Project Safety President's Award for three times.



The Saudi Aramco RIYAS Natural Gas Condensate Recovery and Separation Project, undertaken by GPEC, was recognised as an Outstanding Chinese-funded Project of 2024 by the Association of Chinese Enterprises in Saudi Arabia.

The Shaanxi Yanchang Coal Yulin Energy & Chemical Naphtha and Light Diesel Comprehensive Utilization Project, undertaken by GPEC, received the "Premium Engineering (5A)" Award, the highest quality honor in China's chemical construction industry.



The Sino-Kuwait (Guangdong) Integrated Refining and Petrochemical Project undertaken by GPEC received the First Prize in Petrochemical Engineering Design.

The Huizhou Ethylene Project undertaken by SEI received the ExxonMobil Global Project Safety President's Award for three consecutive years.



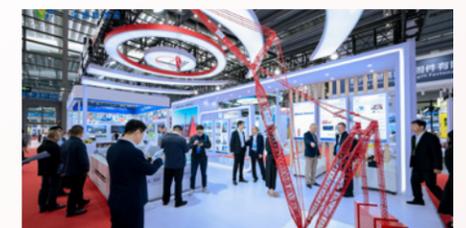
The Group provides project owners with full lifecycle services and training programs, including specialised technical exchanges, on-site visits, and customised knowledge-sharing activities.

Case

GPEC organised specialised training for the operations team of Sonatrach (Algeria's national oil company).



SLT participated in major international exhibitions including China Wind Power (CWP) in Beijing, the Shenzhen International Nuclear Energy Expo, and ADIPEC (Abu Dhabi International Petroleum Exhibition and Conference), showcasing equipment, installation demonstrations, project cases, and innovative solutions.



Supplier Management

The Group has formulated policies such as the SEG Regulations on Procurement Supply Resource Management to ensure standardised and regulated supplier management. During the Reporting Period, the Company revised the SEG Supply Resource Management Measures, further clarifying requirements for supplier classification, admission approval, and other management procedures. In addition, the Group optimised supply resource management processes and developed ten procurement management procedures for overseas projects focusing on key operational stages.

The Group has actively promoted the development of a supply resource management system, establishing a unified supplier database. Suppliers are categorised into three types according to business scope: material suppliers (GSN suppliers), E&E suppliers and registered suppliers

The Group relies on an integrated procurement management platform composed of ERP, EPEC, EC, and CMIS systems to realise full-process digital management of procurement activities, including supplier admission, evaluation, and exit management for both materials and services. Through this platform, supervisory departments can obtain real-time procurement data throughout the entire process, significantly enhancing the transparency and openness of procurement management.

<p>Supplier Admission</p> 	<p>Document Review: Supplier qualifications, financial status, and QHSE management system certifications are reviewed as core requirements. ESG-related indicators are also incorporated into the supplier admission review scope, including compliance with production safety regulations, green product certifications, fulfilment of social responsibility, and records of violations or penalties related to energy conservation and environmental protection.</p> <p>On-site Review: Procurement personnel, project staff, and representatives from the project owner jointly conduct on-site supplier inspections to comprehensively assess suppliers' production capacity and actual performance in QHSE management.</p> <p>Material suppliers and E&E suppliers are admitted in strict accordance with the Group's management regulations. Registered suppliers are admitted based on the owner's approved supplier list and managed under a project-specific, one-time-use model. During the Reporting Period, the Group approved 377 supplier qualification applications and verified 602 batches of supplier product catalogues.</p>
<p>Supplier Evaluation</p> 	<p>The Group has established a dynamic supplier evaluation mechanism, conducting quantitative assessments of indicators such as product quality and delivery timeliness. The evaluation results serve as an important basis for subsequent procurement decisions.</p>
<p>Supplier Non-compliance Management</p> 	<p>For non-compliant suppliers, measures such as warnings, interviews, risk suspension, and revocation of trading qualifications are implemented. Suppliers involved in major quality issues, bribery, or other integrity violations are subject to direct disqualification.</p>

In supplier integrity management, the Group follows the Sinopec Administrative Measures for Materials Procurement and Tendering. Through fair, open, and transparent procurement procedures and standardised bidding processes, the Group effectively prevents corruption risks within the supply chain. Relevant policies, including the Regulations on Materials Supply Management, Procurement Management Regulations, and Regulations on Procurement Supply Resource Management, clearly define supplier codes of conduct and anti-corruption requirements. Suppliers are required to sign the Integrity Commitment Letter to regulate business conduct between both parties and jointly maintain a healthy procurement ecosystem.

During the Reporting Period, the Group formulated and issued the Supplier Anti-Corruption Management Policy and achieved a 100% signing rate of the Integrity Commitment Letter among suppliers.

In terms of green procurement, the Group continues to optimise supplier admission standards in accordance with the Sinopec Green Procurement Management Measures. Based on the Sinopec Green Materials Procurement Catalogue and the Green Industry Guidance Catalogue, the Group prioritises the procurement of environmentally certified products, including products with environmental labelling, energy-saving and water-saving certification, low-carbon certification, and green building materials certification. Suppliers whose environmental violations result in economic losses to clients or negative social impacts will be treated as contract breaches, and stricter penalties will be imposed for deliberate concealment of such violations.

The Group advocates long-term partnerships with high-quality suppliers and strives to build a mutually beneficial and win-win supply ecosystem. With an open and inclusive approach, the Group continues to expand cooperation with new suppliers. During the Reporting Period, 340 new suppliers established service relationships with the Group, bringing the total number of suppliers to 4,695.

The Group also actively promotes supplier capability development through supplier visits, business meetings, and policy communication initiatives. For Class A materials, the Group implements on-site factory supervision and inspection to strictly control supply quality. Through a penetrating management approach, the Group ensures comprehensive implementation of supplier ESG compliance and quality management requirements. During the Reporting Period, the Group's subsidiaries held the 2025 Outstanding Supplier Recognition and Exchange Conference, further empowering suppliers to enhance their sustainable development capabilities.

Subcontractor Management

The Group adheres to the principles of cooperation, harmony, mutual benefit and win-win development, and has established a series of procedural documents covering subcontracting arrangements, subcontractor resource management, on-site subcontractor management, and subcontractor performance evaluation, in order to comprehensively regulate subcontractor management.

<p>Subcontractor Admission</p>	<ul style="list-style-type: none"> Key personnel of subcontractors are interviewed and screened before entering project sites to ensure professional competence. Strategic partners are prioritised and recommended as subcontractors to ensure that project teams employ subcontractors in compliance with applicable laws and regulations.
<p>Subcontractor Review</p>	<ul style="list-style-type: none"> A dynamic evaluation mechanism has been established to conduct quantitative assessments of subcontractors' on-site performance on a regular basis. A grading and elimination mechanism is implemented to remove subcontractors with poor performance. Subcontractors involved in major safety incidents, integrity violations, or negative social impacts are included in a blacklist. Evaluation indicators cover key ESG dimensions, including safety, quality, schedule management, and green construction practices. Annual reviews of subcontractors' qualifications and credit standing are conducted. Subcontractors with identified issues are required to rectify within a specified period; those failing to complete rectification or failing to meet required standards are subject to downgrading or removal from the subcontractor pool. During the reporting period, the Group conducted annual reviews and performance assessments for 1,388 subcontractors, of which seven subcontractors were blacklisted.
<p>Capacity Building</p>	<ul style="list-style-type: none"> Member companies regularly organise professional training and include key subcontractor personnel in integrated training programs to enhance subcontractor management capabilities. During the reporting period, the Group organised two training sessions for subcontractor management personnel.
<p>Integrity Management</p>	<ul style="list-style-type: none"> A multi-level integrity risk prevention and control system has been established. Relevant policies and documents, including the Core Requirements for Integrity in Practice and the Fourteen Prohibited Behaviours, are communicated to subcontractors to effectively reduce corruption risks. Integrity agreements are signed with subcontractors. Annual integrity risk inspections of subcontractors are conducted.
<p>Rights Protection</p>	<ul style="list-style-type: none"> The Group fully implements a real-name management system for subcontractor employees, requiring all subcontractor workers entering construction sites to sign standardised labour contracts to ensure their rights and obligations are legally protected. The Group strictly implements the National Regulations on Ensuring the Payment of Wages to Migrant Workers, reviewing labour contracts between subcontractors and migrant workers and arranging wage payments directly to dedicated wage accounts to prevent wage arrears.



GPEC was awarded the title of "Safe Wage Home" for Migrant Workers.

Community Relations

The Group is committed to contributing to local economic prosperity and community well-being. By actively integrating into local communities, the Group strives to promote coordinated development between the Company and society.

<p>Community Relations</p>	<p>For overseas projects, the Group has established the role of GRO (Government and Community Relations Officer), responsible for collecting feedback from local residents and organizing cultural orientation training. These initiatives help mitigate operational challenges arising from cultural differences and communication barriers in overseas projects.</p>
<p>Cultural Respect and Cross-Cultural Communication</p>	<p>The Group respects local cultural customs and promotes cross-cultural communication. Facilities such as well-ventilated prayer rooms are provided for Muslim employees, and reasonable arrangements are made to accommodate prayer times. Holiday activities are organised based on the nationalities, religions, and cultural backgrounds of project staff. Cross-cultural exchange events and Chinese traditional festival experience activities are also organised to foster mutual understanding among employees from different cultures.</p>
<p>Local Employment</p>	<p>The Group actively promotes local hiring, fostering a diverse workforce while creating employment opportunities and supporting local economic development.</p> <p>During the Reporting Period, the Group provided employment opportunities for more than 1,377 local employees in Saudi Arabia.</p>
<p>Community Public Welfare</p>	<p>The Group actively engages with local communities and fulfils its social responsibilities by participating in and organizing a variety of charitable and public welfare activities.</p>



Case

Deepening Local Engagement and Shared Prosperity – Community Support Initiatives in Saudi Arabia

Education Support

The Group supported the renovation of multimedia classrooms, shade structures, and school facilities at Osama Primary School in Dammam. Professional electricians from the project team also carried out electrical maintenance to improve the learning environment. In addition, a cultural exchange event themed "Supporting Education and Cultural Understanding" was organised during the Dragon Boat Festival, promoting cultural understanding and friendship between Chinese and Saudi youth.

Safety Awareness

The Group organised a safety education campaign titled "A Safe Summer, A Promising Future" at Osama Primary School and distributed more than 200 safety education handbooks to students.

Public Welfare Support

The project team organised voluntary blood donation activities to strengthen community ties and promote mutual understanding between Chinese and Saudi communities.

Environmental Protection

Thirty Chinese and local young employees from the WAS Project of the Saudi Arabian Mining Company planted more than 100 trees in the project camp.

While ensuring the health of project personnel, the GPEC Algeria LNG Project has also opened its on-site clinic to nearby community residents, providing basic medical assistance and helping alleviate local difficulties in accessing healthcare.

Case

SNEI places strong emphasis on the recruitment and development of local talent in Saudi Arabia. Since entering the local market in 2005, the company has recruited more than 2,000 Saudi employees and provided over 1,000 structured training sessions.

SNEI has adopted a mentor–apprentice training model, under which both Chinese and local mentors jointly guide new employees. Some trainees have already progressed to serve as mentors independently. The project team also promotes cultural integration by participating in local festivals and learning Arabic. In daily management, the company pays close attention to employees' well-being, offering support during illness and participating in important family events such as weddings. Through these efforts, a stable and collaborative local workforce has gradually been established.

Saudi employee Michel discussing on-site work with mentor Ye Yong.



Social Responsibility Brand Initiative

Safety Awareness and Emergency Preparedness for All

Immersive Public Safety Education Program

Since 2019, the Group has leveraged the practical safety training resources of its subsidiaries—FCC, SFCC, and STCC—to carry out extensive safety skills training. Over the past seven years, nearly 300 training sessions have been organised, benefiting more than 60,000 participants.

In July 2024, the Group officially launched the Immersive Public Safety Education Program, aiming to develop it into Sinopec's flagship safety initiative. The program targets community residents and students, focusing on topics such as fire safety, earthquake preparedness, traffic safety, and emergency medical response. Highly realistic emergency simulation scenarios are designed to enhance participants' ability to identify and respond to public emergencies and improve self-rescue and mutual-aid capabilities.

In 2025, the Group organised its first three-location public welfare initiative, simultaneously held at the North China Safety Training Base in Tianjin (FCC), the South China Safety Simulation Training Base in Guangzhou (SFCC), and the Huangdao Production Base in Qingdao (STCC). The event attracted over 400 students and members of the public. Media outlets including Xinhua News Agency and Economic Daily participated and provided extensive coverage. Related reports on the Xinhua News App received nearly 800,000 views.

In addition, SFCC has actively supported the coordinated development of the Guangdong–Hong Kong–Macao Greater Bay Area. Since 2024, it has delivered customised safety education programs for more than 1,500 teachers and students from Hong Kong, receiving wide recognition.



"Public Safety + Rural Revitalization" Immersive Safety Education Initiative

In 2025, in response to the national Rural Revitalization Strategy, the Group further expanded its Immersive Public Safety Education Program. In Dongxiang Autonomous County, Gansu Province, a designated assistance county of Sinopec, the Group launched an innovative the "Public Safety + Rural Revitalization" immersive safety education initiative. Through a mobile outreach education approach, the program was delivered to two rural schools, benefiting more than 1,000 teachers and students.

By combining theoretical instruction with scenario-based practical training, essential safety knowledge—including fire safety, emergency evacuation, and first aid skills—was brought directly to rural campuses. The initiative enhanced students' safety awareness and their ability to respond to emergencies through self-rescue and mutual aid. This program effectively helps address the shortage of safety education resources in remote areas and supports the development of safer rural school environments.



For more information on community relations, please refer to "Social Responsibility - Philanthropy".

Philanthropy

The Group regards fulfilling social responsibility as an important mission of its corporate development and actively participates in various public welfare initiatives, including rural revitalization, charitable donations, and volunteer services. During the reporting period, the Group invested RMB 10.754 million in rural revitalization initiatives and made RMB 2.0318 million in other charitable donations. Employees participated in volunteer activities 3,786 times, contributing nearly 10,000 hours of volunteer service in total.

Investment of Rural Revitalization Initiatives	Other Charitable Donations	Employees Participated in Volunteer Activities
RMB 10.75 million	RMB 2.0318 million	3,786 person-times

Rural Revitalization

The Group actively supports China's Rural Revitalization Strategy, contributing to rural economic development and social progress through various initiatives such as consumption-based assistance and charitable donations. The Group has purchased locally produced agricultural products—including Dongxiang quinoa and Jinglingqiao Village rice—to help expand their market channels. In addition, the Group supports rural revitalization by providing donations for infrastructure development, healthcare, and other public welfare initiatives in rural areas.

Case

SSEC has continued its paired assistance program with Jinglingqiao Village in Shanghai, inviting local residents to participate in the company's Open Day activities and procuring locally produced rice to support the village's economic development.

GPEC participated in the "Guangdong Poverty Alleviation Day - Tianhe District 2025 Initiative for Consolidating Poverty Alleviation Achievements and Promoting Rural Revitalization", making charitable donations to support balanced urban-rural development and contribute to building vibrant and sustainable rural communities.

Supporting Education Development in Dongxiang Autonomous County

- The Company donated sports equipment to Dongxiang Sinopec Middle School and Sinopec Primary School, supporting the improvement of campus sports facilities.
- SSEC provided free bus transportation, complimentary lunches, and learning materials for students of Zhengjia Sinopec Primary School in Dongxiang.
- SNEC organised educational study visits at Longquan School in Dongxiang, enabling students to learn more about the development of China's petroleum and petrochemical industry.
- SFCC donated RMB 70,000 to Shishan Primary School in Dongxiang for repairing the school walls and upgrading teaching equipment.

Education Support

The Group places great importance on education support. Through initiatives such as educational resource assistance, student aid programs, teacher training, and outreach education, the Group supports the development of education for young people in rural and disadvantaged areas. These efforts help address the imbalance in educational resources and create better learning and development opportunities for students.

Case

SEI organised a study tour to Beijing for 33 teachers and students from Yongle Primary School, helping broaden students' horizons and inspire their aspirations. The company also established teaching and learning excellence scholarships at Yongle Primary School and supported the renovation of staff dormitories to improve teachers' living conditions.

GPEC organised capacity-building training for all teachers at Yexi Sinopec Middle School, with a total investment of RMB 25,000. The company also provided RMB 25,000 in educational revitalization grants to students from the designated assistance village of Miaowan who were admitted to universities.

STCC donated 135 sets of autumn and winter school uniforms to the Special Education Centre of Qingdao West Coast New Area, helping address the practical needs of the school and supporting the development of children with special needs.

Volunteer Services

The Group promotes the volunteer spirit of dedication, friendship, mutual support, and progress, and actively carries out a wide range of community service initiatives.

Case

The Group organised young employees to participate in the "Zero-Carbon City · Youth Creating the Future" initiative, working with government agencies, schools, and communities to jointly build low-carbon and zero-waste community spaces in the capital.



The Group participated in local community "Learn from Lei Feng" volunteer service activities, providing convenient public services for residents.

The Group organised young volunteers to participate in community service initiatives, explaining energy conservation and carbon reduction policies to local residents, sharing practical knowledge on everyday energy-saving practices, and promoting the Company's commitment to green and low-carbon development.

SNEC has organised employees to participate in voluntary blood donation activities in Ningbo for 29 consecutive years, with more than 3,150 participants and a total donation of over 880,430 millilitres of blood, contributing to local healthcare support.



Employees from SNEI Saudi Amiral Project Department voluntarily organised the "Clean Coast, Shared Responsibility" environmental campaign, collecting and removing more than 50 kilograms of waste from local beaches.

In conjunction with World Environment Day, SFCC, together with project owners and partners, organised environmental protection initiatives such as tree planting and marine plastic waste cleanup.



Environmental Performance

A1 Emissions

General Disclosure

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

The Group has established various system policies, such as the SEG Environmental Protection Management Regulations and SEG Environmental Information and Environmental Protection Statistics Management Regulations, to regulate its management of atmospheric pollutants, waste, wastewater, and greenhouse gases. We are committed to reducing pollutant emissions and discharges during our operations and managing our environmental footprint.

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

The primary air pollutants produced by the Group's project implementation include dust, VOCs, SO_x, and NO_x. For details on their sources and treatment methods, please refer to the section "Environmental Protection – Reducing Emissions – Air Quality" on page XX of the Report. In this Report, the statistical scope of SO_x and NO_x emissions includes vehicle exhaust and gas fuel combustion. In the future, we plan to gradually refine the statistical scope to incorporate atmospheric pollutants produced by external subcontractors, and leased vehicles and equipment.

Indicators	Unit	2025	2024	2023
VOCs	Tonne	3,168.64	2,977.84	2,457.60
SO _x	Tonne	5.18	6.88	3.52
NO _x	Tonne	106.39	110.04	71.56

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

The Group defines hazardous wastes as materials that exhibit dangerous or potentially harmful properties, as listed in the National Directory of Hazardous Wastes or identified through national identification standards and methods. Major wastes generated during business operations, which mainly include paint contaminants (such as used paint containers and paint waste), toner cartridges, fluorescent tubes, etc. 100% of the Group's hazardous waste is handled by qualified third-party organisations, with some being recycled and reused, and the remaining portion undergoing harmless disposal.

Indicators	Unit	2025	2024	2023
Hazardous waste generated	Tonne	574.46	506.09	556.83
of which: Hazardous waste recycled by third-party agencies	Tonne	515.58	478.88	429.74
Hazardous waste disposed of by third-party agencies	Tonne	58.88	27.21	127.09
Intensity of hazardous waste	Tonne / 100 million RMB	0.82	0.79	0.99
Disposal rate of hazardous waste	%	100	100	100

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

The main non-hazardous waste generated from the Group operations include Waste wood products, waste paper, waste plastic products, Waste composite packaging materials, scrap steel, waste non-ferrous metals, Waste mechanical products, decommissioned transportation equipment, waste batteries, retired electrical and electronic products, construction waste and Domestic waste. Mainly sourced from the project construction process and routine office activities. For parts of non-hazardous waste where recycling and reuse can be carried out independently, including Waste wood products, scrap steel, and discarded soil and materials under construction waste, the Group carries out recycling and reuse autonomously; for parts where recycling and reuse cannot be carried out independently, these are handled by qualified third-party organisations.

Indicators	Unit	2025	2024	2023
Non-hazardous waste generated	Tonne	135,038.08	160,685.59	86,129.54
of which: Non-hazardous waste recycled by third-party agencies	Tonne	43,640.52	11,809.55	17,110.93
Non-hazardous waste disposed of by third-party agencies	Tonne	91,397.56	148,876.04	69,018.61
Non-hazardous waste emission intensity	Tonne / 100 million RMB	192.71	250.30	153.20
Non-hazardous waste treatment rate	%	100	100	100

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

The Group strictly implements "Environmental Protection Management Regulations of SEG", comprehensively standardises the management of emissions such as atmospheric pollutants, achieves the goal of reducing Pollutant Discharge during operations, and fully manages its own environmental footprint. The steps taken to process emissions are detailed in the section "Environmental Protection — Reduce Pollution Emissions — Atmospheric Pollutants" of this report.

A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.

The Waste generated by the Group mainly includes general solid waste, Domestic waste, and hazardous waste. general solid waste mainly comes from the project construction process and daily office operations; Domestic waste comes from the project construction process and daily life of Employees; hazardous waste mainly comes from construction activities and daily office operations. For general solid waste and hazardous waste, the Group is recycled by recycling and reuse, and the parts that cannot be recycled are uniformly handed over to third-party companies for recycling and disposal; as for Domestic waste, it is uniformly handled by municipal departments.

The Group strictly complies with Waste management, adopts reasonable categorised treatment, and treats it as a key focus in daily environmental protection inspections. We choose suitable methods to handle and store construction waste, strictly preventing issues such as hazardous waste being stored in the open air and the mixing of solid and hazardous waste; we strive to fully standardise ledger management, affix standard Waste classification labels.

Target Item	Target Content	Countermeasures
Non-Hazardous Waste Emission Reduction Targets	<ul style="list-style-type: none"> During the period from 2021 to 2025, non-hazardous waste emissions per 100 million RMB of operating revenue will be reduced by 11%. The baseline data for non-hazardous waste reduction is 88.84 tonnes per 100 million RMB (2021), and the reduction entities include the Group offices as well as the Group-related engineering construction projects; this target is voluntarily set by the Group and is not a regulatory requirement. 	Optimise construction processes and technologies, reduce material usage, and minimise waste emissions from the source as much as possible.
Waste Disposal Target	<ul style="list-style-type: none"> During the period from 2021 to 2025, outsourced hazardous waste disposal per 100 million yuan operating revenue will be reduced by 8%. The baseline data for hazardous waste outsourced disposal intensity is 1.7 tonnes per 100 million RMB (2021). The entities covered by the outsourced disposal intensity reduction data include the Group offices and the Group-related engineering construction projects; this target is voluntarily set by the Group and is not a regulatory requirement. 	Improve project construction management level and reduce unit output hazardous waste generation.

A2 Resource Usage

General Disclosure

The primary air pollutants produced by the Group's project implementation include dust, VOCs, SOX, and NOX. For details on their sources and treatment methods, please refer to the section "Environmental Protection – Reducing Emissions – Air Quality" on page XX of the Report. In this Report, the statistical scope of SOX and NOX emissions includes vehicle exhaust and gas fuel combustion. In the future, we plan to gradually refine the statistical scope to incorporate atmospheric pollutants produced by external subcontractors, and leased vehicles and equipment.

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

Indicators	Unit	2025	2024	2023
Direct Energy Consumption				
Consumption of diesel	Tonne	15,945.51	14,906.73	9,947.85
Consumption of gasoline	Tonne	2,554.01	2,515.38	2,416.36
Consumption of natural gas	Cubic Metre	794,933.84	581,796.92	666,081.15
Consumption of liquefied petroleum gas	Tonne	429.53	355.97	839.30
Consumption of acetylene	Tonne	756.37	739.52	1,417.00
Consumption of propane	Tonne	195.39	217.63	175.33
Indirect Energy Consumption				
Consumption of purchased electricity	MWh	135,615.54	121,676.67	110,723.34
Consumption of purchased heat	Million KJ	30,734.42	21,470.58	21,261.82
Consumption of integrated energy converting to standard coal	Tonne of standard coal	52,765.68	48,683.46	46,478.66
Integrated energy consumption intensity per revenue	Tonne of standard coal/100 million RMB	75.30	75.83	82.67

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

Indicators	Unit	2025	2024	2023
Total water withdrawal	Tonne	3,687,855	3,279,990.93	3,242,479.06
of which: Groundwater withdrawal	Tonne	55,639	83,764.00	59,458.00
Surface water withdrawal	Tonne	5,708	9,135.50	269,080.00
Seawater withdrawal	Tonne	132,193	281,163.00	0
Third-party water supply (municipal water) withdrawal	Tonne	3,494,315	2,905,928.43	2,913,941.06
Total water resource consumption	Tonne	3,687,855	3,279,990.93	3,242,479.06
of which: Total office water resource consumption	Tonne	949,600	1,032,138.76	1,189,181.19
Total construction activity water consumption	Tonne	2,351,817	1,852,780.51	2,006,266.62
Other water resource consumption	Tonne	386,438	395,071.66	47,031.25
Water resource consumption intensity	Tonne/100 million RMB	5,262.79	5,109.16	5,767.42

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

The Group has established energy efficiency targets for the '15th Five-Year Plan' period, see 'Climate Action—Energy Conservation Management' section. Detailed Energy Management measures and outcomes of the Group can be found in the 'Climate Action—Energy Conservation Management' section of this report.

A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.

The Group has established water efficiency targets for the '15th Five-Year Plan' period, see 'Environmental Protection—Reduce Pollution Emissions' section. No issues regarding the acquisition of applicable water sources occurred during this Reporting Period. The Group calls for actively improving water use efficiency in staff offices and project construction. Our water-saving measures are detailed in the section "Environmental Protection – Pollution Control – Wastewater" of this report.

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

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

A3 Environment and Natural Resources

General Disclosure

The Group strictly complies the relevant environmental protection regulations of the project location, actively fulfils its responsibility for environmental and natural resource protection, strictly adheres to Ecological Red Line and Environmental safety bottom line, and fully considers possible impacts on biodiversity and natural resources during project construction. The Group has formulated "Environmental Protection Management Regulations of SEG", "SEG Environmental Information and Environmental Protection Statistics Management Regulations", "SEG Production Safety Risk Control and Hazard Inspection and Management Regulations" to standardise relevant work activities.

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

The Group has established a comprehensive environmental management system. For details on the potential environmental impacts of the Group's business activities and the management measures adopted, please refer to the section "Environmental Protection – Environmental Management" in this report.

Types of potential environmental and natural resource impacts	Countermeasures
Ecological environmental damage	Construction shall not be carried out within World Heritage Sites or any Ecological Red Line prohibited development zones, and all legally protected areas required by international standards shall be respected, including categories Ia, Ib, II, III, IV, V and VI as defined by the International Union for Conservation of Nature (IUCN). If construction operations are carried out in environmentally sensitive areas or regions with significant surface disruption, they must strictly follow relevant internal Environmental Protection measures and erosion prevention measures.
Soil damage or farmland pollution	During Long-distance pipeline construction operations, the Group strictly controls the occupied construction area, implements hydraulic engineering protection measures, and promptly restores the landscape.
Pollution of rivers and surrounding water bodies of the project	Drainage from foundation pits, tunnel construction wastewater, site washing water, pressure testing wastewater and other construction processes wastewater are all treated by sedimentation and other methods before being reused for road spraying or discharged in compliance with contractual or designated locations, thus minimising pollution to rivers and surrounding water bodies.

Social Performance

B1 Employment

General Disclosure

The Group strictly follows laws and regulations such as Labour Law of the People's Republic of China and operation area, actively practising the National Human Rights Action Plan and international human rights conventions.

The Group has formulated multiple policies, including the 'SEG Labour Contract Management Regulations', to protect Employees rights and jointly build harmonious labour relations with Employees. the Group safeguards employees' rights in basic pay and benefits, recruitment and dismissal, promotion, working hours, leave, equal opportunities, diversity, Anti-Discrimination and other aspects, through signing formal labour contracts and collective bargaining agreements with Employees. In addition, we actively uphold and protect employees' rights to information, participation, expression, and supervision through means such as Employee Representative Conference, Trade Union, Factory Affairs Disclosure Mechanism, and Employee Complaint Mechanism. the Group properly handles Employees and Labour Dispute, and enforces the 'SEG Labour Dispute Management Measures'. During the Reporting Period, the Group experienced no significant labour disputes.

B1.1 Total workforce by gender, employment type (for example, full- and part- time), age group and geographical region.

Indicators	Unit	2025	2024	2023
Total employees	Person	16,049	15,935	16,085
of which: Domestic employees	Person	15,263	15,290	15,626
Overseas employees	Person	786	645	459
of which: Male employees	Person	11,670	11,598	11,709
Female employees	Person	4,379	4,337	4,376
of which: Employees aged 30 and below	Person	3,325	2,900	2,444
Employees aged between 31 and 50	Person	8,164	8,454	9,335
Employees aged 51 and above	Person	4,560	4,581	4,306
of which: Employees with a postgraduate degree	Person	4,162	3,588	3,373
Employees with bachelor's degree	Person	7,596	7,551	7,594
Employees with associate degree	Person	2,331	2,408	2,546
Employees with other qualifications	Person	1,960	2,388	2,572

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

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

Indicators	Unit	2025	2024	2023
Total employee turnover rate	%	0.64	1.03	1.28
of which: Male employee turnover rate	%	0.55	0.84	1.04
Female employee turnover rate	%	0.09	0.19	0.24
of which: Employees aged below 30 turnover rate	%	0.54	0.69	0.72
Employees aged between 31 and 50 turnover rate	%	0.1	0.33	0.55
Employees aged above 51 turnover rate	%	0	0.01	0.01
of which: Domestic employee turnover rate	%	0.64	1.03	1.28
Overseas employee turnover rate	%	0	0	0

B2 Health and Safety

General Disclosure

The Group strictly complies with safety-related regulations of the country and region where the project is located. Domestically, the Group strictly follows Work Safety Law of the People's Republic of China 'Construction implementation Permit Management Measures', 'Fire Safety Responsibility System Implementation Measures', 'Special Equipment Safety Law of the People's Republic of China', 'Regulations on the Safety Management of Hazardous Chemicals', 'Production Safety Accident Emergency Regulations', and other laws and regulations safeguarding a safe working environment, as well as Law of the People's Republic of China on Prevention and Control of Occupational Diseases 'Occupational Health Inspection Management Measures', 'Workplace Occupational Health Supervision and Management Regulations', 'Occupational Disease Hazard Prevention and Control Specifications for the Construction Industry', and other laws and regulations safeguarding Employees Occupational Health. Overseas, the Group likewise adheres to relevant laws and regulations in its place of operation.

The Group formulates and implements a series of safety management and Occupational Health-related systems and regulations, including 'SEG Safety Management Regulations', to comprehensively ensure the smooth conduct of safe operations.

Key the Group Occupational Health and safety management measures are detailed in the section "Occupational Health and Safety Management — Occupational Health and Safety Management Mechanism — Key Tasks" of this report.

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

Indicators	Unit	2025	2024	2023
Number of reported incidents	/	2	0	1
Number of work-related deaths	Person	0	0	0
Work-related deaths	%	0	0	0
Work-related lost working-hours ^{Note}	Work day	0	0	0
Fatal accident rate per 200,000 working-hours		0	0	0

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

B2.2 Lost days due to work injury

Indicators	Unit	2025	2024	2023
Number of incidents of work-related injuries	Person	17	30	19
Lost working-hours due to work-related injuries	Work day	1,829	1,997	306
Incident (accident) rate per 200,000 working-hours		0.02	0.023	0.02

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

The Group has established a complete occupational health and safety management system. Detailed implementation and monitoring methods can be found in the section 'Occupational Health and Safety Management — Occupational Health and Safety Management Mechanism — Occupational Health and Safety Management Framework' of this report.

The Group promotes occupational health and safety management system certification work to facilitate the standardisation of the relevant management system. For major Indicators such as Employees casualties, 200,000 working hours accident rate, and 200,000 working hours fatality rate, the Group regularly reports them to Sinopec Group for supervision and management, while other related Indicators are subject to monthly supervision and management within the Group. We disclose key occupational casualty data to Stakeholders annually through ESG report.

Using 2021 as the baseline year, the Group set '14th Five-Year Plan' targets covering Subcontractor Employees, including reducing general and above responsibility accidents and HSE incident rates among employees by 40% during the '14th Five-Year Plan' period; reducing lost time rate by 30%; and reducing total recordable incident rate by 30%.

Management measures related to Occupational Health by the Group are detailed in this report under the section 'Occupational Health and Safety Management—Occupational Health and Safety Management Mechanism—Key Work'.

B3 Development and Training

General Disclosure

In order to help Employees achieve better career development and progress, the Group promotes the overall improvement of employees' qualities and actively provides Employees with comprehensive and diversified vocational skills training. the Group formulates regulations such as the 'Expert database of SEG Management Rules' and 'Regulations on Talent Training and Management of SEG', standardising professional training work.

During the Reporting Period, the Group released the '2025 Annual staff training Plan', fully covering senior, middle, and junior staff, involving training in management sequence, professional technical sequence, and operational skills sequence. The training content of the Group is detailed in the section 'Employees Engagement – Talent Cultivation' of this report.

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

Indicators	Unit	2025	2024	2023
Total number of employees participating in training	Participant	55,382	51,222	43,258
of which: Percentage of training participation of senior managers	%	1	1	1
Percentage of training participation of mid-level managers	%	7	7	6
Percentage of training participation of grass-roots employees	%	92	92	93
of which: Percentage of training participation of male employees	%	73	71	72
Percentage of training participation of female employees	%	27	29	28
of which: Participation of on-the-job training	Participant	46,575	44,517	36,794
Participation of continuing education	Participant	4,228	2,266	1,130
Participation of other training	Participant	4,579	4,439	5,334

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

Indicators	Unit	2025	2024	2023
Average training hours of employees	Hour	28	27	27
of which: Average training hours of male employees	Hour	27	26	26
Average training hours of female employees	Hour	29	28	28
of which: Average training hours of senior management staff	Hour	30	28	27
Average training hours of mid-level management staff	Hour	30	26	26
Average training hours of grassroots employees	Hour	24	27	28
Total amount of vocational training	10,000 Hours	45	44	42
Investment in vocational training	10,000 RMB	3,286	5,102	5,483

Note: Adjustments to the Group and Human Resources Management scope and structure have led to restatement of the 2023–2024 data for the B3 Development and Training section.

B4 Labour Standards

General Disclosure

The Group strictly complies with laws and regulations in operation area, such as Labour Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors and Regulations on the Prohibition of Child Labour, and actively implements the National Human Rights Action Plan and the International Human Rights Covenants. The Group formulates and enforces management systems such as the SEG Occupational Employee Management Measures to ensure lawful employment, and eliminate child labour and forced labour.

B4.1 Description of measures to review employment practices to avoid child labour and forced labour.

The Group firmly opposes any form of child labour and illegal employment forms such as Forced Labor. During recruitment, the Group checks employees' age through rigorous verification of documents.

B4.2 Describe the steps taken to eliminate such practices when discovered.

In management, if child labour and other violations such as Forced Labor are found, the Group will strictly monitor compliance with employment regulations in accordance with relevant laws and guidelines, and take effective measures to punish any staff responsible for misconduct. For specific measures used to review employment recruitment, please see the section "Employees Engagement – Rights Protection" in this report.

During the Reporting Period, there were no occurrences of child labour involving the Group or violations such as Forced Labor, nor any litigation arising from employment issues.

B5 Supply chain management

General Disclosure

The Group has established strict Supplier Management and subcontractor selection and assessment mechanisms. Formulated management systems such as the 'SEG procurement logistics Supply Resource Management Regulations', established a unified supplier information database. The Group has incorporated HSE management, Establishment of quality system, green product certification, social responsibility fulfilment, Energy Conservation and Environmental Protection Violations and Penalties and other ESG-related performance factors into Supplier Qualification Assessment, in order to prevent ESG risks at the supply chain level.

During the Reporting Period, the Group cooperated with the construction of the supply resources management platform to revise the supporting management system for procurement logistics. For details, please refer to the section "Social Responsibility—Responsible Value Chain—Supplier Management" of this report.

B5.1 Number of suppliers by geographical region.

Indicators	Unit	2025	2024	2023
Total number of suppliers in supply chain	Entity	4,695	4,355	3,987
of which: Domestic suppliers	Entity	4,396	4,097	3,799
Overseas suppliers	Entity	299	258	188
of which: Suppliers certified under ISO 14001 environmental management system	Entity	4,136	-	-
Suppliers certified under ISO 45001 occupational health and safety management system	Entity	3,694	-	-
Suppliers certified under ISO 9001 quality management system	Entity	4,101	-	-
of which: Tier 1 suppliers	Entity	4,695	-	-
Proportion of total procurement expenditure from top 5 suppliers ^{Note}	%	6.20	8.30	9.10
Tender procurement rate	%	88.94	87.46	89.90
Open tender rate	%	99.59	99.18	98.80

Note: The statistical methodology of the indicators has been adjusted, resulting in revisions to prior-year data.

B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.

The Group formulated and issued the 'Supplier Anti-Corruption Management Policy', using a standardised tendering system and process to prevent the breeding of corruption.

The Group formulated the 'SEG Credit Risk Management Measures' and other provisions, which clearly define the supplier code of conduct and anti-corruption requirements. The Company Operations Management Department is responsible for carrying out supplier monitoring, conducting ongoing dynamic assessments of suppliers during admission, management, and post-evaluation, and integrating the assessment requirements into the provisions of the supplier code of conduct.

The Group actively engages in supplier communication and training, listens to suppliers' concerns, carries out a variety of Supplier Training, and enhances supplier capabilities. During the Reporting Period, we actively organised supplier conferences and commend outstanding suppliers. For details, please refer to the section "Social Responsibility—Responsible Value Chain—Supplier Management" of this report.

During the Reporting Period, 340 new suppliers established service relationships with the Group, bringing the total to 4,695.

B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.

The Group actively carries out full-process supplier management, comprehensively overseeing admission procedures for suppliers such as Supplier Qualification Assessment. At the admission stage, we have established the 'SEG procurement logistics Supplier Resource Management Regulations', clearly defining the supplier admission mechanism and strictly controlling all requirements. ISO 14001 certification and ISO 45001 certification are considered important evaluation criteria, enabling a comprehensive review of suppliers' management practices. When selecting suppliers, explicitly incorporate HSE management, Establishment of quality system, green product certification, social responsibility fulfilment, Energy Conservation and Environmental Protection Violations and Penalties and other Sustainable Development practice performance into Supplier Qualification Assessment, clearly defining the supplier's responsibilities and obligations in transaction activities in respect of Environmental Protection, Resource Conservation, social responsibility and other aspects, in order to prevent ESG risks at the supply chain level. For specific implementation and monitoring methods, please refer to the section 'Social Responsibility—Responsible Value Chain—Supplier Management' in this report.

The Group conducts regular Evaluation on suppliers at a frequency of at least once a year, assessing the supplier's performance fulfilment, quality evaluation, market performance, green products and other aspects, and analyses supplier evaluation results to Screening non-compliant suppliers. If environmental and social risks related to suppliers are discovered or are expected to be discovered, or if behaviours potentially causing significant negative impacts are identified, penalties shall be imposed in accordance with relevant regulations, such as warnings, interviews, or suspensions, and the handling results for suppliers shall be uniformly processed and made public.

B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.

The Group put into practice the Green Procurement concept, strictly implementing the "Sinopec Compliance Management Measures" and other related regulations. When selecting suppliers, the Group includes the suppliers' relevant qualifications, green and low-carbon and other factors in the eligibility review, and gives priority consideration to suppliers with green energy-saving certification. We guide suppliers to sign the Green Procurement service agreement or letter of commitment, clearly defining the suppliers' responsibilities and obligations regarding Environmental Protection, Resource Conservation, and social responsibility in their transactions; suppliers causing environmental issues must conduct monthly internal reporting, and those whose environmental violations result in economic loss to users and social impact will be dealt with as breaches of contract, with increased penalties for deliberate concealment.

B6 Product Responsibility

General Disclosure

The Group strictly complies with the "Construction Law of the People's Republic of China", the "Construction Project Quality Management Regulations" and, in its operational jurisdictions, as well as other laws, regulations, technical standards, and regulatory requirements concerning engineering quality; it drafts procedural documents such as the "SEG Quality Management Rules" and "SEG Quality Accident Management Regulations", and improves Quality Management work. Details of the construction and management structure of Quality Management System under the Group can be found in the section "Social Responsibility — Responsible Value Chain — Dedication to Client Service" of this report.

B6.1 Percentage of the total products sold or shipped to recalls for safety and health reasons.

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

B6.2 Number of products and service related complaints received and how they are dealt with.

During the Reporting Period, the Group visited key Customers to establish and continuously consolidate strategic cooperative relationships. Continue to support project construction and future development. In response to feedback from Customers, an 'integrated planning, tiered responsibility, and coordinated linkage' work mechanism was built, collecting Customers requirements through multiple online and offline channels. 'Customers Communication and Requirement Handling Record Sheet' was created. During the requirement handling process, ensure that Customers requirements are promptly conveyed to relevant departments and associated Unit, efficiently implemented and Ring-Closing feedback provided, forming a 'collection-processing-feedback' management model, effectively improving service quality and Customers satisfaction.

During the Reporting Period, the Group reported no quality incidents and received no major quality-related complaints.

B6.3 Description of practices relating to observing and protecting intellectual property rights.

The Group strictly complies with relevant legal such as Patent Law of the People's Republic of China and Copyright Law of the People's Republic of China, formulating and implementing management regulations including "Regulations on Intellectual Property Protection Management of SEG", "Patent Management Measures of SEG" and "SEG Proprietary Technology Management Measures". During the Reporting Period, the Group had no intellectual property-related intellectual property infringement litigation incidents.

Under Science and Technology Department, the Group has an intellectual property management team responsible for the management of Group's Intellectual Property Protection and patent application matters. In addition, the Group regularly conducts intellectual property training, in order to comprehensively enhance employees' awareness and protection of intellectual property rights. The progress of related work and training for the Group and Intellectual Property Protection will be released through the annual ESG report.

B6.4 Description of quality assurance process and recall procedures.

The Group organises quality management system audit in accordance with the 'refining engineering Professional Quality Management System Effectiveness Evaluation Form' (QSH 0828-2021), and conducts Quality inspection in accordance with standards and specifications such as the 'Stone Chemicals Project Quality Inspection Outline (2017 Edition)'. the Group conducts root cause analysis of quality problems found during various quality inspections, reports and holds interviews on typical quality issues to facilitate timely rectification and management improvement.

In addition, the Group continuously improves the mechanism for handling engineering quality issues, establishing hierarchical processing mechanism to supervise and resolve complaints. For recurring problems in projects, it formulates special rectification measures and corrective and preventive actions, and carries out training and publicity for technical and construction personnel to prevent recurrence.

B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.

In terms of owners' rights and privacy, in accordance with the 'SEG Headquarters Cybersecurity Management Guidelines', the 'SEG Information and Digital Management Regulations' and the 'SEG Computer Equipment Management Measures' formulated by the Group, the privacy management mechanism is improved. the Group requires all documents at the Customers end to adopt high-level encryption measures to strictly prevent data leakage. Once any violation such as privacy breaches is discovered, the Group will promptly stop the relevant behaviour to minimise the harm caused by the incident, make an internal report and criticism, and for serious cases, take stricter disciplinary measures against the responsible person. During the Reporting Period, the Group did not experience any privacy or data leakage issues.

The Group organised for Employees to attend company compliance training, further strengthening Employees awareness of confidentiality. In addition, confidentiality agreements are signed in contracts, and in dealings between Customers and relevant parties, the mutual confidentiality responsibilities and obligations are clearly defined, preventing Customers privacy leakage risks from a legal perspective and ensuring Customers privacy security.

B7 Anti-corruption

General Disclosure

The Group strictly complies with Criminal Law of the People's Republic of China Oversight Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Company Law of the People's Republic of China and the Interim Provisions on Prohibiting Commercial Bribery as well as applicable laws and regulations on the prevention of bribery, extortion, fraud, and anti-money laundering in the jurisdiction where the business operates, and opposes all forms of corruption and unfair competition.

The Group has formulated management systems such as 'Sinopec Engineering (Group) Co., Ltd. Anti-Fraud Management System' and 'SEG Implementation Measures for Integrity Risk Prevention and Control'.

During the Reporting Period, the Group formulated and issued the 'Anti-Corruption Management Policy' and the 'Supplier Anti-Corruption Management Policy', demonstrating the Group suppliers, subcontractor, and contractors' commitment to integrity in operations.

During the Reporting Period, details of the revisions to corruption-related management systems of the Group Anti-corruption can be found in the section 'Corporate Governance—Compliance and Risk Management—Compliance Operations' of this report.

B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.

During the Reporting Period, the Group had no legal cases regarding Corrupt Practices filed or concluded.

During the Reporting Period, the Company did not experience any major violations or fines in relation to corruption or bribery, unfair competition, conflicts of interest, money laundering, or insider trading.

B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.

The Group continuously improves the system and management framework for anti-corruption, formulating the 'Regulations on Material Supply Management', the 'SEG Procurement Management Regulations', and the 'SEG procurement logistics Supply Resources Management Regulations', which include clauses within the Supplier Code of Conduct (covering anti-corruption and other content).

The Discipline Inspection Commission of the Company is the body responsible for anti-corruption and integrity work, with the Supervision and Audit Department serving as the primary department in charge. The head of the Discipline Inspection Commission, as the key responsible person, reports to the relevant discipline inspection working group. The Group's 'SEG Anti-Fraud Management System', 'SEG Overseas Customers and Partnership Relationship Management Regulations', and 'SEG Foreign Business Economic Sanctions Compliance Management Guidelines' constitute a series of clear and explicit anti-corruption rules that strictly prohibit any form of embezzlement, bribery, offering or accepting bribes, and other corrupt acts, and provide for regular anti-corruption training to enhance employees' awareness of integrity and anti-corruption. Upon discovery of any form of corrupt behaviour, the Group will, in strict accordance with Sinopec Employee Disciplinary Regulations and other regulations, impose the most severe penalties, including warnings, dismissal from post, termination of employment, and, depending on the specific circumstances, refer the matter to the relevant regulatory authorities for handling.

With regard to Directors, Senior Management, the Company explicitly supervises any acts by Directors, Senior Management, committed during the performance of their duties that contravene laws, administrative regulations, or Articles of Association. For Directors, Senior Management, who violate laws, administrative regulations, Articles of Association or The Meeting of Shareholders resolutions, Responsibilities will propose their removal.

Key anti-corruption work carried out during this Reporting Period can be found in the "Corporate Governance—Compliance and Risk Management—Compliance Operations" section of this report.

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

The Group has organised anti-corruption training covering directors, senior management, and other Employees, achieving 100% coverage for all personnel.

Indicators	Unit	2025	2024	2023
Number of anti-corruption and integrity training	Time	1,258	1,255	1,240
of which: Online training	Time	176	92	382
Offline training	Time	1,082	1,163	858
Hours of anti-corruption and integrity training	Time	3,526	4,588	4,412
Participants in anti-corruption and integrity training	Participant	31,875	28,820	28,785
of which: Participation of Board members	Participant	44	26	25
Participation of other management levels and employees	Participant	31,831	28,794	28,760
of which: Percentage of Board members participating	%	0.14	0.09	0.09
Percentage of other management levels and employees participating	%	99.86	99.91	99.91

B8 Communities Investment

General Disclosure

The Group follows the Law of the People's Republic of China on Donations for Public Welfare and relevant laws and regulations, and has formulated relevant management systems such as the External donations by SEG Management Regulations, strictly enforcing the relevant approval procedures.

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

During the Reporting Period, the contributions made by the Group in Rural revitalisation consumption assistance, Educational Assistance, volunteer services and other areas are detailed in this report under "Social Responsibility — Philanthropy and Charity" and "Social Responsibility — Community Relations".

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

The Group is committed to community development and establishing sound relations between enterprises and local communities. In our overseas operations, we have established a GRO (community relations Officer) position to carry out external communications and internal cultural training; we actively participate in various public welfare activities in our operating locations, such as charitable education assistance, contributing to the local community culture and economic development. During the Reporting Period, the Group made external donations totalling RMB 2.0318 million, engaged in volunteer activities 3,786 times, and the total volunteer service hours reached 9,813.

Climate-Related Disclosures

Governance

The Board of Directors ESG Committee is responsible for identifying climate-related issues and overseeing climate change risk and opportunity management as well as the implementation of response plans. During the Reporting Period, the Company organised Board of Directors members to attend one targeted training session on responding to climate risks, in order to enhance the understanding of climate issues and their capacity to perform their duties. The ESG Committee reviews the climate risk and opportunity assessment results annually, provides recommendations to Board of Directors, integrates climate-related factors into the Board of Directors' considerations for strategic planning, investment and other major decisions. The Group has incorporated climate action related indicators into the annual business performance assessment of the Executive Directors, linking the assessment results with annual performance bonus.

The Climate Change Committee oversees the Group's strategic response to climate change, including major initiatives, development planning, the development of related governance frameworks and policies, and reviewing the progress of its annual climate targets. The standing office of the Committee is responsible for reviewing the Group's climate-related policies and regulations, and identifying climate risks and opportunities.

Strategy

Type	Description of risks and opportunities ^{Note 1}	Impact Period	Impact Scope	Regions Impacted ^{Note 2}	Expected financial impact
Acute Risk	Strong wind: Strong wind is highly likely to disrupt high-altitude lifting operations, or cause damage to temporary scaffolding and protective structures, affecting construction progress.	Short-, medium-, and long-term	Business operations	East Asia Southeast Asia	Minimal impact on cost
	Heavy rain: Flash heavy rainfall may cause flooding in the plant area, leading to work interruptions, foundation erosion, or environmental pollution incidents.	Short-, medium-, and long-term	Business operations	Southeast Asia	Minimal impact on cost

Type	Description of risks and opportunities ^{Note 1}	Impact Period	Impact Scope	Regions Impacted ^{Note 2}	Expected financial impact
Acute Risk	Typhoon: Typhoon may disrupt high-altitude lifting operations, or cause damage to temporary scaffolding and protective structures, and even damage to equipment and tools at the construction site, affecting construction progress.	Short-, medium-, and long-term	Business operations	East Asia Southeast Asia	Minimal impact on cost
Acute/chronic risks	Extreme high temperatures/temperature rise: Extreme high temperatures or temperature rise may lead to reduced cooling efficiency or increased failure rates of equipment, significantly higher risk of heatstroke for personnel, thus affecting construction efficiency and progress.	Short-, medium-, and long-term	Business operations	Southwest Asia Southeast Asia East Asia South Asia	Minimal impact on cost
	Severe cold: Severe cold may lead to increased energy consumption for equipment preheating and reduce equipment efficiency; frozen soil operations affect civil construction efficiency.			North Asia	
Policy and Legal Risks	China implements a quota system for carbon emissions. If the Group is included in the key emission control list of the nationwide carbon emissions trading market, it may face higher carbon emissions compliance costs.	Medium-, and long-term	Business operations	/	Higher compliance cost
Reputation Risks	Stakeholders pays greater attention to our climate actions and environmental management. Ineffective climate actions may affect the reputation of the Group.	Medium-, and long-term	Business operations	/	Revenue Decline
Market Opportunities	Under the context of international conventions such as the Paris Agreement and SDGs, as well as government policies such as the Opinions on Fully and Accurately Implementing the New Development Philosophy to Achieve Carbon Peak and Carbon Neutrality, energy consumption structure is shifting towards low-carbon and cleaner energies, bringing more market opportunities to the Group.	Medium-, and long-term	Business operations Value chain	/	Revenue increase
Technology Opportunities	As global energy transition accelerates, the shared goals of "carbon reduction, pollution control, environmental enhancement, and business growth" of the energy industry, engineering enterprises need to continuously enhance the R&D, application, and engineering conversion of green, low-carbon and green energy technologies, generating greater technological opportunities for the Group.	Medium-, and long-term	Business operations Value chain	/	Revenue Decline

Note 1: Time Horizons: Short-term: 1 year; Medium-term: 3 years; Long-term: 5 years and above.

Note 2: Geographic Scope: The Company's primary business operations are concentrated in East Asia, North Asia, South Asia, Southeast Asia, Southwest Asia, South America, and Europe. Business activities in other regions are minimal and are therefore excluded from this assessment.

Business Model and Value Chain

The Group has identified the impact of climate-related risks and opportunities on its business model and value chain, breaking down regions impacted by geographic location. Please refer to the "Performance Report — Strategy — Climate-related Risks and Opportunities" section of this Report for details.

Strategy and Decision-Making

The Group thoroughly implements the "Green & Clean" strategic initiative, Through technological innovation and engineering innovation, the Group actively supports the green development of clients while develop Green Enterprise and green construction sites. Please refer to the "Addressing Climate Change" section of this Report, and the "Environmental Protection—Environmental Management" section of this Report, for details.

The Group has formulated adaptive plans and mitigation measures for climate related risks and opportunities, and developed a preliminary climate-related transition plan.

Financial Position, Financial Performance and Cash Flows

In terms of current financial impact, the Group's projects under construction took out relevant construction insurance during the preparatory stage. If project assets are damaged due to acute climatic events such as strong winds, rainstorms or typhoons, corresponding insurance compensation can be claimed. During the Reporting Period, the Group did not suffer any significant financial impact caused by climate-related risks.

In terms of expected financial impact, the Group recognises that the acute and long-term physical risks due to climate change may have potential effects on future project operations and other aspects. However, given the long-term nature of climate risks, the uncertainty and the high complexity of its impact pathways, there has not yet been a reliable quantification of the possible financial impact of the above risks within specific future periods.

Climate Resilience

During the Reporting Period, the Group primarily utilised qualitative methods to identify climate-related risks and opportunities, manage their impact on project implementation and market development, and implement specific measures to enhance climate resilience. Please refer to the section "Climate Action— Addressing Climate Change Management — Strategy and Tactics" section of this Report for details, under Risk and Opportunities Response.

Given that the Group's business focuses on the implementation of engineering project, with most projects have relatively short project cycles (5 years or less) as well as located in various geographic locations, quantitative climate scenario analysis has not yet been carried out at this stage.

Risk Management

The Group engages third-party organisations and, in conjunction with climate scenarios released by the IPCC and IEA, continuously conducts assessment of climate-related risks. During the identification and assessment processes, the impact and likelihood of risks are comprehensively considered to form risk prioritisation and dynamic tracking mechanisms. Timely response measures are required for high-priority risks. The assessment results climate related risks and opportunities are periodically submitted to Board of Directors and Senior Management for supervision and reference, to ensure effective communication of climate issues at the decision-making level.

The Group has integrated climate risks and opportunities into its comprehensive risk management system and daily operations management. The Enterprise Reform and Legal Affairs Department oversees enterprise-wide risk management, and its subsidiaries as well as project departments comprehensively incorporate climate resilience factors into project design and construction risk assessments to enhance the climate adaptability of projects. The QHSE Department regularly maintains a list of projects of its subsidiaries with exposures to potential climate risks, as well as various climate impact factors and corresponding response plans, forming a comprehensive climate risk response mechanism.

Metrics and Targets

Greenhouse Gas Emissions

The Group's Scope 1 GHG emissions are mainly generated the consumption of natural resources and energy such as diesel, petrol, natural gas, liquefied petroleum gas, acetylene, and propane during operations. Its Scope 2 GHG emissions are mainly generated from the use of purchased electricity and purchased heat. During the Reporting Period, the Group carried out its first Scope 3 GHG emissions audit, covering business travel. Its Scope 3 GHG emissions amounted to 34,732.95 tonnes of t CO₂-e.

Indicators	Unit	2025	2024	2023
Total GHG emissions	Tonne CO ₂ e	139,079.67	127,856.72	111,136.88
Scope 1 GHG emissions	Tonne CO ₂ e	63,796.23	59,749.10	45,612.41
Scope 2 GHG emissions	Tonne CO ₂ e	75,283.44	68,107.62	65,524.47
GHG emissions intensity	Tonne CO ₂ e/100 million RMB	198.48	199.16	197.64

Climate-Related Transition Risks

During the Reporting Period, the proportion of the Group business activities vulnerable to the impact of climate-related transition risks was 87.44%.

Based on the actual business distribution of the Group, the Group considers that our applicable major climate-related transition risks are concentrated in the Asia-Pacific region and the Middle East.

Climate-Related Physical Risks

During the Reporting Period, the proportion of the Group's business activities vulnerable to the impact of climate-related physical risks was 46.05%.

Based on the actual business distribution, the Group considers that our applicable major climate physical risk is tropical cyclones, which mostly concentrated in South China and East China coastal areas domestically, and in overseas regions along the coasts of the Western Pacific, Indian Ocean, and Atlantic Ocean. In addition, projects located on islands face extreme adverse weather conditions such as severe heat, strong winds, and heavy rain, leading to higher consumption of man-hours and machinery operating hours.

Climate-Related Opportunities

During the Reporting Period, the proportion of assets associated with climate-related opportunities for the Group is 100%.

Capital Deployment

During the Reporting Period, the capital expenditure of the Group for climate-related risks and opportunities was RMB101 million.

Internal Carbon Prices

As of the end of the Reporting Period, the Group has not applied carbon pricing in its decision-making.

Remuneration

The Group has incorporated climate response related metrics into its Fifteenth Five-Year Plan Period plan and the annual business performance assessment of the Executive Directors, management staff, and subsidiaries, linking them with annual performance bonus.

Industry-Based Metrics

During the Reporting Period, the Group's unfinished order value of fossil fuels related projects was RMB177.3 billion, and the unfinished order value of new energy related projects was RMB26.5 billion.

During the Reporting Period, the Group completed the acceptance for 104 green construction sites, with 9 construction sites rated as Green Construction Sites Benchmarks.

Climate-Related Targets

Target	Content
GHG Emissions Reduction Targets	<ul style="list-style-type: none"> The Group has established greenhouse gas emission targets, aiming to reduce emission intensity by 5.7% During the period from 2021 to 2025. This target is an intensity target, with the GHG emissions reduction data baseline at 193.69 tonnes of CO₂ equivalent per RMB100 million (2021). The adopted metric is "GHG emissions per RMB100 million revenue (tonnes CO₂e/RMB100 million)". The purpose is to help mitigate climate impact through improved operational efficiency and project management optimisation. The scope of the target covers the Group's office locations and related engineering construction projects, encompassing both Scope 1 and Scope 2 GHG emissions, but excluding Scope 3. The target is voluntarily set by the Group and is not required by laws or regulations. The target has not undergone third-party verification and has not been developed using industry decarbonisation pathways or science based targets methodology. The Group has not yet planned to use carbon credits to offset emissions in order to achieve the above targets. Therefore, the targets do not involve the type, source or verification arrangements of carbon credits.

Abbreviations

Sinopec Group: China Petrochemical Corporation

Sinopec: Sinopec Group and its subsidiaries and branches

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

CNPC: China National Petroleum and Natural Gas Group Co., Ltd and its subsidiaries and branches

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

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

SEI: Sinopec Engineering Incorporation Ltd.

GPEC: Sinopec Guangzhou Engineering Co., Ltd.

SSEC: Sinopec Shanghai Engineering Co., Ltd.

SNEC: Sinopec Ningbo Engineering Co., Ltd.

SNEI: Sinopec Nanjing Engineering Co., Ltd.

FCC: Sinopec Fourth Construction Co., Ltd.

SFCC: Sinopec Fifth Construction Co., Ltd.

SET: Sinopec Environmental Technology Co., Ltd.

STCC: Sinopec Tenth Construction Co., Ltd.

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

SEM: Sinopec Energy Management Co., Ltd.

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

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

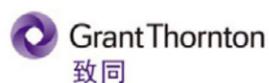
QHSE: Quality, Health, Safety, Environment

HSE: Health, Safety, Environment

14th Five-Year Plan: The 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China

15th Five-Year Plan: The 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China

Independent Assurance Report



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Independent Limited Assurance Report

GTCNZZ (2026) NO.110A001813

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

We were engaged by the Board of Directors of SINOPEC Engineering (Group) Co., Ltd. (the "Company") to provide limited assurance on selected 2025 key data in the Company's 2025 Environmental, Social and Governance Report (the "ESG Report") for the year ended 31 December 2025.

I. Key data

In this report, limited assurance procedures were performed on the following selected key data of the Company's 2025 ESG Report:

- Total GHG emissions (tonnes CO₂-equivalent)
- Scope 1 emissions (tonnes CO₂-equivalent)
- Scope 2 emissions (tonnes CO₂-equivalent)
- Consumption of diesel (tonnes)
- Consumption of gasoline (tonnes)
- Consumption of natural gas (cubic metres)
- Consumption of liquefied petroleum gas (tonnes)
- Consumption of acetylene (tonnes)
- Consumption of propane (tonnes)
- Consumption of purchased electricity (MWh)
- Consumption of purchased heat (million kJ)
- Total water resource consumption (tonnes)
- Hazardous waste generated (tonnes)
- Non-Hazardous waste generated (tonnes)



- Total number of employees
- Total employee turnover rate (%)
- Incident (accident) rate per 200,000 working-hours

Within the scope of our work, we only performed procedures on selected 2025 key data at Sinopec Ningbo Engineering Co., Ltd. and Sinopec Fourth Construction Co., Ltd. and Sinopec Heavy Lifting and Transportation Co., Ltd.. We have not conducted work at other entities. We have not performed any procedures with respect to 2024 and earlier periods or any other information included in the 2025 ESG Report.

II. Responsibilities of the Board of Directors

The Company's Board of Directors is solely responsible for the preparation of the key data of the 2025 ESG Report in accordance with basis of preparation of the key data ("basis of preparation").

The Board of Directors is also responsible for designing, implementing and maintaining the internal controls that enable the preparation and presentation of 2025 ESG Report that is free from material misstatement, whether due to fraud or error.

III. Responsibilities of the certified public accountants

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

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

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



IV. Summary of procedures performed

A limited assurance engagement on the ESG Report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the ESG Report, and applying analytical and other procedures, as appropriate. Our procedures include:

- Assessing the risk of material misstatement of selected 2025 key data relating to the ESG Report, whether due to fraud or error;
- Conducting interviews with relevant staff at the Company who are responsible for providing the information in the ESG Report;
- Performing analytical review procedures on the selected 2025 key data relating to the ESG Report;
- Checking relevant documents of selected key data relating to the ESG Report on a sample basis;
- Recalculating 2025 selected key data relating to the ESG Report;
- Reading the information presented in the ESG Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Company; and
- Perform other procedures deemed necessary.

The extent of the evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of expressing an opinion on the effectiveness of the Company's systems and procedures.

V. Inherent limitation

We draw attention of the readers 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.



VI. Conclusion

Based on the Limited Assurance procedures performed and the evidences obtained, nothing has come to our attention that causes us to believe that the selected 2025 key data contained in the Company's ESG Report for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the basis of preparation.



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