



**2024**

**Sinochem International  
Sustainability Report**

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# Report Descriptions

This report is the 21<sup>st</sup> Sustainability Report published by Sinochem International Corporation.

## Reporting Entity and Related Terms

Sinochem International Corporation. For ease of expression, the said corporation is referred to by the terms "Sinochem International", "the company", or "we/our/us". Sinochem International's parent company, "Sinochem Holdings Corporation Ltd." is referred to as "Sinochem Holdings" for short.

## Scope of Report

**Organizational scope:** Includes Sinochem International and its holding subsidiaries at all levels. For the detailed scope of the reporting entity, please refer to the "2024 Sinochem International Annual Report" and the appendix of this report.

**Report time frame:** 1 January to 31 December 2024, consistent with the time frame of the company's financial report. In order to maintain the integrity and continuity of information, the content for some of the items in this report might be out of the stated time frame.

**Report publication frequency:** This report is an annual report.

## Basis of Report Preparation

This report is in accordance with the Global Sustainability Standards Board's (GSSB) "GRI Sustainability Reporting Standards 2021" (GRI Standards 2021), and is based on the "Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)", and the "Guide No.4 of Shanghai Stock Exchange for Self-Regulatory Supervision on Listed Companies – Compilation of Sustainability Report", the SASAC's Guiding Opinions on the "Implementation of Corporate Social Responsibility by Central Enterprises", "Reference Indicator System for ESG Special Reports of Central Enterprises Holding Listed Companies", and United Nations' 2030 SDGs and Ten principles of the Global Compact, "Corporate Social Responsibility Guidelines" under the International Organization for Standardization's ISO 26000: 2010 international standard.

## Data Description

All the data used in this report are taken from the company's official documents and statistical reports. Due to statistical reasons, appropriate corrections have been made in the report on relevant data from previous years. In case of discrepancies, the data stated in this report shall prevail.

Unless otherwise specified, the currencies stated in this report are all in RMB.

## How to Retrieve the Report

You may visit Sinochem International's official website ([www.sinochemintl.com](http://www.sinochemintl.com)) to browse the report online or download the digital version of the report. The report includes both simplified Chinese and English versions. In case of discrepancies, the simplified Chinese version shall prevail.

## Contact Us

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# Chairman's Address



## Dear Friends:

On behalf of the Board of Directors, I would like to thank you from the bottom of my heart for your concern and support for Sinochem International.

In 2024, we witnessed a complex macroeconomic situation, a turbulent international climate, and the cyclical adjustment of the chemical industry which is still ongoing. Against the backdrop of co-existing risks and opportunities compounded by interrelated long-term and short-term factors, sustainable development concepts and practices are becoming increasingly crucial. Sustainable development is serving as an important driving force for companies to prevent risks, respond to various challenges, boost competitiveness, and create value.

As such, we are pleased to note that much earlier on, Sinochem International had already elevated sustainable development practices from being a mere

set of regulatory-driven tasks to an endogenously-driven corporate strategy. With a keen focus on long-term development, we formulated comprehensive top-down plans before implementing them systematically in a down-top manner. By continuously improving our sustainable development performance, we keep laying a solid foundation for the company's high-quality development and enhance the long-term value of the company.

### **Green Development: Being responsible guardians of the ecosystem while building a harmonious green environment.**

This year, in actively heeding the call of the nation's "dual carbon" objectives, we released the company's first "Climate Change Response Report" which publicly documents our objectives of achieving carbon neutrality by 2050 and declares our firm commitment to responding to climate change. We have improved our environmental management system and established an end-to-end environmental risk identification system and control & management mechanism that encompasses all employees and aspects. Meanwhile, in striving to achieve efficient resource utilization, we have strengthened water resource management and water risk assessment measures. Furthermore, we have also integrated the concept of sustainable development into the entire life cycle management of products. Through continuously reducing the environmental footprint of our products by improving green product designs, using green raw materials, and promoting green processes and the recycling of products and packaging, we contribute towards the building of an ecological civilization.

### **Being Socially Responsible: Improving people's livelihood and promoting social harmony.**

This year, we implemented comprehensive chemical safety management measures, taking concrete steps to tackle the root causes of production safety issues while strengthening inherent safety management aspects all-round to ensure production safety and social stability. In keeping with our people-centric approach, we continued to demonstrate care for the health and well-being of our employees and provide them with a diverse, equal and inclusive working environment and career development

platform. Meanwhile, we upheld the health and safety of our customers, fully respecting and protecting their legitimate rights and interests. We also endeavored to build a responsible supply chain with our suppliers and other partners, exert our influence in the industry, and implement our commitment to carbon reduction across the entire value chain. Furthermore, we actively engaged in efforts to give back to society and respond to national strategies in the areas of rural revitalization, charitable education initiatives, employment support, and the promotion of environmental protection.

### **Strengthening Compliance: Adhering to management principles to ensure stable operations.**

This year, we ensured high-quality development based on high-quality party-building measures by actively incorporating party leader involvement into the company's institutional, regulatory and scientific components of corporate governance. Through scientifically optimizing the functional positioning of the Board of Directors and upholding and improving the core responsibilities of the Board of Directors, we enabled a more robust board of directors system, more standardized operations and maximization of roles. We also strengthened internal control and supervision measures, conducted comprehensive business ethics-based risk assessments, continuously improved compliance management effectiveness, prevented major risks, and ensured the company's stable operations and long-term development. Among the other measures we implemented included improving the Integrity Compliance Manual and Behavioral Guide, setting qualitative and quantitative goals, and enhancing employee training efforts in the area of business ethics. These initiatives were crucial in ensuring legal and compliant business behavior, maintaining market order, and establishing a good corporate image.

### **Value Creation: Striving for development opportunities and building a competitive edge.**

This year, we have comprehensively implemented our upgraded Operational Excellence System; harnessed the potential of key components comprising procurement, production and sales; and driven quality and efficiency improvements

through operational excellence initiatives. Among our key projects are the Lianyungang C3 industry chain project that has been fully connected and has entered the first year since commencing integrated operations; and the para-aramid fiber expansion project which has commenced trial operations. These projects effectively safeguard the stability of the supply chain and improve the levels of industrial autonomy and control. Seizing opportunities in the field of clean technology, we leverage technological innovations to realize new forms of high-quality productivity while successfully enabling the application of core products in various advanced and strategic fields. We have also strengthened the positive synergy between ESG and business development, performed sustainable certification procedures for core products, continuously enhanced low-carbon and eco-friendly attributes of products, and created new competitive advantages in the area of green development.

The year 2025 marks the 10th anniversary of the United Nations' 2030 Agenda for Sustainable Development Goals. We are keenly aware that sustainable development is a complex and uphill task that requires innovative solutions that take into account both financial materiality and impact materiality factors while balancing the concerns of all internal and external stakeholders. Guided by the mission to keep "strengthening areas of weakness in the new chemicals materials", Sinochem International will continue to work closely with stakeholders and trudge forward shoulder to shoulder. Riding on the opportunity presented by the formulation of the 15th Five-Year Sustainable Development Strategic Plan, we will outline a new blueprint for the company's ESG based on 2030 goals. We are committed to safeguarding sustainable operations and creating a more sustainable future for mankind.

Zhang Xuegong

Chairman of Sinochem International Corporation



# About Sinochem International

Sinochem International Corporation is an international large-scale state-holding listed company (stock code: 600500.SH) with core competitiveness in the fields of intermediates, new materials, polymer additives and servicing customers in over 100 countries and regions worldwide. Sinochem International's parent company, "Sinochem Holdings Corporation Ltd." was formed through the merger of Sinochem Group Co., Ltd. and China National Chemical Corporation (ChemChina). It is a key state-owned enterprise under the supervision of the SASAC.

**Company Name**

Sinochem International Corporation

**Stock Code**

600500.SH

**Registered Capital**

3.589 billion yuan

**Total Asset**

51.156 billion yuan

**Operating Income**

52.925 billion yuan

**Total Employees**

9,649 people

**Headquarters Address**

Sinochem International Plaza, No. 233 Changqing North Road, Pudong New Area, Shanghai





## Core Businesses

In accordance with the corporate vision of "Fine Chemistry, Green Life", Sinochem International has gradually taken fine chemicals as its main business with focusing on new chemical materials. We are implementing transformation driven by integrating industry chain and integration industry layout, creating a new materials industrial cluster with leading technologies and key competitive advantages to accelerate the development of new quality productivity.

We focus on developing the "2+2" core industrial chains (two global leading industrial chains of epoxy resins and polymer additives; two domestic leading industrial chains of engineering plastics and aramid), creating a competitive and differentiated product portfolio, and continuously consolidating our leading position; at the same time, we actively cultivate a group of functional chemical product groups with leading profitability and outstanding competitive advantages, and resolutely withdraws from non-core businesses.

Global Leading Industrial Chains	National Leading Industrial Chains	Cultivation and Development
Epoxy Resin Industry Chain and Intermediate Business	Engineering Plastics Industrial Chains	Functional Chemicals Product Portfolio <ul style="list-style-type: none"> <li>• Functional Materials</li> <li>• Healthcare</li> </ul>
Additives Industrial Chains	Aramid Industrial Chains	Trade Business <ul style="list-style-type: none"> <li>• Industrial Marketing Service Platform</li> <li>• Bulk Commodity Supply Guarantee Platform</li> </ul>



## Production Base

Sinochem International complies with the trend of park-based and intensive development and builds a "1+N" base pattern. It owns advanced chemical parks such as Sinochem Lianyungang Circular Economy Industrial Park, Sinochem Yizheng New Materials Industrial Park, and Sinochem Zhongwei Circular Economy Industrial Park. It also has 20 production bases in many places across the country and 2 overseas production bases, forming a strong production and operation network. The company's subsidiaries (including production bases) are detailed in the appendix of this report.

## Corporate Culture

### Corporate Vision

Fine Chemistry, Green Life. We take safety, environmental protection and occupational health as our social responsibility, aim to build a China's leading innovative new chemical materials enterprise, and unswervingly promote the innovative development and industrial upgrading of China's new chemical materials industry.

### Core Values

Ethos of Sinochem Holdings for the New Era

### Guiding Culture

Culture of Technological Innovation

Culture of Excellent Operations

Culture of Collaboration

Culture of FORUS

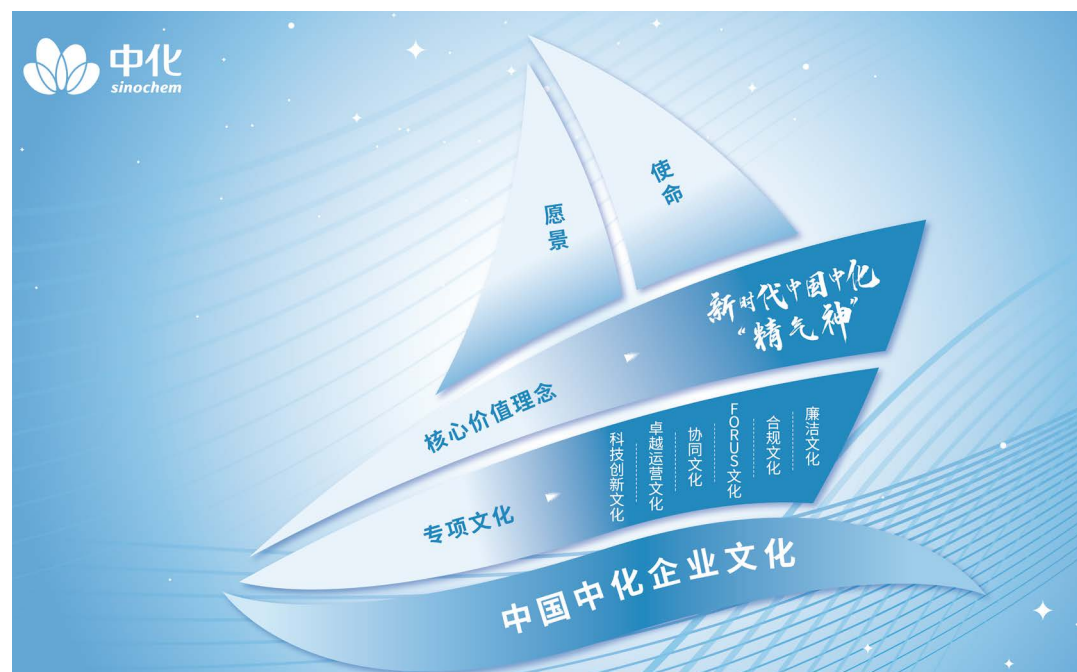
Culture of Compliance

Culture of Integrity



### Corporate Mission

We strive to become a leading enterprise in innovative new chemical materials that is rooted in China while operating globally. We provide innovative, high-quality, green products and integrated solutions in the field of material science while sharing the fruits of growth with the society, customers shareholders and employees.



## Social Recognitions and Awards



### Time

### Recognitions and Awards

May

#### China Federation of Industrial Economics, China Chemical Industry Environmental Protection Association, China Chemical Information Association

The "Carbon Steward" system case was selected into the "Blue Book on Green Development of China's Petroleum and Chemical Industry (2023-2024)"

July

#### S&P Global

Selected for S&P Global's "Sustainability Yearbook (China Edition) 2024"

#### SASAC (State-owned Assets Supervision and Administration Commission of the State Council)

Ranked 28th in the "ESG Pioneer 100 Index of Central Enterprises"

November

#### SASAC

The case study of "Smart Carbon Reduction 'Carbon Steward' Leading Low-Carbon Digital Development" was selected into the "ESG Blue Book of Listed Companies of Central Enterprises (2024)"

#### Southern Weekly

Ranked 15th in the 2024 China Industrial Manufacturing Dual Carbon Action List, ranking 1<sup>st</sup> in the chemical industry

December

#### China Petroleum and Chemical Industry Federation

The case study "Continuously Improving ESG System Construction and Creating Sustainable Competitiveness" was selected as the ESG Typical Case Study in China's Petroleum and Chemical Industry in 2024

#### China Sustainability Tribune

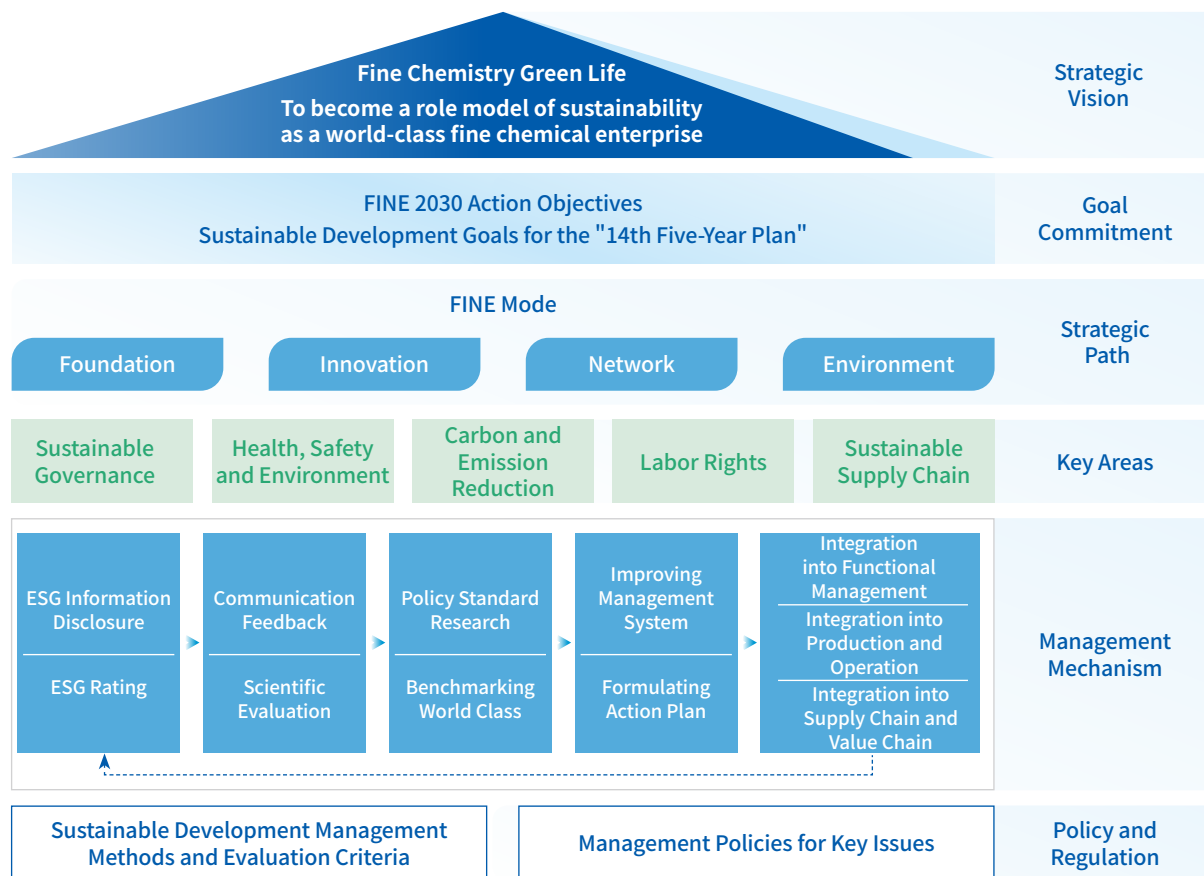
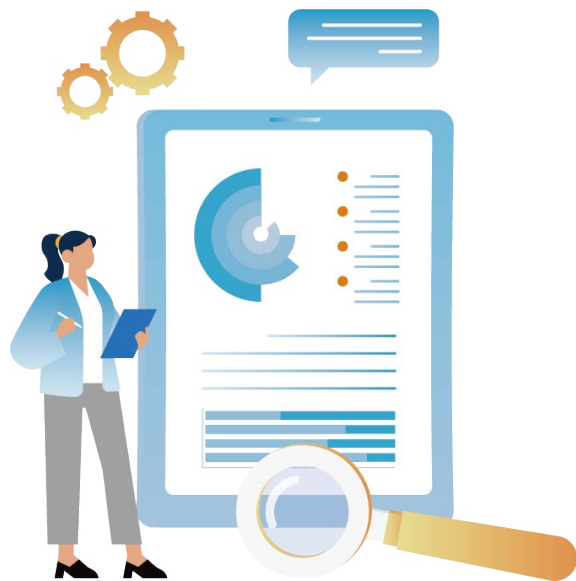
2024 Excellent Sustainability Report Award of Yangtze River Delta Listed Companies

# Sustainability Strategy and Management

Sinochem International regards sustainable development as a strategic choice that is deeply integrated into the core of corporate development. Based on its own operating characteristics, Sinochem International continuously refines a systematic and efficient sustainable development management system and collaborates with all stakeholders to paint a beautiful blueprint of harmonious coexistence and coordinated progress between responsibility fulfillment and corporate benefits.

## ESG Governance

Driven by the vision of "becoming a role model for sustainability as a world-class fine chemical company", Sinochem International has built a mature and complete sustainable development strategy system and management model.



Sinochem International's Sustainability Management Model



The company's Board of Directors is the highest decision-making and supervisory body for the company's sustainable development and is responsible for leading decision-making on various aspects of sustainable development and reviewing planning objectives, major issues, risk management, sustainability reports and other documents. The Board also regularly supervises and reviews the implementation status of objectives and proposes suggestions for improvements. The company's Chairman of the Board serves as the chairman of the Sustainable Development Committee, and the General Manager serves as the director of the Sustainable Development Executive Committee.



## ESG Governance Initiatives in 2024

In order to continuously consolidate and improve the company's ESG governance level and effectiveness and ensure that various sustainable development goals are achieved as scheduled, Sinochem International's Sustainable Development Executive Committee has formulated 46 annual action goals and 64 annual action plans around the five key areas of sustainable governance, health, safety and environmental protection, low-carbon development, labor human rights, and sustainable supply chain. It also provides special budgets, professional training and other resource support, and continuously tracks the progress of various tasks to ensure that all tasks are completed 100% with high quality during the reporting period. The key annual ESG governance measures are as follows:

### Comprehensive Action

- Revised the "Sustainable Development Management Measures" and "Evaluation Criteria", further clarified the responsibilities of the Sustainable Development Executive Committee and the five professional subcommittees, and improved the management requirements for key areas
- Conducted a series of trainings around topics such as product sustainability certification, business-related ESG regulations, ESG ratings and information disclosure, labor human rights, low-carbon development, and sustainable supply chains, covering key personnel in the company's ESG governance work and key business personnel
- Coordinated the sustainable certification of 11 core products, including ISO 14067 product carbon footprint certification, LCA full life cycle assessment, etc.
- Completed a new round of EcoVadis rating and obtained silver certification with a historical best score of 71 points, ranking in the top 10 % among all participating companies

### Sustainable Governance

- Revised the "Integrity and Compliance Manual" to clarify the qualitative and quantitative goals of business ethics and publicize it to all employees
- Compiled the "Fair Competition Guidelines Manual" to provide guidance for strengthening anti-unfair competition management and ensuring that sales representatives interact with competitors in a standardized manner
- Conducted business ethics risk analysis and assessment for the headquarters and all subsidiaries, covering areas such as anti-corruption, anti-unfair competition, and information security, and formed a "Business Ethics Risk Assessment Form"

### Health, Safety and Environment

- Formulated the "Chemical Safety Management Policy" covering the entire business scope, clarifying the management objectives and requirements of the entire chemical process
- Conducted environmental risk assessments and on-site audits of toxic emissions and waste for subordinate production companies to ensure compliance with emissions and waste management regulations
- Revised the "Customer Health and Safety Protection Management Measures", formulated and issued the "Product Post-sales Emergency Management Measures", and further improved the construction of the customer health and safety management system

### Low Carbon Development

- Completed the 2024 CDP questionnaire, and the rating results improved compared with the previous year
- According to the IFRS S2 standard, the "Sinochem International Climate Change Response Report" was compiled and released, becoming the first climate action report compiled and released by a company in China's chemical industry in accordance with the climate-related disclosure standards
- Clarified the "dual carbon" timeline, which is to achieve carbon peak in its own operations before 2029, to achieve carbon peak in 2030, and to achieve carbon neutrality in 2050

### Labor Rights

- Revised the "Employee Handbook" to further standardize the management requirements for the entire employee life cycle, including recruitment, employment, promotion, assessment, and resignation, effectively safeguard the rights and interests of employees, and continue to create an open, equal, diverse, and inclusive employment environment
- Preliminarily sorted out the basic line of living wages in the company's operating locations, and explore and promote the establishment of a living wage system

### Sustainable Supply Chain

- Established the "Scope 3 Carbon Emissions Information Collection Form" tool to pilot the collection of scope 3 greenhouse gas emissions for suppliers
- Systematically promoted integrity supervision of suppliers and promote transparent collaboration in the supply chain through daily supervision, performance evaluation, procurement management inspection, etc.

## ESG Ratings

### Sinochem International



Ranked 28th on the "ESG Pioneer 100 Index of Central Enterprises"

**S&P Global**

Selected in S&P Global's "Sustainability Yearbook (China Edition) 2024"

**MSCI**

MSCI-ESG BB Rating

**ecovadis**

EcoVadis Silver Medal

### Sennics

**ecovadis**

EcoVadis Platinum Medal

### ELIX



The CSI ESG A rating

**Wind ESG**

Wind-ESG A Rating



China Chengxin ESG A + Rating

**ecovadis**

EcoVadis Gold Medal



SAQ5.0 sustainability rating scored 91 points

### Sustainability-related initiatives or goals that Sinochem International has participated in

Initiative	Company Participated	Initiative Response
Responsible Care	Sinoche International Sennics ELIX	<ul style="list-style-type: none"> <li>Committed to improving the life cycle safe management of chemicals through continuous improvement of health, safety and environmental performance</li> </ul>
ICC Business Charter for Sustainable Development	Sinoche International ELIX	<ul style="list-style-type: none"> <li>Committed to continuously improving the company's environmental behavior in accordance with the 16 principles of environmental management</li> </ul>
United Nations Global Compact (UNGC)	Sinochem Holdings ELIX	<ul style="list-style-type: none"> <li>Committed to the ten principles of the United Nations Global Compact</li> </ul>
Sustainable Development Goals (SDGs)	Sinoche International	<ul style="list-style-type: none"> <li>The "FINE 2030 Action" is based on Goal 12 "Responsible Consumption and Production" and Goal 13 "Climate Action" in the SDGs to help achieve the SDGs goals</li> </ul>
Together for Sustainability	Sennics	<ul style="list-style-type: none"> <li>Strengthened cooperation with customers, suppliers, etc. and promote common development of the industrial chain</li> </ul>
The Catalan Office for Climate Change (OCCC)	ELIX	<ul style="list-style-type: none"> <li>Participated in OCCC's voluntary greenhouse gas emission reduction agreement program and reduced the carbon footprint of its production operations through a series of measures</li> </ul>
Operation Clean Sweep (OCS)	ELIX	<ul style="list-style-type: none"> <li>Obtained OCS certification, committed to achieving zero plastic particle loss and minimizing the impact of plastic particles and microplastics on the environment</li> </ul>
China Goldenbee CSR 2030	Sinoche International Sennics	<ul style="list-style-type: none"> <li>As the initiator, Sinochem International released "FINE 2030" goals and action plan</li> <li>Sennics participated in the initiative and launched SCI-MAN 2030 to empower the sustainable development of the polymer additives industry</li> </ul>

\*Note: Subsidiaries set their own respective commitment goals and action plans when participating in various initiatives

## Key Target Commitments and Progress

Sinochem International published "FINE 2030 Action" in 2018 and later every year, the action book is published whereby the annual progress and performance under each track is disclosed.

### "FINE 2030 Action" Objectives

- To increase the production quantity of sustainably developed products by 50%
- To increase the ratio of subsidiaries with sustainability-related third-party certification to 80%
- Continuous reduction of carbon dioxide emissions per ton of products
- Formation of a sustainable development network to realize sustainable production and operation methods

### Progress in 2024

- Production quantity of sustainably developed products increased by 61.2%
- 80% ratio of subsidiaries hold sustainability related third-party certification
- Achieved 30.5% reduction of carbon dioxide emissions per ton of products
- 100% of supplier approval assessments completed
- 62.4% of core supplier on-site assessments completed
- 0 major procurement risk incidents

\* "FINE 2030 Action" objectives and 2024 progress are based on 2018

In 2021, Sinochem International closely integrated the cutting-edge trends in sustainable development, precisely anchored key areas that are highly relevant to the company's development and established sustainable development goals for the "14th Five-Year Plan" period. The company refined specific action plans around the goals, established a progress disclosure mechanism, and regularly disclosed the completion of goals, strengthening execution efficiency through transparent management to ensure the orderly advancement of sustainable development strategic goals.

Sustainability Goals over the 14th Five-Year-Plan Period		Progress in 2024	Plans for 2025
<b>Overall Strategic Objectives</b>	To increase the EcoVadis rating from top <b>32%</b> to top <b>20%</b> by end-2025	The EcoVadis rating increased to top <b>10%</b>	Maintain the ratio under the prerequisite that EcoVadis rating standards are improved on a year-by-year basis
<b>Sustainable Governance</b>	<b>0</b> incidents of leaked trade secrets	<b>0</b> incidents of leaked trade secrets	Continue to maintain <b>0</b> incidents of leaked trade secrets
	<b>100%</b> anti-corruption education and training rate for all employees	<b>100%</b> coverage	Coverage maintains to <b>100%</b>
<b>Health, Safety and Environment</b>	<b>8%</b> decrease in total amount of water pollutants (COD, NH <sub>3</sub> -N) compared to 2020	<b>33%</b> decrease compared to 2020	<b>1.7%</b> decrease compared to 2024
	<b>10%</b> decrease in total amount of air pollutants (SO <sub>2</sub> , NO <sub>x</sub> , VOCs) compared to 2020	<b>11%</b> decrease compared to 2020	<b>2%</b> decrease compared to 2024

Sustainability Goals over the 14th Five-Year-Plan Period		Progress in 2024	Plans for 2025
Health, Safety and Environment	0 fatal accidents; 0 general and higher environmental emergencies; 0 new occupational diseases; 0 major HSE issues causing negative public opinion; 0 customer safety or injury-related accidents for which the company is responsible	0 incidents for five incident types	Maintain 0 incidents for five incident types
Carbon and Emission Reduction	15% decrease in comprehensive energy consumption per 10,000 yuan of output value compared to 2020	6% increase compared to 2020	5% increase compared to 2020
	18% decrease in carbon dioxide emissions per 10,000 yuan of output value compared to 2020	7% increase compared to 2020	9% increase compared to 2020
Labor Rights	100% employee complaint handling rate with results	100% employee complaint handling rate	Maintain 100% employee complaint handling rate
	100% labor union membership penetration rate (coverage: employees with formal labor contracts)	100% coverage	Maintain a 100% coverage
Sustainable Supply Chain	A 50% to 95% increase in the cumulative coverage rate of core suppliers assessed for CSR	72.6% cumulative coverage rate	Increase cumulative coverage rate to 95%
	A 26% to 95% increase in Supplier Code of Conduct signing rate	95% signing rate among all suppliers	Maintain 95% signing rate among all suppliers
	A 68% to 100% increase in Supplier Code of Conduct signing rate among core suppliers	100% signing rate among core suppliers	Maintain 100% signing rate among core suppliers
	A 3% to 30% increase in the cumulative coverage rate of supplier sustainability training	23% coverage rate among all suppliers 80% coverage rate among core suppliers	Increase coverage rate among all suppliers to 30%
	A 59% to 100% increase in the cumulative coverage rate of core supplier sustainability training		Maintain 100% coverage rate among core suppliers








\*Note: 1. The statistic scope of 2024 yearly progress data for the two targets pertaining to health, safety and environment (i.e., the "Total amount of water pollutants" and "Total amount of air pollutants") are based on 2020 as the baseline year

2. The increase in the 2024 annual indicators for the two targets pertaining to carbon reduction and emission reduction, (i.e., "comprehensive energy consumption per 10,000 yuan of output value" and "carbon dioxide emissions per 10,000 yuan of output value") is mainly due to the company being affected by the cycle of the chemical industry which has led to a significant drop in the prices of main products and in turn a significant drop in output value



## Stakeholder Engagement and Due Diligence

Sinochem International has established a multi-dimensional stakeholder communication mechanism, continuously deepened the two-way interaction with all identified stakeholders, transformed stakeholders' concerns and expectations into the driving force for continuous progress, and responded to stakeholders in a targeted manner with practical actions. At the same time, we conduct due diligence and use stakeholders' feedback as an important source of information to help the company better identify the impacts, risks and opportunities related to sustainable development, and formulate more targeted response measures accordingly, so as to gain the understanding, trust and support of stakeholders and jointly promote sustainable development.

Stakeholders	Issues of Concern			How to Respond	
 <b>Government/ Supervisory Bodies</b>	<ul style="list-style-type: none"> <li>Environmental compliance management</li> <li>Climate change and carbon management</li> <li>Emissions and waste management</li> <li>Energy management</li> </ul>	<ul style="list-style-type: none"> <li>Water resource management</li> <li>Resource utilization and circular economy</li> <li>Biodiversity protection</li> <li>Safety management</li> <li>Chemical safety</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance and risk management</li> <li>Information disclosure and communication</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>Tax compliance under legal mandate</li> <li>Periodic work reports</li> <li>Inspections by regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Project approval</li> <li>Annual sustainability reports</li> <li>Participating in policy research and planning</li> </ul>
 <b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Stockholders' equity</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure and communication</li> <li>Compliance and risk management</li> </ul>	<ul style="list-style-type: none"> <li>Climate change and carbon management</li> <li>Clean technology opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder meetings</li> <li>Investor meetings</li> <li>Online/tele-seminars</li> </ul>	<ul style="list-style-type: none"> <li>Periodic financial reports</li> <li>Information disclosure</li> </ul>
 <b>Clients</b>	<ul style="list-style-type: none"> <li>Information security and privacy protection</li> <li>Safety and quality of product/service</li> <li>Green Product</li> </ul>	<ul style="list-style-type: none"> <li>Climate change and carbon management</li> <li>Resource utilization and circular economy</li> <li>Innovation-driven</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Safety management</li> <li>Chemical safety</li> </ul>	<ul style="list-style-type: none"> <li>Industry exhibitions/forums</li> <li>Customer service platform</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Client meetings and interviews</li> <li>Handling customer complaints</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Climate change and carbon management</li> </ul>	<ul style="list-style-type: none"> <li>Energy management</li> <li>Green product</li> </ul>	<ul style="list-style-type: none"> <li>Chemical safety</li> </ul>	<ul style="list-style-type: none"> <li>Supplier appeals reporting mechanism</li> <li>Supplier training</li> </ul>	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Publishing sustainability supply chain white book</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee rights protection</li> </ul>	<ul style="list-style-type: none"> <li>Diversity, Equality and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Career development and training</li> </ul>	<ul style="list-style-type: none"> <li>Employee training</li> <li>Workers' Congress</li> <li>Staff seminar</li> </ul>	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Employee appealing</li> </ul>
 <b>Community</b>	<ul style="list-style-type: none"> <li>Environmental compliance management</li> <li>Emissions and waste management</li> </ul>	<ul style="list-style-type: none"> <li>Water resource management</li> <li>Safety management</li> </ul>	<ul style="list-style-type: none"> <li>Chemical safety</li> <li>Rural revitalization and social contribution</li> </ul>	<ul style="list-style-type: none"> <li>Public open house</li> <li>Community communication activities</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer activities</li> </ul>
 <b>Industry Associations/ Partners/ Research Institutions</b>	<ul style="list-style-type: none"> <li>Clean technology opportunities</li> <li>Green product</li> </ul>	<ul style="list-style-type: none"> <li>Innovation-driven</li> <li>Anti-unfair competition</li> </ul>		<ul style="list-style-type: none"> <li>Exchange and visits</li> <li>Participating in industrial forums</li> </ul>	<ul style="list-style-type: none"> <li>Participating in standard formulation</li> <li>Strategic cooperation</li> </ul>

## Analysis of Substantive Issues

In 2024, Sinochem International conducted a double materiality assessment for the first time, referring to the "Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)", and the "Guide No.4 of Shanghai Stock Exchange for Self-Regulatory Supervision on Listed Companies – Compilation of Sustainability Report", focusing on responding to issues with impact materiality and disclosing issues with financial materiality using a four-pillar approach.

### Stage 1: Identifying Issues

We identify substantive issues of sustainable development based on the compliance requirements of national and chemical industry policies, the "Reference Indicator System for ESG Special Reports of Central Enterprises Holding Listed Companies" issued by the State-owned Assets Supervision and Administration Commission of the State Council, the "Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)", Global Sustainability Standards Board's (GSSB) "GRI Sustainability Reporting Standards 2021" (GRI Standards 2021), mainstream ESG rating standards (MSCI-ESG rating, EcoVadis rating, etc.), the practices of domestic and foreign peers, the company's previous annual sustainable development reports and sustainable development goals, and in accordance with the relevant AA1000 principles. We systematically identified 26 ESG issues for this year.

Based on the annual ESG risk and opportunity identification, we have sorted out the impact, risks and opportunities of each of the 26 issue topics.

### Stage 2: Double Materiality Assessment

#### Impact Materiality Assessment

##### Impact Assessment

- **Dimensions:** Assess the degree of positive and negative impacts of 26 issues in environment, society and governance (ESG) based on the scale, scope and irremediability
- **Method:** Distribute online survey questionnaires to internal and external stakeholders, collect 160 valid samples, and cover more than 90% of core stakeholder groups

##### Impact Likelihood Assessment

- **Dimensions:** Analyze the probability of the impact of each issue occurring in the future
- **Method:** Invite internal and external ESG experts to evaluate and score the likelihood of the impact of various issues

##### Setting the Threshold

- Based on the impact materiality threshold matrix, we analyzed the results of internal and external stakeholder surveys and expert ratings and screened out 13 topics with significant impact materiality

#### Financial Materiality Assessment

##### Evaluation Subject

- The company's financial management department, together with the internal ESG risk management department and external ESG experts, formed an assessment team to evaluate the financial impact and likelihood of each issue

##### Evaluation Dimensions

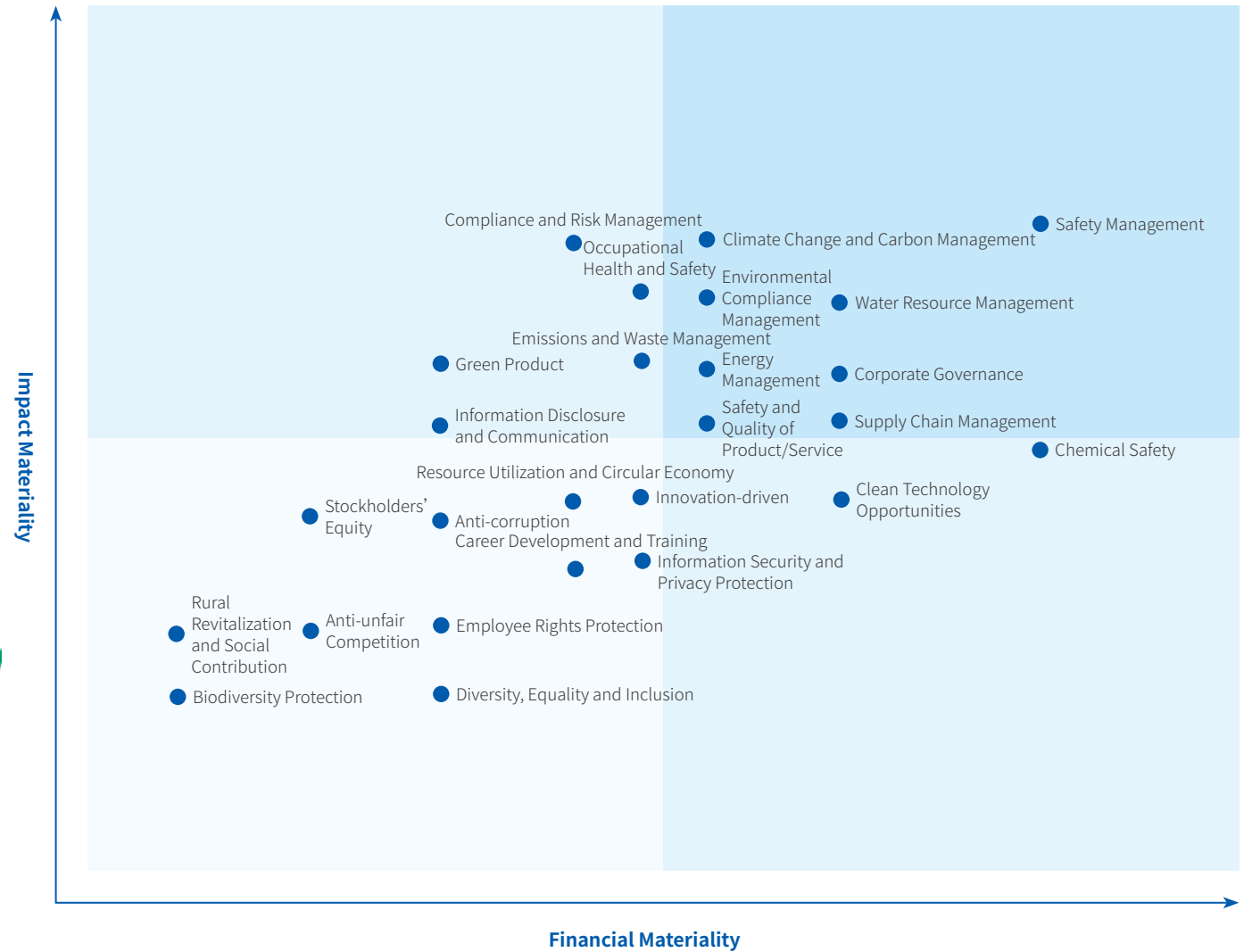
- **Resource use continuity:** Assess the long-term impact of the issues on the use of company resources (such as energy, raw materials, funds, etc.)
- **Relationship dependency:** Assess the impact of the issues on the relationship between the company and its stakeholders, as well as the financial losses or gains that may be caused

##### Setting the Threshold

- Use financial models to quantify the potential impact of issues on financial indicators (such as cost, revenue, profit, etc.)
- Based on the financial materiality threshold matrix and the actual situation of Sinochem International, to screen and identify 10 issues in financial materiality

## Stage 3 : Evaluation Results Integration

Based on the quantitative analysis results of impact materiality and financial materiality, a matrix of double materiality topics for the year is formed. In 2024, we have identified 15 issues of materiality, including 8 issues of double materiality.



Matrix of Double Materiality Issues

## Stage 4: Analysis and Verification

The results of the double materiality assessment are submitted to the Board of Directors for review and verification, and the upstream and downstream value chains and stakeholders involved are sorted out in detail to determine the management strategies and practical actions that need to be disclosed in focus.

Scope	Issues	Impact Materiality	Financial Materiality	Impact	Risk	Opportunity	Impact Frequency	Value Chain Impact	Stakeholders
Environment	Environmental Compliance Management	✓	✓	<ul style="list-style-type: none"> <li>Environmental compliance management affects the probability of ecological and environmental risks, the personal health of surrounding residents, as well as the operating costs and reputation of the company</li> </ul>	<ul style="list-style-type: none"> <li>Stricter environmental regulations may lead to additional company operating and production costs</li> <li>Environmental violations at production plants may result in fines, lawsuits, and increased operating and legal costs</li> </ul>	• /	Short term Medium term	Company operation	Government/ Supervisory Bodies Community
	Climate Change and Carbon Management	✓	✓	<ul style="list-style-type: none"> <li>Climate change and carbon management affect the ecological environment, the low-carbon and green transformation of enterprises, as well as the related operating costs and development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Frequent extreme weather events caused by climate change expose companies to physical risks such as damage to production facilities and disruption to raw material supply, as well as transformation risks such as supply chain restructuring, which may increase maintenance costs and operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Responding to the national call, actively planning low-carbon development and seizing the carbon trading market will help cater to customers' low-carbon preferences, improve market competitiveness and increase operating income</li> </ul>	Medium term Long term	Upstream Company operation Downstream	Government/ Supervisory Bodies Shareholders/ Investors Clients Suppliers
	Emissions and Waste Management	✓		<ul style="list-style-type: none"> <li>Emissions and waste management affect the natural environment, including air, water, and land, as well as the related operating costs and corporate reputation</li> </ul>	<ul style="list-style-type: none"> <li>To meet environmental protection requirements, emission and waste treatment facilities are upgraded and renovated, increasing operation and maintenance costs</li> <li>Improper emissions and waste management may result in fines, lawsuits, and increased operational and legal costs</li> </ul>	<ul style="list-style-type: none"> <li>Through the pilot construction of "Zero Waste Group", we ensure that pollutant emissions are far below the standard limit, strictly abide by relevant laws and regulations, and enhance the company's reputation</li> </ul>	Short term Medium term	Company operation	Government/ Supervisory Bodies Community
	Energy Management	✓	✓	<ul style="list-style-type: none"> <li>Energy management affects the effective use of energy and the ecological environment, as well as the operating costs and competitiveness of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Completing the energy structure transformation requires purchasing expensive renewable energy equipment, which may put pressure on cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Using new energy technologies to reduce energy consumption costs is conducive to establishing cost advantages and developing the green energy market</li> </ul>	Medium term Long term	Upstream Company operation	Government/ Supervisory Bodies Suppliers
	Water Resource Management	✓	✓	<ul style="list-style-type: none"> <li>Water resource management affects surface water, groundwater, lakes, rivers and other water bodies, regional water pressure and the operating costs of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>In order to cope with potential water shortages, companies may need to increase investment in the maintenance and repair of water supply facilities, increasing operating costs</li> </ul>	<ul style="list-style-type: none"> <li>By optimizing water use processes and strengthening water resource regeneration and reuse, water use efficiency can be improved and operating costs can be saved</li> </ul>	Short term Medium term Long term	Company operation	Government/ Supervisory Bodies Community

Scope	Issues	Impact Materiality	Financial Materiality	Impact	Risk	Opportunity	Impact Frequency	Value Chain Impact	Stakeholders
Environment	Clean Technology Opportunities		✓	<ul style="list-style-type: none"> <li>Whether an enterprise can seize the development opportunities brought by clean technology affects whether it can promote its own and related industries to achieve green and low-carbon transformation and whether it can seize the initiative in the industry</li> </ul>	<ul style="list-style-type: none"> <li>Clean technology R&amp;D investment is high and the payback period is long, which may lead to increased R&amp;D expenses and reduced returns in the short term</li> </ul>	<ul style="list-style-type: none"> <li>The commercialization of patented technologies can form new business growth points, occupy emerging markets, and increase product gross profit margins</li> </ul>	Medium term Long term	Company operation	Shareholders/ Investors  Industry Associations/ Partners/Research Institutions
	Green Product	✓		<ul style="list-style-type: none"> <li>Green products affect the ecological environment, resource utilization, and whether enterprises can achieve long-term development through green transformation</li> </ul>	<ul style="list-style-type: none"> <li>Green product development, sustainable certification and production process upgrades increase initial costs and reduce profit margins</li> </ul>	<ul style="list-style-type: none"> <li>Green product premiums and growing market demand will help boost the company's sales and market share</li> <li>Green products meet the needs of ESG procurement policies and help companies acquire more potential customers</li> </ul>	Medium term Long term	Upstream Company operation Downstream	Clients Suppliers Industry Associations/ Partners/Research Institutions
Society	Safety and Quality of Product/Service	✓	✓	<ul style="list-style-type: none"> <li>Product and service quality will affect customer and public satisfaction with the company and brand reputation, and product health and safety issues are related to customer personal safety</li> </ul>	<ul style="list-style-type: none"> <li>Additional financial and human costs required for upgrading product quality inspection and product quality certification</li> </ul>	<ul style="list-style-type: none"> <li>Products with higher safety and quality standards can enhance customer loyalty, increase repeat purchases, promote sales growth and expand potential markets</li> </ul>	Short term Medium term	Company operation Downstream	Clients
	Safety Management	✓	✓	<ul style="list-style-type: none"> <li>The establishment and improvement of safety management level affect the probability and impact of enterprise safety risks and hidden dangers, and determine whether the enterprise can operate stably</li> </ul>	<ul style="list-style-type: none"> <li>Safety accidents lead to production stoppage losses, compensation and fines, short-term profit declines and insurance costs increase</li> </ul>	<ul style="list-style-type: none"> <li>Strict safety management can reduce the accident rate and production interruption times, and reduce the hidden costs caused by downtime</li> </ul>	Short term Medium term Long term	Company operation Downstream	Government/ Supervisory Bodies Clients Community
	Chemical Safety		✓	<ul style="list-style-type: none"> <li>Chemical safety affects the probability of the risks and hidden dangers related to chemicals in enterprises, affects the ecological environment, and the health and safety of employees, customers and community residents</li> </ul>	<ul style="list-style-type: none"> <li>Hazardous chemical accidents lead to huge environmental restoration costs and litigation expenses, putting pressure on short-term cash flow</li> <li>Conducting qualification review and dynamic assessment of hazardous chemicals suppliers results in financial and human costs</li> </ul>	<ul style="list-style-type: none"> <li>/</li> </ul>	Short term Medium term Long term	Upstream Company operation Downstream	Government/ Supervisory Bodies Clients Suppliers Community



Scope	Issues	Impact Materiality	Financial Materiality	Impact	Risk	Opportunity	Impact Frequency	Value Chain Impact	Stakeholders
Society	Occupational Health and Safety	✓		<ul style="list-style-type: none"> <li>Occupational health and safety affect employees' occupational health and safety risks and the probability of occupational diseases, affecting employees' physical and mental health and personal safety, as well as the attraction and retention of talents</li> </ul>	<ul style="list-style-type: none"> <li>Direct economic expenditures due to compensation for occupational diseases and increased labor costs due to employee absences</li> </ul>	<ul style="list-style-type: none"> <li>A healthy and safe working environment helps reduce employee turnover, reduce recruitment and training costs, and improve company productivity</li> </ul>	Short term Medium term	Company operation	Employee
	Supply Chain Management	✓	✓	<ul style="list-style-type: none"> <li>Supply chain management affects whether there is a risk of disruption in the supply chain and the operating costs of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions lead to price increases or delivery delays of raw materials, increasing procurement costs and affecting production schedules</li> </ul>	<ul style="list-style-type: none"> <li>Effective supply chain management ensures a stable supply of raw materials and reduces the risk of order defaults</li> </ul>	Short term Medium term	Upstream Company operation Downstream	Clients Suppliers
Governance	Corporate Governance	✓	✓	<ul style="list-style-type: none"> <li>Corporate governance affects the management costs of enterprises, the efficiency and accuracy of decision-making, the ability to respond to risks and the interests of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Limited corporate governance may lead to inefficient decision-making or strategic errors, weaken capital allocation efficiency and affect stock prices</li> </ul>	<ul style="list-style-type: none"> <li>Transparent governance enhances investor confidence, reduces financing costs, and improves company valuations</li> </ul>	Medium term Long term	Company operation	Government/ Supervisory Bodies Shareholders/ Investors
	Compliance and Risk Management	✓		<ul style="list-style-type: none"> <li>Compliance and risk management affect whether an enterprise can effectively avoid risk events in production and operation. If a violation or risk event occurs, the enterprise may face fines, sanctions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Stricter compliance requirements may lead to additional operating costs</li> <li>Failure to meet new compliance requirements may result in penalties, sanctions, etc., which will affect the company's reputation</li> </ul>	<ul style="list-style-type: none"> <li>/</li> </ul>	Medium term Long term	Company operation	Government/ Supervisory Bodies Shareholders/ Investors
	Information Disclosure and Communication	✓		<ul style="list-style-type: none"> <li>Information disclosure and communication affect whether an enterprise meets regulatory requirements, its reputation, shareholders' interests, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Insufficient information disclosure may lead to regulatory penalties or stock price fluctuations, increasing crisis public relations costs</li> </ul>	<ul style="list-style-type: none"> <li>Transparent disclosure enhances ESG ratings, reduces financing costs, and attracts specific funding pools</li> </ul>	Short term Medium term	Company operation	Government/ Supervisory Bodies Shareholders/ Investors



# Governance

## Substantive Issues

- Corporate Governance
- Shareholders' Equity
- Compliance and Risk Management
- Information Disclosure and Communication
- Anti-corruption
- Anti-unfair Competition
- Information Security and Privacy Protection

## In Response to SDGs





# Corporate Governance

Sinochem International abides by the "Company Law", "Securities Law", "Governance Guidelines for Listed Companies", and continues to improve the articles of association of the company, constructs a governance structure with clear positioning, specified rights and responsibilities, and standardized processes. Standardize the operation of the enterprise through system safeguard, and create stable and long-term value for stakeholders such as shareholders, clients, and employees.

The company is committed to building an independent, professional and efficient board of directors to ensure that it can effectively supervise the company's management and safeguard the interests of shareholders and other stakeholders.

## Governance Structure

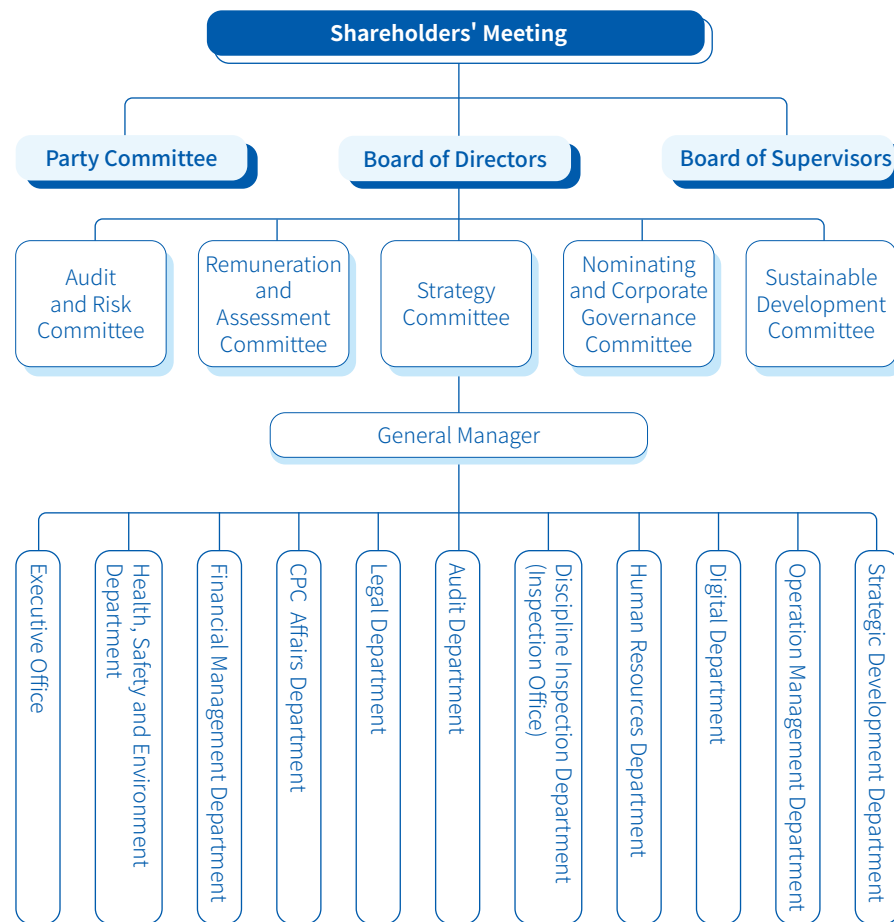
The company's board of directors consists of 7 directors, including 3 independent directors. The professional backgrounds of the board members cover various fields such as law, economics, finance, management, ESG governance and other fields related to the company's business.

The board of directors has five professional committees, and three independent directors serve as chairpersons of the Nomination and Corporate Governance Committee, the Remuneration and Appraisal Committee, and the Audit and Risk Committee. Independent directors account for the majority of the members of the above three professional committees.

The company attaches great importance to the compliance operation of professional committees and continuously improves the support and guarantee mechanism for independent directors to perform their duties. When the company deliberates on major production and operation decisions and other matters, the independent directors use various methods to understand the actual situation, grasp the information and circumstances required for decision-making, rely on their own professional knowledge to make prudent judgments, and express independent opinions to ensure the independence of the board of directors.

Each professional committee submits work reports to the board of directors on a regular basis, and the board of directors submits an annual report to the controlling shareholder on a regular basis. The controlling shareholder evaluates and assesses the governance and operation of the board of directors based on the information obtained from daily management, in order to continuously improve the board of directors' ability to exercise its powers and perform its responsibilities and fully maximize the governance efficiency.

In 2024, the company provided briefings on the corporate governance structure and rights and responsibilities system for the two new directors, and conducted systematic training on the regulatory authorities' legal and regulatory guidelines, including the "Management Rules on Shareholding Changes by Directors, Supervisors, and Senior Management of Listed Companies", "Guidelines for the Selection and Conduct of Directors of Listed Companies" and "Corporate Governance Guidelines for Listed Companies" and other laws and regulations.



## Members of the Board of Directors

Board of Directors					
Audit and Risk Committee		Compensation and Assessment Committee		Strategic Committee	
<b>Cheng Fengchao</b>	Independent Director (Chairman)	<b>Jiang Weiming</b>	Independent Director (Chairman)	<b>Zhang Xuegong</b>	Chairman of the Board, Executive Director (Chairman)
<b>Jie Yubin</b>	External Director	<b>Liu Xing</b>	External Director	<b>Jie Yubin</b>	External Director
<b>Qian Mingxing</b>	Independent Director	<b>Cheng Fengchao</b>	Independent Director	<b>Jiang Weiming</b>	Independent Director
Nomination and Corporate Governance Committee		Sustainable Development Committee			
<b>Qian Mingxing</b>	Independent Director (Chairman)	<b>Zhang Xuegong</b>	Chairman of the Board, Executive Director (Chairman)		
<b>Zhang Xuegong</b>	Chairman of the Board, Executive Director	<b>Wang Feng</b>	Full-time External Director		
<b>Liu Xing</b>	External Director	<b>Cheng Fengchao</b>	Independent Director		
		<b>Jiang Weiming</b>	Independent Director		
		<b>Qian Mingxing</b>	Independent Director		

Name	Position	Gender	Age	Professional Knowledge and Skills	Years of Service
<b>Zhang Xuegong</b>	Chairman of the Board, Executive Director	Male	54	Chemical Engineering, Strategy, Enterprise Management, Mergers and Acquisitions	3 Years
<b>Wang Feng</b>	Full-time External Director	Male	59	Chemical Engineering, Strategy, Enterprise Management, Mergers and Acquisitions	1 Year
<b>Jie Yubin</b>	External Director	Male	55	Chemical Engineering, Strategy, Enterprise Management, Mergers and Acquisitions	1 Year
<b>Liu Xing</b>	External Director	Male	47	Human Resources Management	2 Years
<b>Cheng Fengchao</b>	Independent Director	Male	65	Accounting, Auditing, Assessment, Finance	4 Years
<b>Jiang Weiming</b>	Independent Director	Male	68	Chemical Engineering, Mergers and Acquisitions, ESG	2 Years
<b>Qian Mingxing</b>	Independent Director	Male	61	Law, Compliance	2 Years

In 2024, Sinochem International further standardized and strengthened the construction of the board of directors, revised and issued relevant governance documents such as the "Sinochem International Articles of Association", "Rules of Procedure for Board Meetings", "Board of Directors Authorization Management Measures", and "Management Measures for the Secretary of Board of Directors" to provide institutional guarantees for compliant and efficient decision-making. Meanwhile, the company formulated and issued the "Board of Directors Resolution Tracking and Post-Evaluation System" to ensure the implementation and efficient execution of board resolutions; formulated the "Specific Work Arrangements for External Directors' Duties" to standardize the support services for the performance of external directors' duties.

At the same time, the company scientifically optimized the functional positioning of the board of directors, adheres to and improves the board's core responsibilities of setting strategy, making decisions, and preventing risks, ensuring that the board operates more standardized, and plays a fuller role with more robust system.

### Setting Strategy

Guide the formulation of the company's development plan and supervise the implementation of the plan through various forms such as strategic learning, business research, strategic discussion, planning inquiry, special committee and board of directors research and deliberation

### Decision Making

Give full play to the role of professional committees, provide professional research support before making major decisions, regularly supervise the decisions of the board of directors, and ensure the implementation of decisions

### Risk Prevention

Adhere to problem-oriented approach, examine historical lessons and weak links in the internal control system, establish scientific and effective decision-making authority and procedures, and a balanced mechanism for controlling of authorization



### Further Information

For corporate governance-related policies, responsibilities of the professional committees of the board of directors, biographical information of the members of the board of directors, please refer to the "**Sinochem International 2024 Annual Report**" or the company's official website <http://www.sinochemintl.com>



### Meeting of the Board of Directors and Supervisors in 2024

Shareholder meetings

3

Board meetings

11

Meetings of the Board of Supervisors

4

Meetings of the special committees  
of the Board of Directors

15



Case

#### Sinochem International's full-time external director conducts research and provides improvement recommendations for corporate management

In 2024, Sinochem International's full-time external director Wang Feng conducted research focusing on the epoxy resin industry chain development of the company. The research process involved Mr. Wang participating in internal company meetings, conducting on-site surveys and employing other methods to gain a better understanding of the situation. Day-to-day operational data were also collected, sorted and analyzed. Based on the consideration of the entire value chain, he focused on analyzing existing problems and pain points of production, marketing and R&D technology components. He also performed comparisons with advanced companies to analyze strengths and weaknesses, identify weaknesses, and explore new opportunities. After the three-month long research process, recommendations for operational improvements were presented to the company's management in the form of a research report.

## Remuneration of Executives

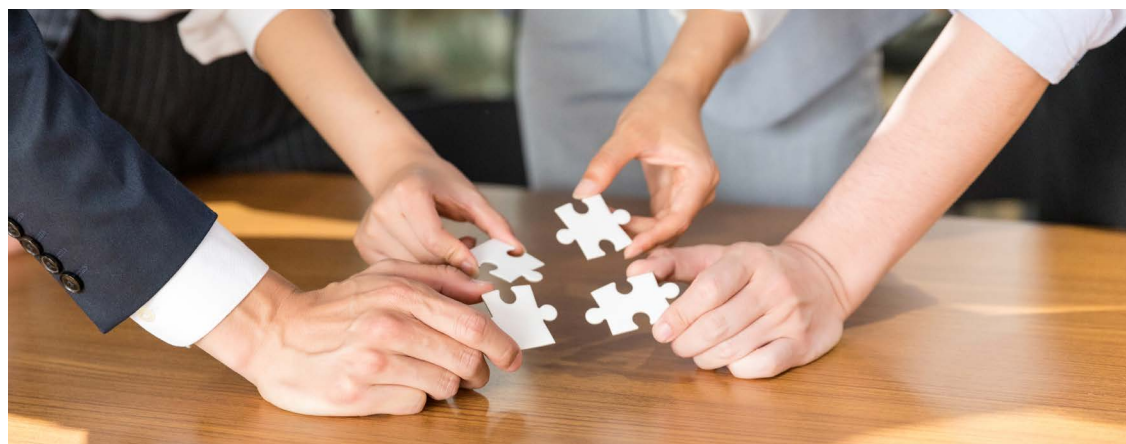
Sinochem International has established a comprehensive and compliant executive remuneration resolution mechanism and procedure, having formulated an "Executive Remuneration Plan" and performing dynamic adjustments based on actual situations. The Remuneration and Assessment Committee under the Board of Directors formulates remuneration proposals based on the company's strategic goals and market environment while taking into account the responsibilities and performance of directors, supervisors, and senior executives. The remuneration, rewards and penalties of directors and supervisors shall be submitted to the shareholders' meeting for a voting decision after approval by the Board of Directors. Meanwhile, the remuneration, rewards and penalties of senior executives shall be reviewed and approved by the Board of Directors. The company shall regularly disclose executive remuneration information to shareholders to safeguard shareholders' rights and enhance the transparency of corporate governance.

The company adopts a management remuneration structure in the form of "fixed salary + performance bonus + tenure incentives + other medium and long-term incentives". The performance appraisals of the organization and individual senior executives are tied to sustainable development factors, such as safety management, occupational health, energy conservation and carbon reduction, climate change response and other sustainable development-related performance indicators which are incorporated into the scope of work appraisal.



### Further Information

Please refer to the **"Sinochem International 2024 Annual Report"** for details of the remuneration received by directors, supervisors and senior executives during the reporting period





## Information Disclosure and Investor Relations Management

Sinochem International integrates information disclosure quality into the overall corporate governance and strictly abides by the requirements of regulatory authorities at all levels and the company's information disclosure system. As the daily work department for information disclosure, the company's board of directors' office insists on standardizing the disclosure of financial and non-financial information, and ensures that the information is true, accurate and complete through external independent audits and certifications. At the same time, it continuously optimizes the disclosure content based on investor needs and continuously improves the company's transparency.

The company continues to strengthen the information disclosure compliance awareness and performance capabilities of directors, supervisors and senior management, and makes arrangements for board directors, supervisors, senior management and middle-level management to participate in legal, regulatory and professional knowledge training sessions held by the Shanghai Stock Exchange; also invites brokerage firms, law firms and other intermediary institutions to give lectures at the company from time to time to provide professional guidance on the company's information disclosure work.

In 2024, Sinochem International received an A-level evaluation in the Shanghai Stock Exchange's 2023-2024 information disclosure work evaluation for listed companies.

The company respects the rights of all shareholders as owners of the company and holds shareholders' meetings regularly in strict accordance with the "Company's Articles of Association", "Rules of Procedure for Shareholders' Meetings", and other principles to protect shareholders' rights to know, participate, and decide. At the same time, the company provides convenient conditions for small and medium-sized shareholders to participate in voting and ensures that small and medium-sized shareholders enjoy equal rights.

The company opens up various two-way communication channels with investors, maintains good, full and effective communication with investors, fully protects investors' right to know, enhances investors' understanding and recognition of the company, and forms a virtuous interaction mechanism.

During the reporting period, Sinochem International and its member companies within the scope of consolidation had good credit status and no debt defaults. Institutions such as China Chengxin/S&P/Moody's/Fitch conduct annual credit ratings on the company, and the ratings during the reporting period were AAA/BBB+/Baa2/A- respectively.

### Information Disclosure in 2024

Periodic reports

4

Ad hoc announcements

60

Documents published online

42

(including the resolutions of the Board of Directors, the Board of Supervisors and the general meeting of shareholders, equity incentives, refinancing, use and management of funds raised and profit distribution, etc.)



### Investor Communication in 2024

Performance brief meetings

3

Communication sessions with institutions and small and medium shareholders

40

Roadshows and counter-roadshows

35

Shanghai Stock Exchange's "Visiting Listed Companies" investor exchange activities participation

1

Hotlines made to communicate with Investor

700

Investor questions answered on the SSE e-interaction platform

30

# Party Building

Sinochem International adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, gives full play to the political and organizational advantages of leading and ensuring high-quality development with high-quality party building, focuses on the development of the industrial chain, and strives to promote the institutionalization, standardization and scientificization of party leadership's integration into corporate governance.

The company revised and issued the "Sinochem International Articles of Association" and "Party Committee Working Rules" and other relevant documents, clarifying that the Party Committee plays a leading role, sets the direction, manages the overall situation, and ensures implementation, and discusses and decides on major corporate matters in accordance with regulations. In 2024, all proposals pre-studied by the company's Party Committee have been reviewed by the Board of Directors, and all proposals on major business management matters of the Board of Directors were pre-studied by the Party Committee.

In 2024, the company has 13 party committees, 4 party general branches, 134 party branches, and 1,847 party members.



## Key Measures for Party Building Work in 2024

### Strengthening Theory Study

- Carried out party discipline study and education by using a combination of guide-reading and guide-learning, expert guidance, exchange and discussion, warning education, special rectification and other forms to educate and guide all party members to learn, know, understand and abide by the discipline
- Thoroughly studied and implemented the spirit of the Third Plenary Session of the 20th CPC Central Committee, organized exchanges and discussions, and carried out concentrated training and theme lectures. All party members completed the "Online Training Course for Studying and Implementing the Spirit of the Third Plenary Session of the 20th CPC Central Committee"

### Strengthening Grassroots Party Building

- Optimized the setting of party organizations to adapt to the development of various businesses and smoothed the management chain of party organizations
- Promoted the standardization and regularization of party building work and created a SOP manual for party building work
- Implemented the "Seven Efforts Project" to improve the quality and efficiency of party building work, deepened the action to improve capacity and quality, carried out training courses for party cadres to improve their ability, and conducted rotation exchanges for newly appointed party cadres, and selected special personnel to give grassroots-directed support to newly established party committees in carrying out the construction of the party building work system

### Deepening Inspection and Rectification

- Emphasized systematic measures and comprehensive treatment, and solidly promoted the implementation of rectification of issues reported by the central inspection; ensured the implementation of the inspection work of the leading party group of Sinochem Holdings, and solidly promoted immediate rectification
- Strengthened supervision of the entire inspection and rectification process, promoted the establishment of a working mechanism for the Party Committee to promote the rectification of key and difficult issues directly pointed out by the inspection, and promoted the implementation of rectification responsibilities at each level

### Integration of Party Building and Business

- Created 12 industrial chain party building alliances
- Implemented 35 "Party Flag Flying on the Frontline" projects, playing a positive role in optimizing the industrial chain structure, improving product technology, and energy saving and consumption reduction of equipment

# Compliance Management

Adhering to the requirements of the "Compliance Management Measures for Central State-owned Enterprises", Sinochem International continues to improve its compliance management system, using effective supervision as a guarantee to maintain the bottom line of compliance and control compliance risks.

## Compliant Operations

The company has established a compliance management system, including basic compliance management systems, special compliance systems, and compliance management work processes and operating specifications, covering all of the company's business management behaviors; set up the position of General Legal Counsel (Chief Compliance Officer), covering the headquarters and important subsidiaries; and built a complete compliance management "three lines of defense" to effectively prevent legal and compliance risks and ensure compliant and legal operations.

### 2024 Key Performance Indicators

Employee compliance training coverage

100%



### Compliance Management Initiatives in 2024

#### — Improving Management Mechanism —

- Revised and improved more than 160 rules and regulations, clarified the establishment and responsibilities of the "Rules and Regulations and Rights and Responsibilities Manual Working Group" at the institutional level, ensuring the legality and compliance of the rules and regulations
- Established a "24-hour notification" mechanism for compliance risks, proactively identify, timely report, and follow up by dedicated personnel, and optimized internal linkage and information sharing
- Orderly promoted compliance checks on important assets, key projects, major contracts, etc., accurately identify compliance management weaknesses, pain points and blind spots, track and implement rectification, and form a closed management loop

#### — Improving Organizational Support —

- Improved the construction of the compliance management team and coordinated and optimized the allocation of compliance management resources between the headquarters and its subsidiaries
- The headquarters and all subordinate units have established a compliance management team of over 150 officers, clearly defined the job standards and job responsibilities, and extended the scope of compliance management

#### — Strengthening the Rule of Law —

- Systematically sort out the compliance risk points and weak links of foreign-related matters, developed the "Foreign-related Legal Compliance Risk List", and regularly conducted compliance risk sorting and special inspections
- Paid close attention to international and domestic developments, and tracked and published policy and regulatory developments and business compliance tips

#### — Promotion of Compliance Culture —

- Promoted the core contents of the revised version of the "Integrity and Compliance Manual" to all employees
- Implemented the "Compliance Moment" mechanism before major meeting, and effectively promoted experience exchange and in-depth review of legal compliance risk prevention through internal and external case sharing
- Conducted special research on compliance culture, analyzed the current status of compliance culture from the perspective of compliance concepts and compliance management requirements, and strengthened the penetration of compliance culture at the grassroots level

## Risk Management

Sinochem International identifies, analyzes and evaluates annual major risks on a yearly basis, focuses on strategic goals and key tasks, and comprehensively assesses the "likelihood" and "degree of impact" of risk occurrence. In response to the major risks identified, a risk prevention and control collaborative mechanism is established, responsible departments are clarified, risk response strategies and measures are formulated, and regular tracking and monitoring are performed. The company conducts monthly inspections of business risk events, establishes a regular cross-check mechanism between the risk management department and legal, tax and other functional departments, promotes the coordination of risk management and related departments, and responds quickly, reports in a timely manner, and handles major business risk events in a safe manner.

The company has established three defense lines for risk management and internal controls. Reports on risk response, internal control and internal audit work are submitted to the Audit and Risk Committee of the Board of Directors on a regular basis every year, and the "Internal Control Evaluation Report" signed off by the Board of Directors is disclosed on a yearly basis. Internal control audits for listed companies are also performed, whereby the audit scope encompasses a company level, business processes, and information systems, focusing on the effectiveness of management systems in strategic research, safety and environmental protection, human resources management and other fields.

In 2024, the company had no events with major business risk. There have been no major weaknesses in the company's internal controls and the company's overall operations are effective.

### Risk Management Measures in 2024



#### Clarifying Management Processes

- Revised and issued the company's "Rights and Responsibilities Manual", covering 531 rights and responsibilities, straightening out the boundaries of rights and responsibilities, clarifying the management process, and strengthening risk source management from the level of rights and responsibilities and institutional systems



#### Optimizing Internal Control System

- The headquarters coordinated and deployed the implementation of the internal control system optimization and improvement project, focusing on "key subsidiaries, important processes, and major risks" to successfully complete the phased tasks
- Guided subordinate companies to improve their internal control systems, including assisting them in sorting out the management of important processes, important internal control matters, and approval of governance entities; clarifying the boundaries of cross-business unit cross-authority matters; embedding key internal control requirements into the scientific and technological research and development system process, etc.



#### Special Risk Management

- Credit risk management: Monitored and analyzed key credit indicators, followed up on the progress of overdue customers' debt repayment; adjusted credit control policies, strictly control payment terms and prepayments; made full use of credit insurance resources and expanded the coverage of credit insurance; continued to promote the construction of credit risk big data system and optimized system module functions
- Trade compliance risks: Conducted multiple, all-round trade compliance on-site training sessions, with business management teams and key personnel, financial management, risk management and other related personnel participating in the training to enhance prevention awareness
- Commodity derivatives business risks: Strengthened the construction of the compliance management system for commodity derivatives business, promote the functional optimization and improvement of the derivatives futures business system, and strengthened the quantitative analysis of commodity derivatives business risks



#### Internal Audit

- Focusing on key areas such as integration and coordination, investment decision-making, engineering construction, procurement bidding, market development, and technological innovation, 15 audit projects were conducted, with a 100% completion rate for rectification of problems due
- Launched the audit supervision engine project to expand the application of big data auditing and help prevent and resolve major risks

# Business Ethics

Sinochem International revised the "Integrity and Compliance Manual", further clarified the management team and review mechanism, and established comprehensive rules and procedures with anti-corruption and business ethics as the core. The company conducts a business ethics risk assessment covering all business segments every year, implements appropriate procedures and substantive control measures, and maintains a fair, good and transparent business ecosystem.

## Reporting Management

The company has established and improved the anti-corruption supervision mechanism, broadened the supervision channels, and enhanced the joint force and effectiveness of supervision. The company encourages the reporting of any illegal and irregular behavior. Reports may be made through phone calls and letters under an anonymous identity or one's real name. The company promises to study and investigate the reporting clues, supervise and follow up the handling and correction of the reported behaviors and incidents.

We promise to keep the name of the whistleblower and the content of the report strictly confidential. Anyone who leaks the information of the whistleblower in violation of regulations or retaliates against the whistleblower will be dismissed and have their labor contract terminated. Those suspected of committing a crime will be transferred to judicial authorities for handling in accordance with the law.

### Sinochem International Reporting Channels



**Reporting Hotline** 021-68370360



**Reporting E-mail** antifraud@sinochem.com



**Mailing Address** 10th Floor Discipline Inspection Department, Sinochem International Plaza, 233 Changqing North Road, Pudong New District, Shanghai (Postal Code 200125)



## Anti-Corruption and Anti-Bribery

The company has established an effective system of institutions and internal control systems, and has eliminated corruption, bribery and other behaviors through system standardization, routine supervision, risk assessment, internal control audits and other forms. Through the construction of a clean-fingered culture, the concept of anti-corruption and promoting integrity has been infiltrated into the career of every employee.

We have clearly stated in our "Anti-Corruption System Management Measures" that we share our zero-tolerance policy against corruption with our business partners, avoid doing business with companies and individuals known or suspected of engaging in corrupt practices, and create an honest and healthy business ecosystem.

### Anti-Corruption and Anti-Bribery Initiatives in 2024



#### Preventing and Controlling Corruption Risks

- Organized and carried out supervision and inspection of the establishment of integrity risk prevention and control mechanisms, and re-sorted, re-identified and re-evaluated integrity risk points
- Carried out corruption and bribery risk identification, covering the headquarters and all subsidiaries, to assess the possibility and impact of risks, formulate risk control measures, and implement them to responsible departments and personnel



#### Promoting Disciplinary Supervision

- Monthly reports to improve the quality of case management systems and clue case records; quarterly special reports to accurately guide clue and case handling at all levels
- Continued to intensify supervision and discipline enforcement efforts, carried out special rectification of irregularities in eating and drinking, special inspections of expense reimbursement during important holidays, special inspections of public vehicle management, and other unhealthy practices and corruption issues



#### Managing Sensitive Transactions

- Performed hierarchy-based management of official gifts handed in by employees, and appointed special personnel to be responsible for the registration, safekeeping, and handling of official gifts handed in



#### Strengthening Digital Supervision

- 9 subsidiaries have completed the construction of more than 100 supervision models, covering fields such as engineering construction, trade, medicine, as well as procurement, marketing, funds, inventory and other links, improving intelligent, efficient and accurate supervision



#### Strengthening Promotion of Integrity

- Organized 2 educational conferences to deliver warnings about anti-corruption matters; organized special training for procurement personnel, reserve cadres, etc.; organized key personnel to watch special warning education films from superiors; taught 275 discipline party classes in total
- Organized visits to anti-corruption education bases, anti-corruption knowledge competitions, anti-corruption themed cultural seminars, signing of "Integrity Employment Commitment Letter" and "Initiative letter for Family Support in Promoting Integrity and Anti-corruption" and other activities
- Sent integrity reminders to suppliers, purchasing and marketing personnel before major holidays

### 2024 Key Performance Indicators

Anti-corruption training coverage rate for directors and management level staff

100%

Anti-corruption training coverage rate for employees

100%

Lawsuits induced by corruption or bribery

0



## Anti-Unfair Competition

The company adheres to the principles of fair trade and fair competition, and resolutely resists illegal and irregular acts such as stealing competitors' trade secrets, conspiring with peers to set prices to disrupt market order, and collusion in bidding, and effectively maintains a fair and competitive business environment and the legitimate rights and interests of market entities.

### Key Measures to Anti-Unfair Competition in 2024



#### Regulation Standardization

- Compiled a "Fair Competition Guidelines Manual" to provide standards and guidance for employees on how to deal with competitors in the course of business operations



#### Risk Management

- Carried out anti-unfair competition risk identification and assessment, covering the headquarters and its subsidiaries, identified the risk points faced by bidding, market pricing, marketing, product labeling, product packaging and other links, and formulate effective preventive measures



#### Awareness Strengthening

- Continued to promote the signing of Compliance Responsibility Letters to ensure that employees are aware of anti-monopoly obligations, anti-unfair competition obligations, financial order maintenance regulations and anti-money laundering obligations, etc.

### 2024 Key Performance Indicators

Coverage rate of anti-unfair competition training for employees

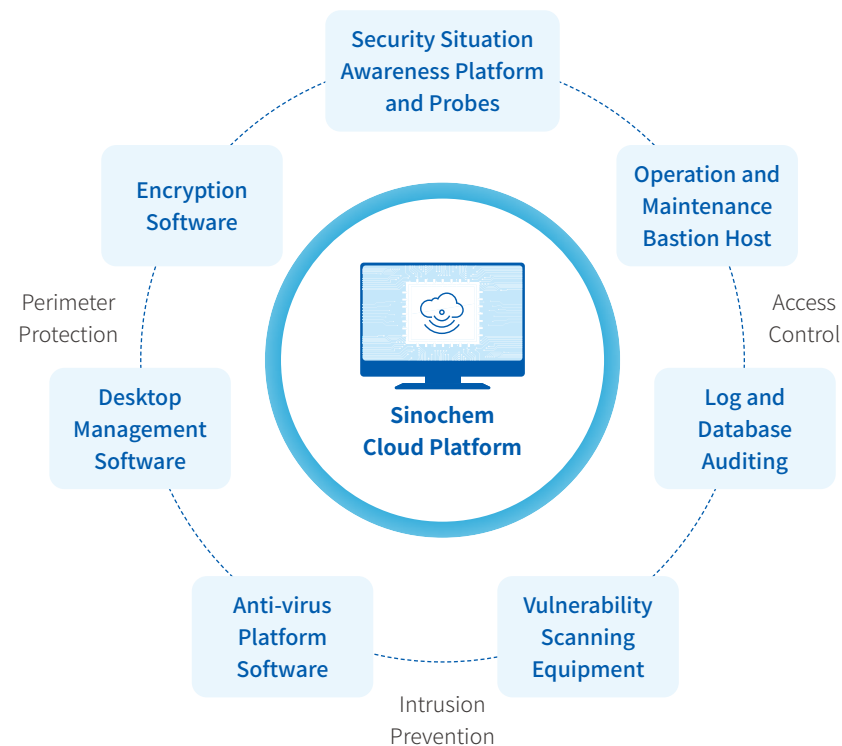
100%

Lawsuits against unfair competition, antitrust or anti-monopolistic practices

0

## Information Security

Sinochem International continues to improve its information security management and confidentiality management systems to ensure the information security of the company, its employees and its customers. The company uses the Sinochem Cloud Platform as the system release infrastructure, configures professional protection equipment, software and supporting protection measures to enhance the security prevention capabilities of the infrastructure; configures an information security management team to be responsible for the improvement of security policy documents and process management; conducts application system risk assessments every week by network security equipment and technology, and promptly checks the implementation of rectification to ensure that the information system operates effectively, safely and controllably.



Information System Architecture of Sinochem International

### Key Measures for Information Security Protection in 2024



#### Technology Upgrade

- Upgraded the protection software of servers and employee office terminals, and solve the compatibility issues of old versions at the same time to prevent malicious programs from causing damage to the system or terminals or data leakage
- Completed database audit, log audit, operation and maintenance audit and risk control equipment version upgrade to enhance the security audit and monitoring system capabilities



#### Vulnerability Management

- Carried out vulnerability scanning, repair, and verification management according to the requirements of the Network Incident Response Plan (IRP)
- Routinely scanned application systems for vulnerabilities every week, and repaired and mitigated 2,015 medium- and high-risk vulnerabilities throughout the year



#### Awareness Strengthening

- All employees signed the annual "Cybersecurity Commitment"
- Regularly organized network security training drills, phishing email identification and other activities to improve employees' security awareness and skills
- Participated in the 2024 network security attack and defense drill organized by the Shanghai Economic and Information Technology Commission, and won the "Excellent Blue Team Unit" award



#### Device Deployment

- Deployed firewalls, intrusion monitoring systems and other equipment, and carry out regular maintenance such as security patches and software upgrades on the equipment
- Deployed network security equipment to monitor and detect network attacks, viruses, malware and other security threats in real time and deal with them immediately



#### Risk Assessment

- Conducted asset risk identification and assessment through business process analysis based on the company's information security policy and ISO 27001:2022 and other standards, covering the headquarters and subsidiaries, formulate and implement risk prevention and control measures, and complete risk assessment reports



#### Authoritative Certification

- Sinochem International's information security management system has passed ISO 27001:2022 certification, covering 100% of the information system operation and maintenance services provided by the company to its headquarters and subordinate units

The company respects and protects the privacy information of stakeholders. All methods of obtaining privacy data are within the scope permitted by law. The retention, processing and sharing of information are subject to the informed consent of the third party. The company regularly backs up the records retained by the information security system, and the preservation and backup of relevant data are confirmed with the relevant responsible persons of each department.

### Awards and Recognition in 2024



Sinochem International was selected as a **pilot demonstration company for the innovative application of industrial control system network security by the Ministry of Industry and Information Technology** based on the "Industrial Enterprise Network Security Comprehensive Protection Platform Project"

### 2024 Key Performance Indicators

Coverage rate of information security training for confidentiality-related personnel

100%

Major cybersecurity incidents

0

Confirmed complaints involving violation of client privacy or loss of client information

0



# Environment

## Substantive Issues

- Environmental Compliance Management
- Climate Change and Carbon Management
- Emissions and Waste Management
- Energy Management
- Water Resources Management
- Resource Utilization and Circular Economy
- Biodiversity Protection
- Clean Technology Opportunities
- Green Products

## In Response to SDGs





# Environmental Governance

Sinochem International actively promotes the construction of ISO 14001 environmental management system, established HSE Committee, and jointly with the Health, Safety and Environment Subcommittee of the Sustainable Development Executive Committee, to be responsible for environmental compliance management. We also established a dual control mechanism of "headquarters coordination-subordinate enterprises implementation". Abiding by the "Environmental Protection Management Measures" and "Emergency Plan for Sudden Environmental Incident" and other related policies, we regularly conduct environmental impact assessments covering our production bases of core business (please refer to the appendix of this report for the list of production bases) every year, focusing on the implementation of the pollutant discharge permit system, the management of volatile organic compounds, the compliance disposal of hazardous wastes, and the prevention and control of soil and groundwater pollution. We also conduct regular on-site supervision and inspection and closed-loop management of hidden danger rectification to effectively reduce environmental liability risks during operations.

The company adheres to the concept of environmental protection throughout the life cycle, promotes green and clean production technology at the source, strictly implements clean production during the production process, insists on moderately advanced investment in end-of-pipe treatment, continuously introduces new technologies, consolidates various pollution prevention and control measures, and vigorously promotes the construction of governance capabilities. We combine the construction of pollution prevention and control facilities, operation management, internal control, and regulatory agency requirements to build a full-chain environmental management model.

We are committed to achieving environmental compliance across the entire business chain, continuously strengthening environmental risk management and control, and preventing major environmental incidents from occurring.

## 2024 Key Performance Indicators

Total investment  
in environmental  
protection

**433** million yuan

Environmental  
pollution  
incidents

**0**

Ratio of places with  
environmental risk  
assessments in all workplaces

**100**%

Percentage of employees  
trained on specific  
environmental issues

**100**%

Ratio of Sinochem International and  
its production bases have obtained ISO  
14001 certification

**100**%

## Environmental Management Measures in 2024

### Environmental Risk Management

- Organized the analysis of environmental risk factors, comprehensively considering factors of subordinate enterprises such as the environmental risk management level, emergency rescue capabilities, and environmental sensitivity, determined the environmental risk level of each subordinate enterprise, and implemented special control on key risk sources
- Newly built, re-built and expansion projects were subjected to environmental impact assessments, environmental acceptance and environmental supervision as required. In adhering to the concept of "moderately advanced", conducted high-standard design and construction of environmental management facilities, and the environmental protection facilities can achieve to be designed, constructed and put into use at the same time as the main projects

### Environmental Emergency Management

- Organized subordinate enterprises to improve emergency response plans for sudden environmental incidents, strengthen emergency material reserves and professional team building, conduct regular emergency drills, and improve emergency response capabilities
- Enterprises in the Yangtze River and Yellow River basins have established and improved a three-level prevention and control system at the source, process and end, moving the checkpoints forward, reducing the pressure of end-point risk control, and systematically improving the management level of water environment risks

### Intelligent Management

- Through the intelligent management platform, a special column of "basic environmental protection data" is set up to integrate data such as monitoring points, video surveillance, alarm configuration and records, and build a comprehensive environmental protection control system through digital management

### Environmental Protection Concept Promotion

- Carried out a series of World Environment Day activities by using the company's WeChat official account and other platforms
- Popularized environmental protection knowledge in communities and deepened the public's environmental awareness through photography collection, theme videos and other activities
- Presented the company's environmental protection achievements and the value of green development in the form of videos, and formed a positive engagement with communities

The company takes the creation of green factories as an effective means to build a green manufacturing system for the entire industry chain. To achieve low-carbon and efficient production by optimizing the energy structure, upgrading clean technology and recycling resources. With the help of intelligent systems to accurately control consumption, the company also promotes the resource utilization of waste and provides a demonstration for the green upgrade of the industry.



Sinochem International Green Factory-Yangnong Ruixiang



Sinochem International Green Factory-Sinochem Xinbao

## 2024 Key Performance Indicators

As of end 2024, **5** factories have been certified as green factory by the Ministry of Industry and Information Technology, while **12** factories with green factory certification from the China Petroleum and Chemical Industry Federation and **8** factories recognized as provincial-level green factory

Ratio of operations sites with local community participation, impact assessments and development plans

**100%**

# Pollution Prevention

Sinochem International adheres to the concept of environmental protection throughout the entire life cycle, combining "prevention" at the source, "management" during production process, and "treatment" at the end, vigorously promotes the construction of governance capabilities and the upgrading and transformation of facilities, and continuously consolidates the implementation of various pollution prevention and control measures. The company introduces new projects and technologies to improve pollutant treatment capabilities and means on the one hand, while transforms and optimizes existing environmental protection facilities to maintain a high level of operational efficiency and ensure that the discharge of three wastes meets the standard requirements on the other hand.

## Measures for Pollution Prevention and Treatment Management in 2024



### Wastewater Management

- Achieved efficient wastewater treatment and recycling through technological upgrades to promote sewage purification
- Strengthened ecological environmental risk management and water pollution emergency response capacity building in the Yangtze River and Yellow River basins, as well as rainwater pollution risk management



### Exhaust Gas Management

- Completed the ultra-low emission transformation of coal-fired boilers in subordinate production enterprises and completed the low-nitrogen combustion transformation of gas boilers. The emission intensity of waste gas pollutants from related equipment has been greatly reduced
- Adopted measures such as closed storage facilities, wet operations, sprinkler facilities, and dust suppression nets to reduce dust and particulate matter emissions for construction projects
- Carried out special rectification of unorganized emissions and reduced unorganized emissions of VOCs by adopting measures such as sealing of equipment and sites, process improvements, and effective collection of waste gas
- Carried out "odor control" and strictly implemented autumn and winter pollution prevention and control measures and ensured air quality during key periods
- Carried out noise monitoring regularly and carried out special rectification for noise hazards and noise exceeding standards



### Waste Management

- Conducted on-site audits of toxic emissions and wastes at all subordinate production enterprises. During the ISO 14001 certification process, toxic emissions and wastes are evaluated and certified by a third party, and on-site verification and audits are also carried out
- Strengthened the control of pollution source and the investigation of hidden soil pollution risk to cut off the pollution source
- Strictly implemented waste classification, actively carried out recycling and reuse work to reduce waste emissions, and clearly prohibited cross-border disposal of hazardous waste
- Taking the "Zero Waste Group" pilot as an effective means, strengthened process supervision and institutional innovation, built a "Zero Waste Group" indicator system to clarify the list of tasks and to promote the orderly development of the "Zero Waste Group" construction of subordinate enterprises
- The internal sharing project of hazardous waste treatment facilities of Yangnong Ruitai and Ningxia Sinochem Lithium Battery Materials was approved by the Ningxia Autonomous Region, and phased progress has been made
- Actively promoted the resource utilization of solid waste, recycled by-products in the production process to reduce dependence on original resources, and promote the development of a circular economy





#### Case Sennics's Clean Technology for 4-ADPA reduces wastewater discharge by 99% as compared to traditional processes

Sennics reduces the direct discharge of pollutants into natural water bodies through implementing measures such as clean and dirty water diversion channels, process-based wastewater treatment, the establishment of emergency pools for incidents, and biological wastewater treatment. In turn, this effectively prevents industrial wastewater from polluting surrounding natural water bodies. The company's independently-developed green and clean technology, which employs "4-ADPA Low-Temperature Liquid-Phase Catalytic Hydrogenation" that reduces wastewater emissions by 99% as compared to traditional processes, has won a Second-Class National Scientific and Technological Progress Award.



#### Case Sennics Taian among those conferred first batch of "Zero Waste Factory" awards by Tai'an Municipality

Driven by the objectives of emission reduction and efficiency improvement, Sennics Taian actively engages in initiatives to create a "zero waste factory". To this end, the company continuously optimizes the resource utilization of waste; performs recycling, classification and treatment of waste generated in the production process; and promotes and reinforces the concept of "zero waste factory" to all employees. In April 2024, Sennics Taian was among those conferred the first batch of "Zero Waste Factory" Awards by Tai'an Municipality, which is a testament to its role as a leading company in the local field of green production.



#### Case Yangnong Ruitai runs resource recycling project for salt by-products from fine chemical production

Yangnong Ruitai turns waste salt generated from fine chemical production processes into raw material through treatment involving multiple processes such as deep oxidation and high-temperature oxidation. The treated salt by-products are used to produce caustic soda, chlorine, and hydrogen while also serving as raw materials for downstream products, extending the product industry chain and enabling the comprehensive utilization of waste salt resources.

#### 2024 Performance Indicators

Compliance rate of exhaust gas, wastewater discharge, and industrial enterprise noise

100%

Compliant solid industrial waste disposal rate

100%

Major leak incidents recorded

0

Hazardous waste disposal

78,540 tons

Industrial hazardous waste disposed by outsourcing

54,987 tons



Note: 1. The statistics do not include overseas subsidiaries, please refer to the "Sinochem International 2024 Annual Report" for specific emission indicators for each subsidiary production enterprise

2. Total waste disposed = waste discharged (non-hazardous waste discharged + hazardous waste discharged) - total waste recovery

3. In 2024, the propane dehydrogenation, propylene oxide, hydrogen peroxide and other plants of Yangnong Ruiheng C3 project and the 240,000 tons /year bisphenol A expansion plant were activated and commissioned, and the solid waste incinerator, waste salt incinerator and tail gas RTO furnace and other facilities were put into use. The above reasons have led to a large increase in COD/NO<sub>x</sub>/VOCs and SO<sub>2</sub> indicators

4. The production load of the newly put into production facilities of Yangnong Ruiheng, Yangnong Ruitai and other subsidiaries increased, resulting in an increase in the emission of hazardous waste

# Resource Utilization

Sinochem International has always regarded efficient resource utilization as the core engine of sustainable development. Through systematic strategic layout and technological innovation, it has built a full-chain refined management system covering energy, water resources and materials, providing solid support for promoting green and low-carbon transformation.

## Energy Management

The company has established an Operation Excellence Center and, in conjunction with the Low-Carbon Development Subcommittee under the Sustainable Development Executive Committee, to be responsible for deployment of energy conservation and consumption reduction and energy structure optimization work, following the requirements of the "Energy Conservation Management Measures" and "Clean Production Management Standards" and other systems, to build a clean, efficient and low-carbon energy management system.

By the end of 2024, 12 subordinate production enterprises of Sinochem International, including Yangnong Ruixiang, Yangnong Ruiheng, Yangnong Ruitai, Yangnong Kumho, Sennics Shandong, Sennics Taian, Sennics Anhui, Fopia, Sinochem High Performance Fiber Materials, Sinochem Xinbao, Sinochem Fuheng, and Huai'an Junsheng, have passed the ISO 50001 energy management system certification.

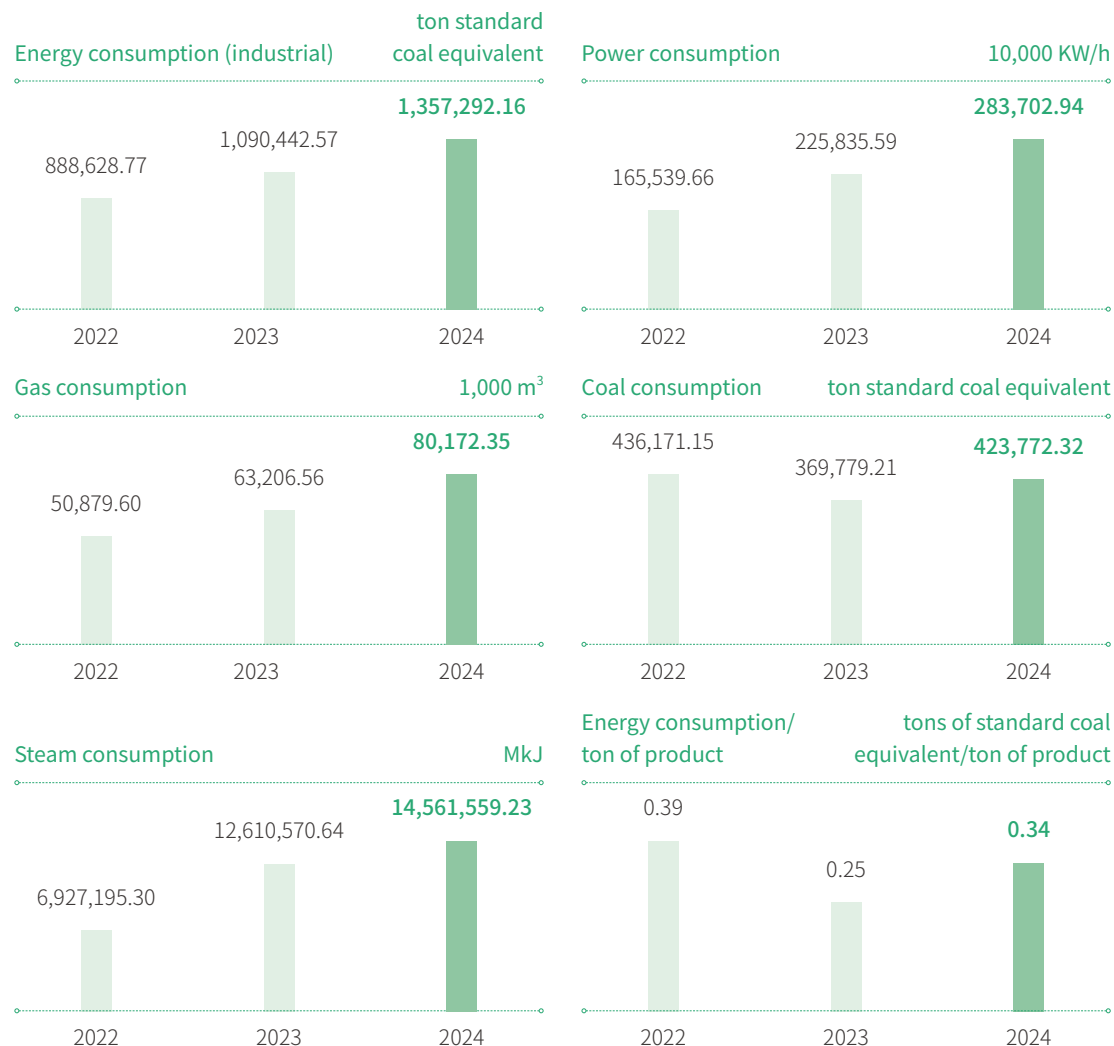
### 2024 Key Performance Indicators

Total investment in energy conservation

**42.975** million yuan

Non-fossil energy use accounts for

**1**%



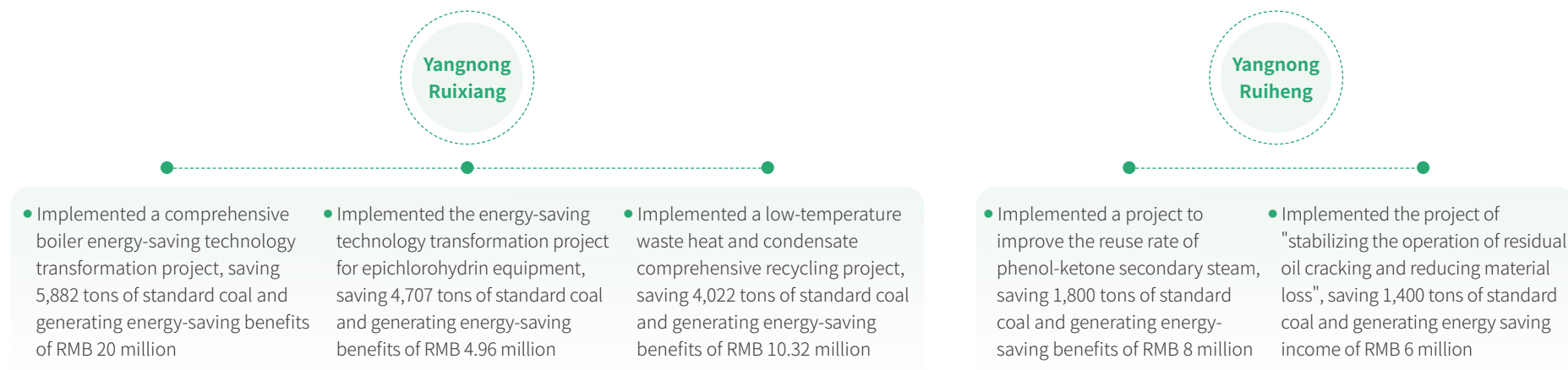
Notes: 1. The data does not include overseas subsidiaries

2. The energy consumption data is calculated with reference to "GB/T 2589-2020 General Rules for Comprehensive Energy Consumption Calculation"

3. In 2024, the Yangnong Ruiheng C3 project's propane dehydrogenation, propylene oxide, hydrogen peroxide and other plants and the 240,000 tons/year bisphenol A expansion plant were activated and commissioned, and the production load gradually increased. The output of bisphenol A, phenol acetone, epoxy resin, and hydrogen peroxide increased by 33%, 30%, 36%, and 100% year-on-year, respectively. The above reasons lead to increased energy consumption

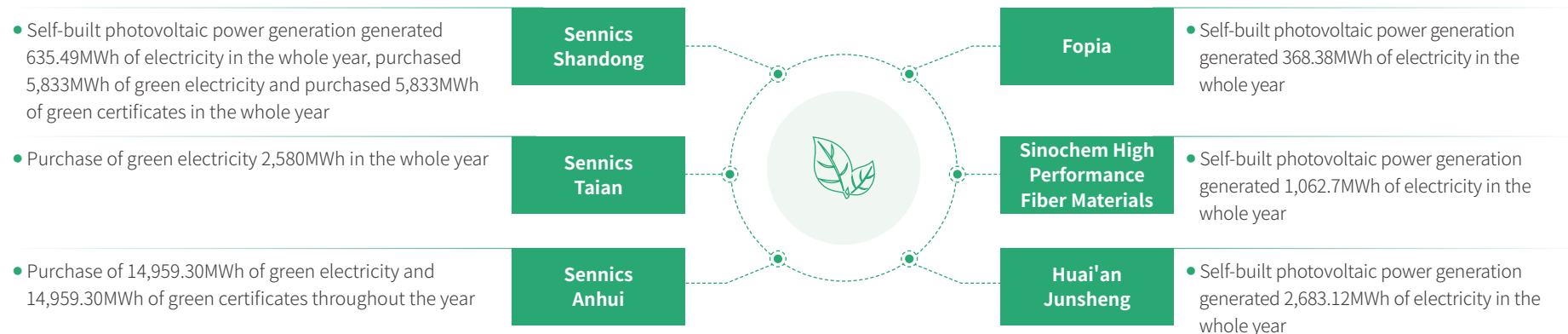
We have comprehensively carried out clean production audits, evaluations and certifications, actively promoted the replacement of high-energy-consuming equipment and increased the promotion and application of clean energy. We have implemented a total of 120 energy efficiency improvement projects throughout the year and carried out comprehensive upgrades of key energy-consuming equipment such as boilers, motors, transformers, refrigeration equipment, and lighting equipment, significantly improving energy utilization efficiency.

### Major Outstanding Energy-saving and Carbon-reduction Projects of Subsidiaries in 2024



The company guides its subordinate production enterprises to strengthen energy-saving and carbon-reduction technical transformation projects, actively explores the comprehensive utilization of new energy and renewable energy, optimizes the energy structure through self-built photovoltaic power generation, purchases green electricity and green certificates, and supports green office and green production operations. In 2024, we achieved annual power generation of 4,749.69MWh through self-built photovoltaic power generation and purchased 23,372.3MWh of green electricity.

### Clean Energy Usage of Subsidiaries in 2024





## Water Resource Management

Sinochem International has built a water resource management system with institutionalized and refined management and established a water-saving optimization work leading group, with the company's deputy general manager in charge of related work as the group leader; each subordinate production enterprise has established a special working group for water-saving optimization implementation, with the leaders of the industrial water management of each subordinate enterprise as the working group leader. The water-saving optimization work leading body coordinates the water-saving optimization work in accordance with national laws, regulations, policy requirements, and national standards, formulates water-saving goals, water-saving work plans, and assessment rules, tracks the progress of the work and conducts assessments, and organizes water use and water-saving training.

In 2024, Sinochem International used the Aqueduct Water Risk Assessment Tool developed by the World Resources Institute (WRI) to analyze and evaluate the water stress of the headquarters and major production bases in the short, medium and long term (year 2030, 2050 and 2080 respectively), by SSP1-2.6 and SSP5-8.5 two climate scenarios. The main findings are that under the SSP5-8.5 climate scenario, the production bases located in Hebei, Ningxia, Shandong (currently accounting for 8% of the company's fresh water consumption) will face high water stress in the medium and long term, and there will be a certain risk of water shortage; under the SSP1-2.6 climate scenario, the number of production bases under pressure will be greatly reduced.

To this end, the company adheres to the water resource management strategy of "source control, efficient circulation", sets water-saving targets, and regularly carries out water metering, water balance testing, water-saving technology transformation, key water-using enterprises efficiency improvement actions and other measures to continuously strengthen water-saving management and improve water resource intensive and recycling efficiency. All of the company's water resources come from municipal water supply, and water intake and sewage discharge have no significant impact on the water source.

### Key Water Saving Measures in 2024



#### Water-saving Technology Upgrades

- Conducted water-saving assessments of production processes and equipment to uncover water-saving potential, optimized production processes, promoted the use of water-saving technology and equipment, and organized technical exchanges and training



#### Alternative Water Sources

- Continued to explore alternative water sources, such as building rainwater collection facilities, implementing steam condensate recovery and wastewater treatment projects, vigorously promoting the reuse of reclaimed water and recycled water, and continuously improving the reuse rate of water



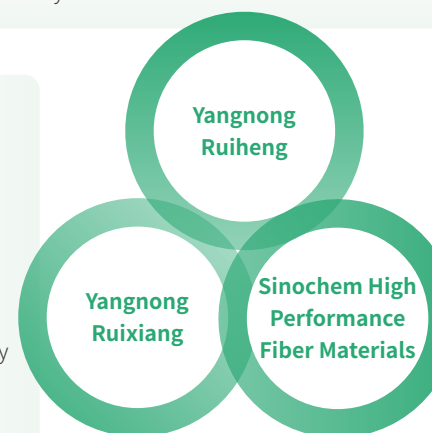
#### Water-saving Enterprise Certification

- Introduced the "Guidelines for the Evaluation of Water-Saving Enterprises" to carry out assessments to implement systematic management improvements, benchmarked the industry's advanced water efficiency values, water efficiency leaders, and water consumption per unit product of peers, and formulated improvement measures to gradually achieve the goal of industry-leading water efficiency
- 4 subordinate production enterprises have passed GB /T 7119-2018 Water-saving Enterprise Certification

### Major Water-saving Technology Projects of Subsidiaries in 2024

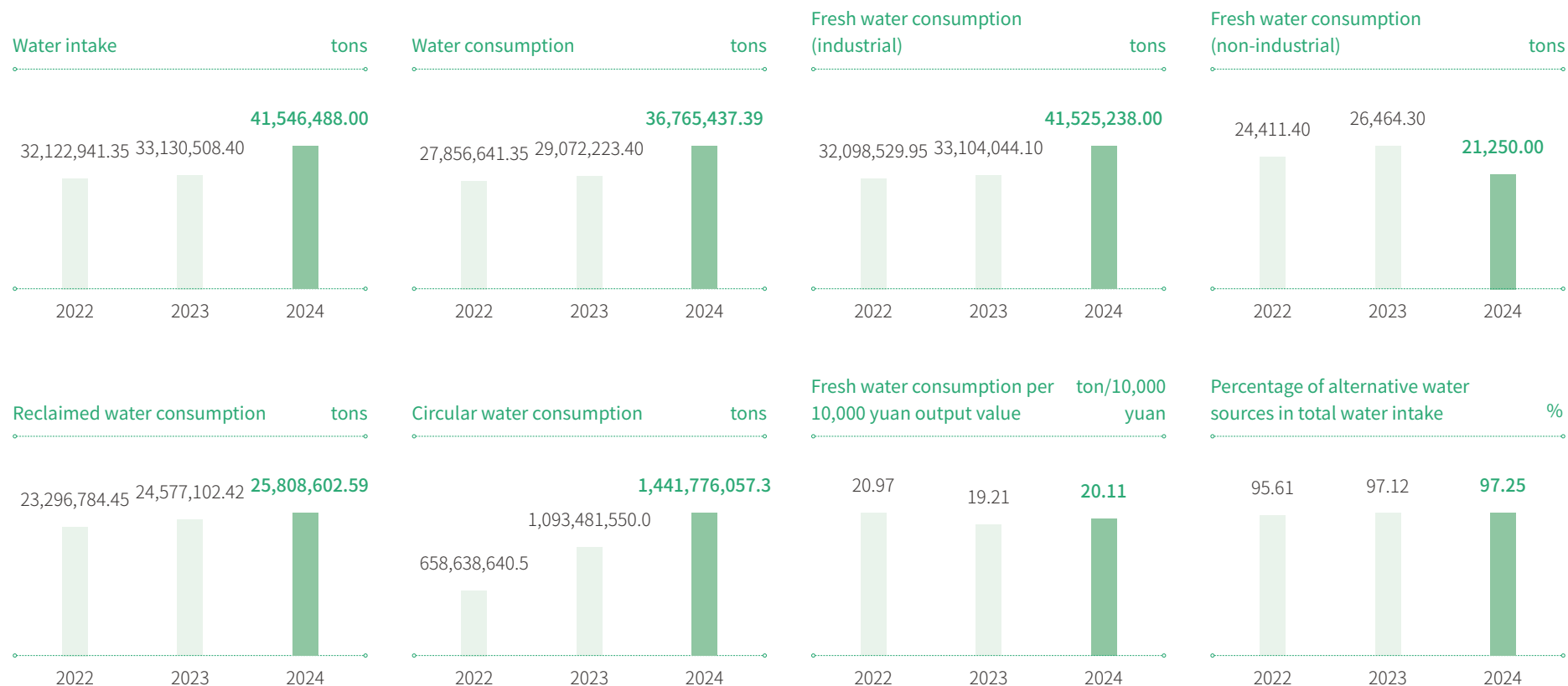
- Implemented the condensate comprehensive utilization project, saving 2.5 million tons of water annually

- Implemented waste heat refrigeration and condensate recovery projects to fully recycle steam condensate, recovering 1 million tons of steam condensate annually



- Implemented a wastewater treatment project to treat wastewater and reuse it to prepare pure water for use in the washing process of the para-aramid production line in the factory. Approximately 218,000 tons of pure water are made annually

In terms of water conservation goals, Sinochem International has set a series of goals for 2025 of reducing industrial water consumption of all its subordinate production enterprises by 10 % year-on-year, reducing fresh water consumption per 10,000 yuan of output value (income) (at comparable prices) by 3.5% year-on-year, and achieving a water reuse rate of  $\geq 98\%$ .



Notes: 1. The statistics do not include overseas subsidiaries

2. Water consumption = water intake – wastewater discharges

3. In 2024, the output of Yangnong Ruiheng increased by 62.5% year-on-year, the output of Yangnong Ruixiang increased by 9% year-on-year, and the output of Yangnong Ruitai increased by 20% year-on-year. The above reasons led to an increase in water intake and fresh water consumption

4. Both the consumption of reclaimed water and the consumption of circular water belong to alternative water sources. In 2024, the company vigorously promoted water resource substitution measures such as reclaimed water reuse and circular water utilization, and the consumption of reclaimed water and circular water increased significantly

5. The percentage of alternative water sources in the total water intake is calculated as follows: (circular water consumption + reclaimed water consumption) / (circular water consumption + reclaimed water consumption + fresh water consumption (industrial) + fresh water consumption (non-industrial))

## Materials Management

Sinochem International strictly regulates the procurement and quality management of raw (auxiliary) materials and packaging materials and formulates procurement standards and inspection plans for various materials according to relevant standards and usage requirements. All materials are inspected and verified before entering the warehouse to ensure that they fully meet the requirements. After inspection and verification, qualified materials are stored and declared according to categories, varieties, and batches, and identification management is done well, and a ledger is established. According to the characteristics of the materials, the company conducts quality inspections and implements protective measures during storage to prevent deterioration and misuse, and isolates materials that cannot be used and identifies their status.

The company actively promotes the use of environmentally friendly and recyclable raw (auxiliary) materials and packaging materials. The burden on the environment is reduced through design optimization, material innovation and recycling mechanism innovation. We vigorously promote the use of environmentally friendly and recyclable packaging materials, and significantly reduce the use of packaging materials while ensuring the safe transportation of products. In addition, we actively explore the recycling mechanism of packaging materials. Through recycling and reuse, we establish a full-chain closed-loop management system from recycling, sorting to reuse, effectively improve the recycling rate of packaging materials, and effectively reduce resource consumption and carbon emissions.

## Clean Technology Opportunities

Against the backdrop of increasingly severe challenges posed by global climate change, the market is gradually transforming towards green, low-carbon and clean technologies. Sinochem International regards investment in clean technology as one of the company's important opportunities, building a systematic clean technology system, improving the top-level design, and forming a cross-departmental collaborative and full-chain linkage management mechanism to provide solid governance guarantees for clean technology innovation and application.

The company has formulated a clean technology development strategy, increased the research and development, production and application of clean technology, creating green competitiveness through scientific and technological innovation, leading the industry's green transformation, and contributing to the construction of a clean, low-carbon, safe and efficient modern industrial system.

### Clean Technology Strategic Directions



**Technological innovation for development of green advanced materials**

Focusing on the core business of new chemical materials, we energetically develop advanced materials such as epoxy resins, polymer additives, para-aramid, and engineering plastics to meet the downstream market's demand for advanced materials. At the same time, in line with China's industrial structure adjustment and green development trends of market, we independently develop green and low-carbon clean production technologies, continuously improve the clean and environmentally friendly attributes of our main advanced material products, to help energy conservation, emission reduction and innovative development in various downstream fields



**Leveraging strengths to meet global energy challenges**

We leverage our advantages in high-end products and technologies, and continuously strengthen the application of core products in wind power generation, photovoltaic power generation, hydropower generation and other fields, to help the development of alternative energy and promote the transformation of social energy structure



**Upgrading solutions to promote development of sustainable transportation**

We continue to upgrade comprehensive solutions for civil aviation, fuel vehicles, electric vehicles and other transportation sectors, to promote energy conservation and emission reduction, volume reduction and efficiency improvement, cost optimization and innovative development in related fields, and to create sustainable transportation



**Turning waste into wealth and vigorously developing the circular economy**

We develop green and environmentally friendly product brands, promote product recycling and cascade utilization, carry out product recycling certification, to promote the development of circular economy; create efficient solutions for industrial water treatment to achieve water resource protection and sustainable utilization

## Clean Technology Application Scenarios

Chemistry is the catalyst for green transformation. Based on its core businesses such as epoxy resin, polymer additives, para-aramid, and engineering plastics, Sinochem International focuses on alternative energy, energy efficiency improvement, pollution prevention, sustainable water resources, green buildings, and other fields, capturing the ever-increasing market demand, continuously deepening technological innovation, creating new solutions, and continuously expanding the application scenarios of clean technology.

Clean Technology		Products and Services of Sinochem International
Alternative Energy	Wind Power	<ul style="list-style-type: none"> <li>We provide epoxy resin products as the core matrix material for wind turbine blades and launch the independently developed "Epoxy Resin Vacuum Infusion System Solution for Wind Turbine Blades", which meets the stringent international standards and helps the efficient development of the wind power industry</li> <li>We provide high-strength, long-life, low-pollution para-aramid solutions, which are applied to the anchoring of floating offshore wind power platforms, effectively reducing the operation and maintenance costs of wind power</li> </ul>
	Hydropower	<ul style="list-style-type: none"> <li>We provide para-aramid products, which are used in the field of concrete reinforcement in the construction of hydroelectric power stations. They can effectively improve the crack resistance, impact resistance and durability of concrete, and extend the service life of concrete in hydroelectric power stations</li> </ul>
	Photovoltaic Power	<ul style="list-style-type: none"> <li>We provide high-performance engineering plastic products for photovoltaic modules and accessories, especially photovoltaic junction boxes, which can better meet the material requirements of the development trend of miniaturization, integration and high-voltage resistance of junction box products and ensure the outdoor service life of photovoltaic modules for more than 25 years</li> <li>We launched a series of engineering plastic products including flame-retardant PA-GF, flame-retardant PC, PC/ABS, which are used in charging guns, charging port frames and shells to meet the material requirements of high-voltage DC fast charging technology at the charging end</li> </ul>
Energy Efficiency Improvement	Advanced Materials	<ul style="list-style-type: none"> <li>Our main products include advanced materials such as epoxy resins, polymer additives, para-aramid, and engineering plastics. We have independently developed a number of clean technologies for the production of these advanced materials, significantly improving the resource and energy utilization efficiency and pollution prevention level in the production process, and continuously reducing the carbon footprint of products</li> </ul>
	Electric Vehicles	<ul style="list-style-type: none"> <li>We use para-aramid material for lithium battery PACK shells, which achieves nearly 80% up of impact resistance compared to traditional materials. It has both high temperature resistance and fire retardant properties, significantly improving the safety and lightweight level of electric vehicle batteries</li> <li>We provide a diversified portfolio of engineering plastics such as ABS and nylon 66, which are used in the fields of new energy vehicle electrical circuits, thermal circuits, communication circuits, actuators, interior and exterior decoration, etc., for more than 30 wide applications, helping to upgrade the driving experience, intelligent experience, and space experience of electric vehicles</li> <li>We provide high-performance rubber antioxidants and plastic antioxidants, which are used in electric vehicle tires and many plastic parts to extend the service life of tires and plastic parts</li> </ul>
	Hydrogen Fuel Cell Vehicles	<ul style="list-style-type: none"> <li>We launched a high-performance epoxy resin solution for high-pressure hydrogen storage cylinder composite materials for hydrogen fuel cell vehicles, effectively improving the safety and reliability of vehicle hydrogen storage systems</li> </ul>
	Fuel Economy Technology	<ul style="list-style-type: none"> <li>Based on para-aramid materials, we successfully developed para-aramid honeycomb panels, which can be used in multiple parts of civil aircraft, such as wing fairings, spoilers, cabin floors, luggage racks, etc., which can significantly reduce the weight of the aircraft and improve fuel economy</li> <li>We use para-aramid in the frame material of automobile tires, which can effectively enhance the structural strength of tires, while significantly reducing tire weight and improving vehicle fuel economy</li> <li>We provide green rubber antioxidants for automobile tires, which can effectively extend tire life, reduce rolling resistance, and improve vehicle fuel economy</li> </ul>



Clean Technology	Products and Services of Sinochem International	
Pollution Prevention	Recycling	<ul style="list-style-type: none"><li>• We provide PCR (post-consumer recycled plastics) products based on physical recycling, and ELIX E-LOOP green and environmentally friendly series products based on chemical recycling. We use recycled waste plastics and renewable resources as raw materials to promote the green transformation of downstream applications such as automobiles, medical care, smart homes, and electronic technology</li><li>• After use, our para-aramid products can be recycled to make para-aramid pulp, realizing a closed-loop cycle from raw materials to products and then back to raw materials</li><li>• The polydicyclopentadiene (PDCPD) product developed by us is a key environmentally friendly new material encouraged by the state. The energy consumption and carbon dioxide emissions of this product throughout its life cycle are lower than those of traditional materials. In addition, waste and discarded materials can be processed and crushed into granules again and recycled as fillers for thermoplastics such as PP and PE. It has the outstanding feature of recycling without generating solid waste</li></ul>
Sustainable Water Resources	Wastewater Treatment	<ul style="list-style-type: none"><li>• We use para-aramid hollow fiber membrane as the core component of ultrafiltration membrane, which is applied in the field of industrial wastewater treatment to achieve more worry-free and efficient wastewater recycling</li></ul>
Green Building	Low Toxicity Materials	<ul style="list-style-type: none"><li>• We have launched a new generation of water-based epoxy resin floor system solutions, which uses water as a diluent, does not contain organic solvents, has no pungent odor, and has a VOC content of 7g/L, which is far lower than the national standard requirement of 120g/L. It is used for building floors and has significant environmental advantages</li></ul>

The company will continue to increase its R&D investment in the field of clean technology at an annual rate of 5%. In the next three years (2025 to 2027), the cumulative R&D investment in the field of clean technology will reach 1.26 billion yuan.

2024 Honors

Yangnong Group's "Hydrogen Peroxide Method Epichlorohydrin Production Process" and "Caprolactam Method Hexamethylenediamine Production Process" were selected into the **China Petroleum and Chemical Industry Federation's "Petrochemical Green and Low-Carbon Process List (2024 Edition)"**

Yangnong Ruitai 32% caustic soda (Indexed to 100) HL-II product was selected into the **2024 Green Product List of China Petroleum and Chemical Industry Federation**

2024 Key Performance Indicators

Applied for **32** clean technology-related patents

Accounting for **13.9%** of the company's total patents applied for in the whole year

**28** authorized patents related to clean technology

Accounting for **15.3%** of the company's total number of newly authorized patents for the year

The R&D investment in clean technology was **390** million yuan

Accounting for **50.3%** of the company's total R&D investment for the year

Clean technology revenue was RMB **15.33** billion yuan

Accounting for **29%** of the company's total annual revenue

# Climate Strategy and Action

Sinochem International has always paid great attention to issues related to climate change, actively integrated climate change response into the company's strategy, established a sound climate governance structure, strengthened systematic carbon management capabilities, formulated the overall goal of "Achieving Carbon Peak by 2030 and Carbon Neutrality by 2050" and a clear action path, regularly identified, assessed and managed climate risks and opportunities, continuously innovated and upgraded low-carbon technologies and processes, and was committed to creating green products and solutions. It comprehensively coordinated the upstream and downstream of the value chain, moved forward firmly on the road of low-carbon transformation, and effectively enhanced climate resilience.

In order to disclose more comprehensive climate-related information about Sinochem International, we published the company's first "Climate Change Response Report" in November 2024, becoming the first climate action report compiled and published by a company in China's chemical industry in accordance with the climate-Related disclosure guidelines. The report details the company's climate governance, strategy, risk management, indicators and goals, and more information can be obtained from it.



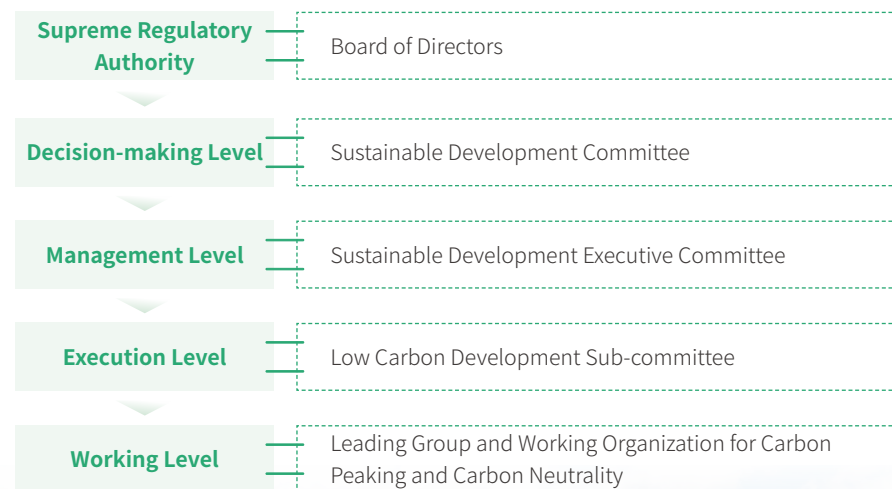
## Further Information

Welcome to read the **"Sinochem International Climate Change Response Report"** online 

# Climate Change Management

## Governance

Sinochem International has established a climate governance structure with the Board of Directors as the highest governance and decision-making body. Through a governance structure and work mechanism with clear division of labor and clear rights and responsibilities, it comprehensively promotes climate-related work from top to bottom, fully ensures that all matters related to climate change response are effectively integrated into the responsibility process at all levels, and continuously improves the level of climate governance.

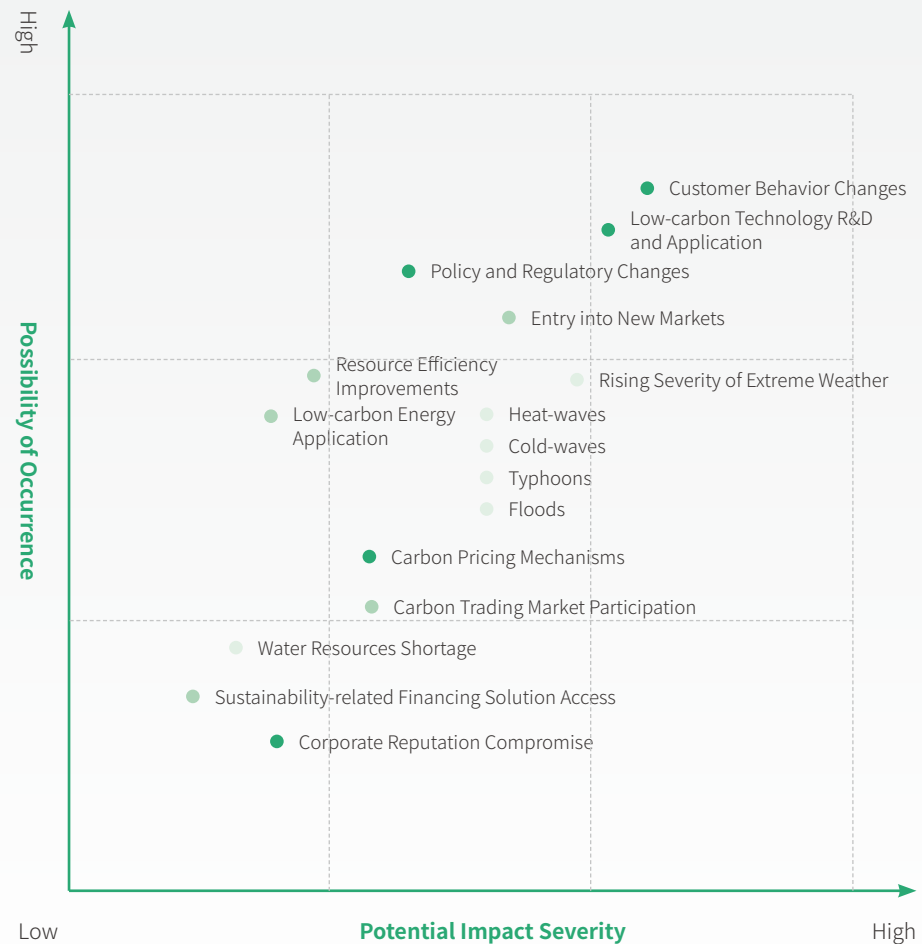


Sinochem International Climate Governance Structure

## Strategy

We have formulated a "3060 Carbon Reduction Roadmap" as well as action plan, and laid out a strategic plan for the net zero carbon industry chain. During the reporting period, we identified 16 climate-related risks and opportunities, conducted "likelihood of occurrence" and "potential degree of impact" analysis on climate risks and opportunities, which provides a more comprehensive understanding of the importance of risks and opportunities, so as to better formulate effective management measures to promote its own and social development to move towards a better future of sustainable development.

We conducted scenario analysis on the identified climate risks and opportunities. Under different climate scenarios, we comprehensively and quantitatively analyzed the potential impacts of climate physical risks, transition risks and opportunities on the company's production operations, financial status, etc., formulated corresponding response measures, to enhancing resilience and leadership in climate action.



Sinochem International's Importance Assessment Matrix of Climate Risks and Opportunities

## Risk Management

We have established a full-process management mechanism covering climate risk identification, assessment and response, and incorporated climate risk into the comprehensive risk management system. We assess potential impacts through scenario analysis and stress testing, evaluate the potential impact of extreme climate events and policy changes on the business, formulate targeted response strategies, and build a strong defense line for corporate climate resilience.



Sinochem International Climate Risk and Opportunity Management Process

## Indicators and Goals

We have developed a scientific and quantitative climate action indicator system to drive the implementation of goals with data. We set key indicators such as the proportion of renewable energy, comprehensive energy consumption per unit product, and carbon emissions, strengthened investment in low-carbon technology research and development, and promoted the deep coordination of climate goals and business development through energy-saving transformation and carbon market transactions, providing a replicable practical example for the industry to respond to climate change.



Sinochem International's Carbon Neutrality Goal

### 2024 Key Performance Indicators

Direct (Scope 1) greenhouse gas emissions

**2,926,331.77** tons of CO<sub>2</sub> equivalent

Indirect (Scope 2) greenhouse gas emissions

**2,067,572.88** tons of CO<sub>2</sub> equivalent

Greenhouse gas emissions per ton of product

**1.25** tons of CO<sub>2</sub> equivalent / ton of product

- Notes:
1. The statistics do not include overseas subsidiaries
  2. Greenhouse gas emissions statistics are calculated according to the "Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions of Chemical Production Enterprises in China (Trial)" and the "Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions for Power Generation Facilities"
  3. The company's greenhouse gas emissions include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O)



## Climate Change Action

Focusing on the "dual carbon" goals, we systematically advance carbon management and climate change response work, vigorously carry out green and low-carbon operation practices, and at the same time plan carbon asset management, give full play to our professional advantages, and make green development more solid and colorful.

The company strictly regulates climate management standards and processes. While continuously improving the system construction of the headquarters, it also promotes its subordinate production enterprises to formulate "Carbon Emission Monitoring, Statistics and Reporting Management Standards", "Energy Conservation Review Management Standards for Fixed Asset Investment", "Energy Efficiency Benchmarking Management Standards", "Carbon Emission Related Laws and Regulations and Other Requirements Compliance Evaluation Procedures", "Process Control Procedures for Energy Use and Carbon Emissions Design of Equipment and Facilities of Newly Built, Re-built and Expansion Projects" and many other systems to ensure continuous lean optimization of carbon emissions in existing projects and establish clear access standards for carbon emissions in incremental projects.

We implement a systematic and comprehensive internal management strategy, and carry out all-round actions in talent development, capacity improvement, performance appraisal, carbon emission control, supervision management, digital management, display and publicity, etc., to ensure that low-carbon development goals are achieved as scheduled and demonstrate our sense of responsibility and leadership in promoting green and low-carbon development.

Given the increasingly prominent value of carbon assets, Sinochem International has also strengthened corporate energy and carbon emission management in 2024 from multiple dimensions, including carbon consulting, carbon trading, carbon emission reduction project development, green electricity and green certificate trading by leveraging the professional strength of its carbon asset management subsidiary, Sinochem Green Energy, successfully achieving the preservation and appreciation of carbon assets and optimization of carbon compliance costs.

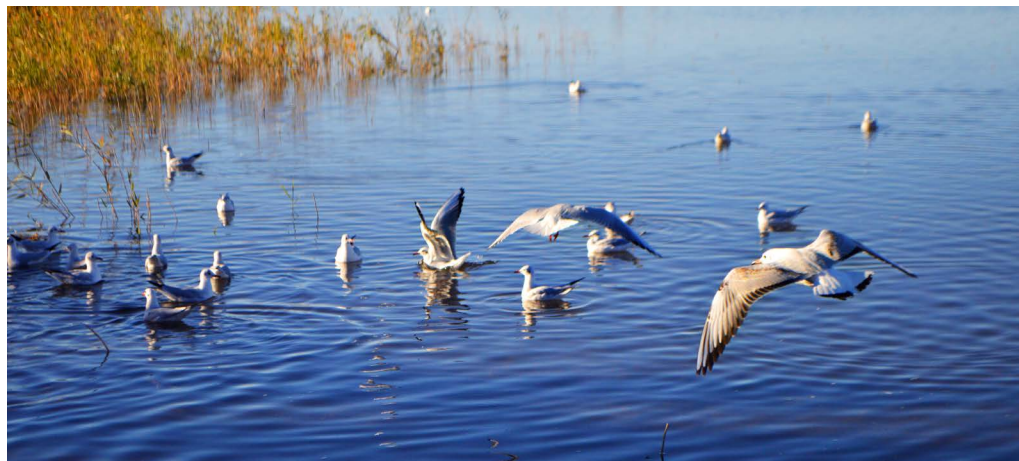


### Case Sinochem International achieved revenue of over 10 million yuan from carbon quota trading

In December 2024, Sinochem's subsidiary Yangnong Ruixiang successfully recorded a profit exceeding 10 million yuan by selling surplus carbon quotas in the national carbon emission trading market. This achievement marks the company's transformative journey from going beyond "low-carbon development to deriving economic benefits" therefrom. This transaction was supported by the professional services of Sinochem Green Energy with its precise trading strategies and market analysis capabilities. Yangnong Ruixiang was one of the first batch of companies to enter the national carbon emission trading market in 2021. As of 2024, the company had successfully performed carbon emission quota settlements for three compliance cycles of the national carbon market and achieved a carbon quota surplus.

## Biodiversity Conservation

Sinochem International always adheres to the principle of "Respecting Nature and Giving Priority to Conservation" in production and operation, strictly follows the requirements of ecological protection, conducts biodiversity impact assessments during project planning, and minimizes disturbances to the ecological environment. All the company's factories and project sites are far away from biological protection areas, and all production and manufacturing processes have not caused significant impacts on the ecological environment and local communities. We continue to support surrounding residents to participate in ecological protection through community co-construction projects, achieve a win-win situation of economic and ecological benefits, and inject continuous momentum into the cause of biodiversity conservation.



## Special Column

# Reducing the Environmental Footprint of Chemicals

Sinochem International has always integrated the concept of sustainable development into the management of the entire product life cycle, implemented a closed-loop management model covering source efficiency improvement, process optimization, and end-of-life recycling, and at the same time strengthened external cooperation to promote the transformation of chemical products towards low-carbon, high-efficiency, and safety.

## Full Life Cycle Management

We conduct in-depth research on the environmental impact of our products throughout their Life Cycle Assessment (LCA), and are committed to comprehensively assessing and reducing environmental footprints at every stage, from raw material acquisition, manufacturing, distribution, use to end-of-life disposal. By the end of 2024, many of our core products have completed LCA assessments and product carbon footprint certification.

### List of Products that have undergone LCA Assessment and Carbon Footprint Certification

Subsidiary	Product	Certification
Sennics Shandong	6PPD rubber antioxidant	ISO 14067 Carbon Footprint Certification
Sennics Taian	6PPD rubber antioxidant	ISO 14067 Carbon Footprint Certification
Sennics Anhui	6PPD rubber antioxidant	ISO 14067 Carbon Footprint Certification
Sennics Thailand	6PPD rubber antioxidant	ISO 14067 Carbon Footprint Certification
Sinochem High Performance Fiber Materials	Aramid filament	ISO 14067 Carbon Footprint Certification LCA Certification based on ISO 14040 and ISO 14044
	Aniline	ISO 14067 Carbon Footprint Certification
Yangnong Ruixiang	Chlorobenzene	ISO 14067 Carbon Footprint Certification
	Epichlorohydrin	ISO 14067 Carbon Footprint Certification
	p-Dichlorobenzene	ISO 14067 Carbon Footprint Certification
Yangnong Ruiheng	p-Nitrochlorobenzene	ISO 14067 Carbon Footprint Certification

Subsidiary	Product	Certification
	2- Chloro - 5-methylpyridine	ISO 14067 Carbon Footprint Certification
Yangnong Ruitai	Hexamethylenediamine	ISO 14067 Carbon Footprint Certification
	BTA	ISO 14067 Carbon Footprint Certification
Sinochem Fuheng	9- Fluorenone	Product Carbon Labeling Certification based on ISO 14067 and PAS 2050
Sinochem Xinbao	β - Methylnaphthalene	Product Carbon Labeling Certification based on ISO 14067 and PAS 2050
	ABS plastic (including all grades of products)	ISO 14067 Carbon Footprint Certification LCA Certification based on ISO 14040 and ISO 14044
ELIX	ABS alloy (including all grades of products)	ISO 14067 Carbon Footprint Certification LCA Certification based on ISO 14040 and ISO 14044
	AS resin (including all grades of products)	ISO 14067 Carbon Footprint Certification LCA Certification based on ISO 14040 and ISO 14044

## Green Product Design and Green Raw Materials

During the product design stage, we select safe and environmentally friendly design solutions and continuously update and iterate them, conduct research on product safety and environmental impacts, and strengthen green procurement, giving priority to low-toxic, low-pollution environmentally friendly raw materials or renewable raw materials to achieve toxicity reduction and efficiency improvement from the source.

We actively use bio-based raw materials and recycled materials to replace traditional petroleum-based raw materials and continue to be committed to the low-carbon and environmentally friendly development and application of products. The company's epichlorohydrin, epoxy resin, ABS plastic, ABS alloy, AS resin and other products have obtained ISCC PLUS certification (International Sustainable Development and Carbon Certification). In the field of polymer additives, we also began to explore the use of biomass as raw materials in 2024, and prepared bio-based rubber antioxidant products through chemical reaction modification.

In addition, we help customers use, store and maintain products correctly by providing detailed product instructions and maintenance recommendations, thereby extending product life and reducing environmental impacts caused by improper use. We actively communicate with customers and collect environmental feedback information during product use to provide a basis for continuous product improvement.



### Case Sinochem International launches rubber antioxidant product that can be used in reduced amounts

Sinochem International's subsidiary Sennics continues to promote green product design and innovatively develops S-TMQ Pro rubber antioxidant, achieving a double breakthrough in performance and environmental protection through molecular structure optimization and green process innovation. The production process of this product is green and environmentally friendly. Compared with ordinary TMQ products, it has a higher effective body content, low volatility, less pollution, and can be used in reduced quantities.

### Products of Sinochem International with ISCC PLUS Certification

Subsidiary	Product	Remark
Yangnong Ruixiang	Epichlorohydrin	The first domestic epichlorohydrin manufacturer with ISCC certification
Yangnong Kumho	Epoxy resin	The first domestic epoxy resin manufacturer with ISCC certification
ELIX	ABS plastic (including all grades of products)	Portfolio of ELIX can be formulated with certified monomers (Acrylonitrile, butadiene, styrene) derived from post-consumer recycled or biomass feedstocks and are therefore ISCC PLUS certified
	ABS alloy (including all grades of products)	
	AS resin (including all grades of products)	

## Product Recycling and Reuse

Under the "Dual Carbon" goal, circular economy has become a global consensus as an important part of addressing climate change and promoting sustainable development. We systematically optimize the resource flow path, continue to promote product recycling and reuse, and gradually transform and upgrade to a closed-loop system of "efficient resource circulation", continuously explore and extend the value of products, and promote the rapid development of the circular economy.

In the field of engineering plastics, our ELIX E-LOOP green and environmentally friendly product brand follows the circular economy model of "creating value from plastic waste", recycles waste plastics and renewable resources as raw materials, does not use any materials that have a negative impact on the environment and health, and integrates circular economy activities in products, designs and services to provide customers with innovative and sustainable solutions with the same functional level as virgin materials, reducing carbon footprint and achieving climate protection.

ELIX E-LOOP brand has commercialized 10 grades of products, including general-purpose, medical-grade, electroplating-grade ABS and several ABS/PC and PC/ABS products.

In the field of para-aramid, aramid filament products can be recycled after use to make para-aramid pulp, thus realizing a closed-loop cycle from raw materials to products and then back to raw materials through cascade utilization.



### Case

#### ELIX successfully extracts recycled ABS plastic from electronic waste

ELIX, a subsidiary of Sinochem International, actively participated in the Plast2bCleaned project and developed an innovative process based on superheated dissolution, successfully extracting recycled ABS plastics from electronic waste with performance comparable to that of virgin materials. This not only improves the recycling efficiency of electronic waste, but also provides a replicable solution for the development of a circular economy in the plastics industry.

## Packaging Reduction and Recycling

We always regard packaging as a key link in the management of the entire product life cycle. Through the three major directions of "Lightweight, Simplified, Intelligent", we encourage our subordinate production enterprises and suppliers to adopt recyclable packaging and systematically promote packaging reduction, so as to minimize the consumption of packaging materials and environmental load while ensuring product safety.



### Reducing Packaging Material Usage

- Yangnong Ruitai used tank trucks to transport and reduces plastic and iron drum packaging, significantly reducing procurement costs and packaging material usage



### Renewable/Environmentally Friendly Materials

- Sennics used recycled plastic materials to make plastic pallets, saving 2,700 tons of PP plastics in the whole year



### Recycling Packaging

- Yangnong Ruitai achieved recycling of ton barrels by strengthening process control
- Sinochem High Performance Fiber Materials reused plastic pallets of phenylenediamine product as packaging pallets for para-aramid products



# Safety Development

## Substantive Issues

- Safety Management
- Chemical Safety
- Occupational Health and Safety

## In Response to SDGs



3 GOOD HEALTH AND WELL-BEING



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



# Safety Management

Sinochem International has established an HSE Committee, which, together with the Health, Safety and Environment Subcommittee under the Sustainable Development Executive Committee, to be responsible for the overall safety governance of the company. It follows a series of institutional norms and requirements, including the "Health, Safety and Environmental Protection Management Regulations", "HSE Responsibility Management Measures", "HSE Risk Prevention and Control Management Standards", and "HSE Training Management Measures", to build and continuously improve a safety management system with full employee participation to ensure that the system operates in a standardized manner from top to bottom.

Adhering to the vision of becoming a "global HSE fore runner" and the concept of "HSE always first", we continue to deepen the creation of FORUS star-rated enterprises, carry out in-depth three-dimensional grid and benchmark and advanced team construction, to promote the implementation of the FORUS system. We further consolidate the foundation of safety management, create a safety culture with the participation of all employees, to achieve high-quality development with high-level safety.

In 2024, the company solidly promoted the campaign to address the root causes of production safety and achieved the "Four Zero" goals for eight consecutive years.



## Measures for Better HSE Management in 2024

### Leadership's Active Role in Safety Responsibility

- Leaders at all levels established personal action plans, regularly tracked implementation, and posted them in prominent locations for employee supervision
- Leaders at all levels actively performed their duties, led inspections regularly, organized emergency drills, promoted each business unit to fulfill its main responsibilities to improve the safety management level
- Senior executives paired up with subordinate enterprises to provide support and coordinate efforts to help subordinate enterprises solve practical difficulties

### FORUS Star Enterprise Creation

- Organized each business unit and subordinate enterprises to carry out in-depth star enterprise creation work, formulated creation standards, action plans, and acceptance plans, and regularly went to the site for special guidance
- Organized an inspection and acceptance team to complete the FORUS system review and rating acceptance of 18 subordinate enterprises

### Creating Benchmark and Advanced Teams

- Promoted the creation of benchmarks and advanced teams for business units and subordinate enterprises, established a working mechanism, carried out exchanges and sharing, and formulated work plans, acceptance standards, and incentive policies for striving for excellence
- 155 devices/workshops/teams participated in the creation, the enthusiasm of employees was significantly improved, and the production site was significantly improved

### HSE Inspection and Supervision

- Carried out three-level safety inspections, covering all subordinate enterprises and important nodes
- Carried out more than 600 regular comprehensive inspections and holiday inspections, found 19,658 potential hazards (no major accident hazards), and urged them to complete rectification

### Grid-based Management

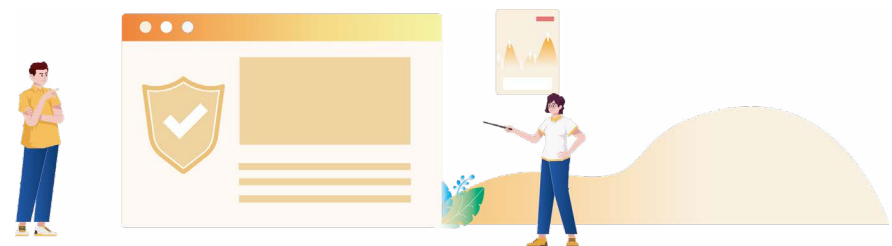
- By leveraging the experience of territorial management and the support from functional department, we built a three-dimensional grid of "professional + territorial" and a community of responsibility that penetrates both vertically and horizontally
- By defining grids, assigning people, defining responsibilities, and defining effectiveness, we adhered to the principles of "whoever owns the grid is responsible" and "whoever is in charge is responsible" to consolidate responsibilities layer by layer and continuously improve on-site management standards
- Organized on-site promotion meetings for grid-based safety management to share good practices in grid-based construction

### HSE Digitalization

- Continued to improve the HSE information system and promote the construction of modules such as AI video monitoring, contractor HSE management, and personnel gathering risk warning
- Fully supervised the implementation of employee operating discipline, implementation of safety measures for unconventional operations, handling of process alarms, control of the number of on-site personnel, and qualifications of contractors

### HSE Education

- Conducted HSE training for all employees of the company, totaling 105,932 person-times and 223,050 hours of study
- 2,853 HSE training sessions have been conducted on topics such as leadership safety training, team leader rotation training, "five-understandings five-capabilities and five-competencies" training, and pre-job training for special positions, etc.
- Organized 714 people including the heads of long-term contractors, safety officers, and on-site managers of each subsidiary production enterprise to participate and pass the contractor HSE training





General Manager of Sinochem International provided on-site HSE assistance to subsidiary enterprise



Yangnong Group held special training on safety leadership and safety communication



Sinochem Hebei New Materials organized internal hidden hazard mutual inspection activities



Yangnong Ruitai's on-site exchange with "OD Partners"



### Case Yangnong Ruixiang aniline section ties the "safety rope" for production safety

The aniline section of Yangnong Ruixiang's organic workshop involves two key hazardous chemical processes: hydrogenation and nitration. By establishing a three-dimensional grid management system, the local "Horizontal to The Edge, Vertical to The Bottom" management model is implemented in detail, greatly improving the level of on-site safety control in the section. The aniline section continued to promote the improvement of the inherent safety of the equipment, optimizing and improving the stability and rapid response capabilities of the section's equipment system; carried out various activities such as "One Theme per Month", "One Photo per Month", and "Safety- in-Heart Card" to tie a "Safety Rope" for the safe and stable operation of the section.



### 2024 Honors

Yangnong Ruitai's "Team Management Aiming at Creating FORUS Star-rated Factories" project won the **first prize of National Petroleum and Chemical Enterprise Management Innovation Achievement Award**

### 2024 Key Performance Indicators

Investment in safety and health measures

**308** million yuan

HSE training employee participation rate

**100**%

Five-Star Factory

**18**

Five-Star Research Institute

**1**

# Intrinsic Safety

Focusing on the idea of "Preventing Risks, Eliminating Hidden Dangers, Curbing accidents", Sinochem International continues to strengthen inherent safety management in all aspects, maintain a stable and solid safety foundation.

## Safety in Production

The company continues to strengthen various production safety disciplines, and ensures inherent safety throughout the entire life cycle, covering the transportation, and stocking of raw materials processing, production to sales. We carry out risk management work at multiple levels, conducts comprehensive risk assessments and hidden danger inspections, encourages employees to report safety hazards, providing solid safety guarantees for the company's stable production and operation.

### Intrinsic Safety Improvement Measures in 2024

#### Special Operations



- Fully implemented the three-year action plan to address the root causes of the problem, and completed 15 special actions, including "Investigation and Rectification of Safety Risks and Hidden Dangers in Synthetic Ammonia Enterprises", "Automation of the Nitration Process", "Investigation of Outdated Production Safety Process Technology and Equipment for Hazardous Chemicals", "Reaction Safety Risk Assessment", and "Implementing the Requirements for Safety Handling of Abnormal Working Conditions"

#### Risk Management



- Provided special support for the trial production of Yangnong Ruiheng and Sennics Lianyungang and organized internal and external experts to conduct "Three Checks and Four Determinations" and "PSSR" safety inspections on projects, equipment, and devices, laying a solid foundation for the successful one-time start-up of the devices

#### Hidden Hazard Investigation



- Reduced the number of on-site operators by supervising the automation transformation and equipment upgrade of hazardous chemical processes, effectively preventing and controlling major safety risks
- Carried out investigations on high-risk processes such as nitration, phosgene, and synthetic ammonia, and compiled a guide for hidden hazard identification, and rectified all problems
- Invited internal and external industry experts to conduct safety diagnosis for key subsidiaries to identify deep-seated hidden dangers
- Completed the automation process transformation of Sennics Shandong Nitration Process and the automation transformation of Sinochem Fuheng PPP project

### 2024 Key Performance Indicators

Key equipment risk control rate

100%

Production safety accidents of general and above level (including contractors)

0

Working days lost due to occupational injuries, deaths and health reasons

40

Deaths duo to occupational fatalities

0

Deaths per 1 million man-hour worked

0

The lost-time injury rate for direct employees

0.11

The severe lost-time injury rate for direct employees

0.0017



## Emergency Management

We continues to improve the safety responsibility system, strengthen the capacity building of emergency rescue teams, comprehensively and thoroughly investigate the risks and hidden hazards of emergencies, implement safety responsibilities, and strive to reduce the occurrence of major safety emergencies from the source. Each subsidiary has formulated emergency plans for production safety accidents, regularly carried out emergency publicity, education, training, and drills, and reviewed and filed the accident emergency plans in accordance with regulations.

### Measures to Improve Emergency Management Capacity in 2024

#### Fire Safety System

- Implemented the "135" emergency response principle, revised 470 on-site response plans, and revised 648 emergency response cards
- Carried out special and compliance inspections on fire safety, ensured the elimination and updating of fire protection facilities and equipment, and focused on the inspection and rectification of fire hazards in key places

#### Emergency Response Drills

- Focused on improving the emergency response, evacuation and risk avoidance awareness of practitioners, and formed a regular drill mechanism
- Conducted the 2024 joint emergency drill with topic of liquid ammonia leakage of major hazard source tank field, to enhance the joint emergency rescue and coordinated response capabilities of subordinate enterprises and headquarters

#### Team Capacity Building

- Strengthened the capacity building of emergency rescue teams, fully equipped emergency rescue personnel, and carried out professional training for grassroots firefighters
- Organized subordinate enterprises to carry out firefighting competitions and other selection activities
- Organized subordinate enterprises to undergo professional fire emergency response capability assessment, and the assessment results were good

#### Accident Warning Education

- Continued to carry out accident warning education with "One Theme per Month" and "One Case, One Warning". A total of 6,516 warning education sessions were carried out, attended by 193,852 participants
- 506 risks were identified, 1,017 hidden hazards were checked by category, and the rectification rate was 100%



Emergency response training activities at Yangnong Ruiheng



Inspection of emergency response team at Sinochem Engineering Plastics



Sennics Shandong co-organized the 2024 Heze City Hazardous Chemicals Accident Emergency Rescue Drill



Special emergency response drill for 6PPD pipe gallery feed pipeline leakage at Sennics Anhui

### 2024 Key Performance Indicators

Emergency response practical drills conducted

603

Participants

23,062

Emergency response drills conducted

1,232

Evacuation & escape drills conducted

386

# Occupational Health and Safety

We strengthen the construction of the occupational health and safety management system, attach great importance to the occupational health rights and interests of employees and the prevention and treatment of occupational diseases, strive to improve the working environment, and adopt measures such as "Prevention, Treatment, Management, Education, Construction" to ensure the physical and mental health of employees in an all-round and full-cycle manner and achieve the goal of "zero" occupational diseases.

## Occupational Health Management Measures in 2024

### Source Prevention

- Adhering to the principle of "Prevention First, Prevention and Treatment Combined", carried out the identification and analysis of occupational hazard factors to investigate the basic situation of occupational hazards
- Comprehensively promoted the source control of occupational disease hazard factors, sorted out key projects for occupational disease hazard control, continued to carry out occupational disease hazard factor monitoring, supervised subordinate enterprises to "make all necessary rectifications", and gradually improved the working environment of employees

### On-site Assessment

- Established and improved the occupational health responsibility system for all employees to provide full-cycle protection for employees' health
- Strengthened on-site inspection and guidance of occupational health management in subordinate enterprises, and conducted on-site occupational health assessments for 22 subordinate enterprises with serious occupational disease hazards

### Special Governance

- Comprehensively carried out special actions to investigate and manage occupational taboos, assisted and supervised subordinate enterprises to comprehensively analyze and evaluate the degree of occupational disease hazards in the workplace, strictly managed occupational health monitoring, and strengthened health intervention for high-risk groups

### Healthy Enterprise

- With the theme of "Adhere to Prevention First, Protect Occupational Health", special training was carried out during the publicity week of the "Occupational Disease Prevention and Control Law" to popularize occupational health knowledge
- Vigorously promoted the creation of "Healthy Enterprises"

## 2024 Honors

Sinochem High Performance Fiber Materials and Yangnong Ruixiang were awarded as **"Healthy Enterprises of Jiangsu Province"**

Sennics Anhui and Sinochem Xinbao won the Excellence Award in the **3rd National Occupational Health Communication Works Selection Activity**



## 2024 Key Performance Indicator

Employee occupational health examination rate

100%

Occupational health management filling rate

100%

Allocation and correct use rate of labor protection equipment

100%

OHS management system coverage rate for employees and third-party employees

100%

Occupational diseases case in the whole year

0



Special training on the establishment of healthy enterprises at Sennics Anhui



Sinochem Fuding organized employees to participate in free health clinics



Training on wearing protective clothing for air-conditioning at Science and Technology Innovation Center



Occupational health lecture for employees at Yangnong Ruiheng

# Chemical Safety

Sinochem International's HSE Committee and the Health, Safety and Environment Subcommittee under the Sustainable Development Executive Committee coordinate the management of chemical safety, formulate the "Chemical Safety Management Policy", strictly abide by the "Hazardous Chemicals HSE Risk Management Standards", "Hazardous Chemicals Operation HSE Management Standards" and other institutional requirements, as well as the laws, regulations, standards, policies and requirements of relevant parties related to chemical safety, and continuously standardize the procurement, storage, transportation, use and waste disposal of chemicals.

Guided by "Greening, Compliance and Transparency", the company adheres to the principle of "High Standards and Moderate Advancement", establishes and implements a chemical life cycle management mechanism that exceeds the requirements of laws, standards and specifications to reduce the impact on the environment, health and safety. We strictly carry out safety education, legal education and job technical training for chemical-related practitioners. Hazardous chemical practitioners receive special education and training and are guaranteed to meet qualification requirements and pass the assessment before they can work. At the same time, we regularly conduct risk assessments on hazardous chemical suppliers to ensure that the entire process of hazardous chemical management is compliant and controlled.

On the premise of meeting basic compliance requirements, we work with suppliers, partners and customers to develop green processes and green products to ensure chemical safety, eliminate, reduce or control the impact of chemicals on the environment and human health to the greatest extent possible, and achieve the goal of "Zero Harm, Zero Pollution, Zero Occupational Diseases, and Zero Negative Public Opinion".

## Measures for Chemical Management in 2024

### General Chemicals

#### Hazard Assessment of New Substances

- Control new chemicals that are under key control, including setting up online alarms and monitoring for areas involving new chemicals, conducting water and soil monitoring, as well as investigating and treating soil and groundwater hazards
- Disclosure of hazard assessment information, etc.

#### Safety Signs

- Prepare safety labels, product manuals, material safety data sheets (MSDS) and other related labels

#### REACH Certification

- Manufacture chemical substances registered under the REACH Directive in the EU and handle substances safely throughout the supply chain, ensuring protection of human health and the environment

#### Waste Disposal

- In accordance with the provisions of the "Solid Waste Pollution Prevention and Control Law", wastes must be marked, classified, and packaged, and waste and its containers must be labeled
- Hand over to a qualified professional waste disposal company for transportation and treatment

### Precursor Chemicals

#### Filing And Monitoring

- Requirements are set for import and export licenses, domestic procurement filing, transportation filing, monthly write-offs, and establishment of ledgers in the operation of precursor chemicals
- Monitor the application and submission of chemical import and export license application materials, and control the risks of logistics management
- Regular special inspections of storage sites for precursor chemicals

## Hazardous Chemicals

### Reduction and Substitution

- Minimize the use of hazardous substances and promote relevant new technologies and processes, such as using bio-based materials with ISCC PLUS certification
- Assess the feasibility of reducing or replacing hazardous substances and chemicals, and evaluate the reduction of raw material usage in accordance with the requirements of GB/T 29115 "Guidelines for the Evaluation of Raw Material Saving in Industrial Enterprises"

### Risk Management

- Regularly inspect and evaluate the procurement, loading and unloading, transportation, and storage processes of hazardous chemicals
- Organize subordinate enterprises to formulate emergency response plans for hazardous chemical accidents and file them with relevant departments of local governments and superior units in accordance with laws and regulations
- Equip emergency rescue personnel and necessary emergency rescue equipment and facilities, and organize emergency rescue drills regularly
- Carry out closed isolation management of explosive chemicals, set up physical fences and electronic fences, increase monitoring equipment, and conduct regular safety inspections

### Hazardous Waste Treatment

- Carry out clean production and recycle waste and residual liquid to reduce the generation of hazardous and toxic substances
- Self-built hazardous waste incineration equipment to enhance internal hazardous waste disposal capabilities and reduce the amount of hazardous waste outsourced for disposal



Comprehensive drill on flammable and explosive chemical leakage at Yangnong Kumho



Hazardous chemicals (phosgene) leakage comprehensive emergency response plan drill at Yangnong Ruitai



### Case Sinochem International launches new chemically compliant (CC) ABS product

In 2024, ELIX, a subsidiary of Sinochem International, launched a new chemical compliance (CC) ABS product. Under the premise of ensuring the consistency of performance with standard product specifications, this series of products and their pigments, additives and other ingredients meet the chemical compliance requirements of many specific application fields such as REACH, RoHS, EU CLP, WEEE, ODS, etc., and are used in children's toys, food contact, cosmetics packaging and other fields to fully protect the health and safety of consumers.



# Employee and Community

## Substantive Issues

- Employee Rights Protection
- Career Development and Training
- Diversity, Equality and Inclusion
- Rural Revitalization and Social Contribution

## In Response to SDGs



# Employee Rights Protection

Sinochem International respects and protects the legitimate rights and interests of all employees, strictly abides by the laws and regulations of China and overseas operating regions, and establishes a sound human resources management system with clear standards, open procedures, standardized operations, and compliance and legality to create a fair, just and reasonable working environment for employees.

## Labor Rights

In order to further improve the mechanism for protecting employee rights and interests , Sinochem International revised its Labor Human Rights Policy and Employee Handbook in 2024 to regulate workplace behavior from two aspects: commitment statements and management requirements, covering the entire employee career cycle, including recruitment, employment, promotion, assessment, and resignation, including equal employment, labor remuneration, rest and vacation, health and safety, and other rights to ensure that employees' legitimate labor rights and interests are protected.

The company has established a transparent communication mechanism and a multi-level labor dispute resolution process, including preliminary consultation, internal adjustment and legal arbitration support, to ensure that labor disputes are handled promptly and fairly, safeguard the legitimate rights and interests of employees and enterprises, and promote harmonious and stable labor relations.

### 2024 Key Performance Indicators

Employee labor contract signing rate	Social insurance coverage rate	Annual paid leave per capita
100%	100%	10.66 days

Indicators	Unit	Year 2024
Employment Type		
Full-time employees	People	9,649
Part-time employees	People	0
Dispatched employees	People	137
Overall Status		
Total number of employees	People	9,649
Total number of new employees	People	428
Employee turnover rate	%	5.92
Employee turnover rate	below age of 30	2.85
	age 30 to 50	2.94
	above age of 50	0.13

<div>Equal Employment</div> <div><ul style="list-style-type: none"><li>Adhere to the principle of fair employment, provide equal opportunities for applicants, and establish an open, transparent and strictly reviewed recruitment process</li><li>Conclude a labor contract or similar agreement on the basis of equality, voluntariness, consensus, good faith, and respect the employee's right to terminate the labor relationship in accordance with the law</li><li>Protect the interests of dispatched employees, regularly supervise and inspect the labor dispatch units to sign contracts with dispatched employees and pay social insurance in accordance with the law; provide welfare for dispatched employees on holidays</li></ul></div>	<div>Social Security</div> <div><ul style="list-style-type: none"><li>Provide working conditions including wages, working hours, rest time and holidays, pay wages on time, and respect the right to rest and vacation</li><li>According to local policies, we pay full amounts of pension, medical, unemployment, work injury, maternity insurance and housing provident fund for all employees in accordance with the law</li></ul></div>	<div>Health and Safety</div> <div><ul style="list-style-type: none"><li>Provide labor safety and health protection, proactively identify and mitigate health and safety hazards/risks</li></ul></div>
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## Democratic Management

We respect employees' rights to freedom of association and collective bargaining, organize employees to participate in democratic management and democratic supervision of the enterprise through employee representative conferences and employee conferences in accordance with the law, ensure employees to exercise powers such as review and suggestion, review and approval, examination and supervision, democratic election, and democratic evaluation in accordance with the law, and ensure that employees effectively supervise the company's management and participate in the decision-making process.

### Freedom of Association

- The headquarters and its subsidiaries have established Labor Unions, and a democratic management system based on the workers' congress, paying attention to employees' demands and vital interests



### Collective Bargaining

- Signed agreements with the Labor Union, including "Collective Labor Contract", "Special Contract for the Protection of Special Interests of Female Employees", "Collective Wage Agreement", and "Special Collective Contract for Labor Safety and Health", and "the Special Collective Contract for Labor Safety and Health", stipulating that both parties have the right to propose a temporary consultation meeting to negotiate and amend the relevant clauses in the contract and its annexes, and pass and file them according to the original process

The company advocates candid communication and cooperation, builds smooth employee communication channels, ensures that employees' opinions and legitimate rights and interests are effectively expressed and protected, and improves employee satisfaction and participation. Employees can also file a complain and give feedback on human rights violations and employee rights violations through channels. The company promises to provide protection and timely response to complainants, verify the feedback, take timely corrective measures for illegal and irregular behaviors, and deal with relevant personnel.

Channel	Method	Communication and Feedback	Rights Protection and Complaints
Website/ Social Media	<ul style="list-style-type: none"> <li>• The company's official website and WeChat public account</li> </ul>	<ul style="list-style-type: none"> <li>• The company requires managers at all levels to proactively communicate with their subordinates on work issues. New employees' regularization, job transfer and salary adjustment, performance evaluation, career development planning and other matters require face-to-face interviews with employees</li> </ul>	<ul style="list-style-type: none"> <li>• The company encourages employees to appeal step by step. If employees think it is inconvenient to appeal step by step, they can also appeal directly to the Human Resources Department or the Labor Union Committee</li> </ul>
Mailbox	<ul style="list-style-type: none"> <li>• Offline suggestion mailbox</li> <li>• Employee care and career development email: employeeecaring@sinochem.com</li> </ul>	<ul style="list-style-type: none"> <li>• Employees can communicate with the company about work-related demands, problems, opinions, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• After receiving the complaint, the responsible persons or responsible institutions at all levels shall conduct investigations as soon as possible, make decisions on the handling of the complaint, and inform the complainant, the person in charge of the department and the Human Resources Department of the results in writing or by email</li> </ul>
Adjustment Audit	<ul style="list-style-type: none"> <li>• Direct supervisor or department leader</li> <li>• Human Resources Department</li> <li>• Labor Union Committee</li> </ul>	<ul style="list-style-type: none"> <li>• The company provides timely feedback to employees. After internal discussions, reasonable demands from employees are included in the improvement plan and gradually implemented</li> </ul>	<ul style="list-style-type: none"> <li>• If employees are dissatisfied with the decision, they can continue to report the situation to the higher-level responsible department</li> </ul>
Daily Activities	<ul style="list-style-type: none"> <li>• Employee Representative Communication Meeting</li> <li>• Monthly Seminar</li> <li>• Reception Day Activities</li> <li>• Employee satisfaction survey</li> </ul>		

Democratic Management Measures in 2024

Information Disclosure

- Through internal platforms, bulletin boards, WeChat and other media, we transparently disclosed employee concerns such as awards and commendations, and the use of union funds, and strengthened supervision effectiveness through a democratic evaluation mechanism for leading cadres

Democratic Supervision

- By establishing a "suggestion box" and implementing the "double-display" action (the Labor Union organization displays its name, and the Labor Union chairman displays his identity), employees are encouraged to actively participate in democratic management

2024 Key Performance Indicators

Employee rate of participating in Labor Union

100%

Welfare and Care

The company has established a system process for employee salary calculation, review, payment and employee communication in accordance with the law to ensure that employees are aware of the salary structure, benefits, and vacation rights, and that adjustments and changes are promptly notified to employees. The company conducts organizational effectiveness analysis and salary market benchmarking every year, and links the total salary allocation with the total profit growth, business activity assessment performance and personnel effectiveness, optimizes the salary policy or welfare plan, and ensures that solid protection is provided for the lives of employees and their families.

Remuneration	Benefits	Leave
<ul style="list-style-type: none"><li>• Employee remuneration is consistent with market levels and is not lower than the statutory minimum wage in the area where the employee operates</li><li>• Employee remuneration is linked to the value of a position and employee performance</li><li>• Provide bonuses based on company performance and employee performance appraisals</li></ul>	<ul style="list-style-type: none"><li>• Provide commercial medical insurance for employees</li><li>• Holiday subsidies, birthday greetings, employee physical examinations, canteens and other benefits</li><li>• Some subsidiaries provide dormitories for non-local employees or in need according to actual conditions</li></ul>	<ul style="list-style-type: none"><li>• National statutory holidays, paid annual leave, marriage leave, bereavement leave, maternity leave/paternity leave, childcare leave, and half-day paid leave for parents' meetings, etc.</li><li>• Allow employees to apply for flexible working patterns and hours when facing special circumstances</li></ul>

The company has established a multi-dimensional employee care system, encouraged employees to cultivate their interests and hobbies, organized a variety of cultural and sports activities for employees, promoted the harmonious development of employees' physical and mental health, and enhanced their sense of belonging and identity with the company.

2024 Key Performance Indicators

Cultural and sports activities organized

310

Participating employees

20,166





## Employee Care Measures in 2024

### Sports and Cultural Empowerment

- Yoga, fitness and other clubs regularly carried out a variety of club activities
- Organized employee sports games, various ball games, team building and other sports activities
- Organized cultural activities such as intangible cultural heritage experience, readers, New Year garden parties, painting competitions, etc.

### Skills Improvement

- Organized skills competitions, skills contests and other activities
- Opened "Youth Night School" and offered various vocational qualification counseling courses

### Health Care

- Set up health service stations and health cabins for employees to provide basic diagnosis and treatment
- Carried out green walking, fat burning and fighting open classes and other activities
- Implemented health care programs such as annual employee physical examinations

### Psychological Counseling

- Provided employees with emotion management tools such as "mood barometer"
- Opened professional psychological counseling rooms and carried out mental health course training
- Organized singing bowl therapy, psychological stress relief salon, first aid knowledge training, mental health seminars and other activities
- Promoted work-life balance for employees by organizing family days, parent-child days and other activities



Sinochem International held the 17th Staff Sports Games



Sinochem International held employee badminton competition



Sinochem International organized employees to participate in table tennis competition



Sinochem International organized employee parent-child family day event



Case

### Sinochem International launched a series of activities to care for employees in Lianyungang Industrial Park

In order to enhance the sense of happiness and belonging of front-line employees in key production bases and build a skilled and vibrant industrial talent team, Sinochem International actively allocates internal and external resources, carries out a series of employee care activities, enhances employee salary competitiveness, optimizes employee benefits, improves employee dormitories and supporting facilities, promotes employee skill certification and career development channel construction, and organizes green walking, employee basketball games, skill competitions and other activities to ensure the stable and sustainable operation of the industrial bases.



# Diversity, Equality and Inclusion

Sinochem International respects the right of every employee to work in an environment free from discrimination and harassment, strives to create a fair and just job search and career development platform, provides protection and support for minority and vulnerable groups such as female employees, disabled employees, and ethnic minority employees, and is committed to creating a work atmosphere that integrates diversity, upholds equality, and is harmonious and inclusive.



## Caring for Female Employees

- Set up a female employees committee in the Labor Union to safeguard the legitimate rights and interests of female workers and support them in continuously improving their skills at work
- Provide convenience and support for female employees by providing maternity leave, breastfeeding leave, and setting up "Mommy's Hut" breastfeeding rooms, etc.



## Respecting for Minority Employees

- Respect the customs of ethnic minority employees and set up halal windows in some canteens



## Helping Employees in Need

- Provide assistance, condolences and financial support to groups in financial difficulties
- Implement the "I do practical things for the masses" practical activities to solve the urgent problems of employees
- Provide barrier-free facilities for employees with disabilities

Sinochem International arranged creative flower arrangement activities for female employees



Sinochem International organized folk experience cultural activities



The Female Employees Committee of Yangnong Group organized book sharing events



Sennics held "Micro Wishes" exchange forums for female employees and thematic lectures on women's health



### Case Yangnong Group held a charity sale of calligraphy and paintings to help employees in need

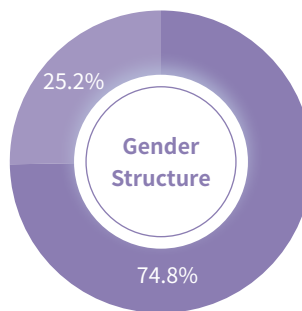
In October 2024, Yangnong Group held a charity sale of calligraphy and painting. 90 paintings, calligraphy and seal carving works were carefully created by calligraphy and painting enthusiasts of Yangnong Group and sold to all employees of the company. After the event, the company used the proceeds from the sale to help 12 employees in need, conveying love and hope with practical actions.



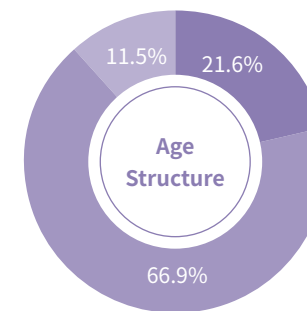
### 2024 Key Performance Indicators

Investment to assist employees in difficult situations

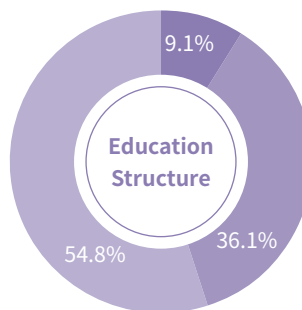
**198,200** yuan



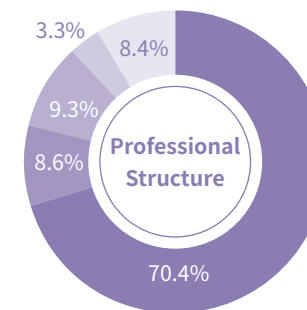
- Male employees 7,216 people
- Female employees 2,433 people



- Below age of 30 2,083 people
- Between age 30 to 50 6,457 people
- Above age of 50 1,109 people



- Master's degree or above 874 People
- Bachelor's degree 3,485 People
- College degree and below 5,290 People



- Production 6,791 People
- Sales 832 People
- Technical 895 People
- Financial 323 People
- Administrative 808 People

Others

Ethnic minority employee

**126** people (1.3%)



In response to possible labor rights infringement risks, we have established a labor human rights risk management mechanism of "identification - prevention - supervision - mitigation and remediation", formulated comprehensive preventive measures for possible risk events, monitored the effectiveness of the management mechanism through internal and external audits and other means, and formulated clear mitigation and remediation procedures to ensure that labor human rights risks are controllable.

#### Identification

- Regularly identify labor rights risks every year, including child labor and forced labor, discrimination and harassment, etc.

#### Prevention

- Implement prevention from multiple levels such as systems, measures, and mechanisms. Conduct labor human rights training for all employees and HR professionals to enhance awareness of rights infringement and means of safeguarding rights

#### Supervision

- Incorporate labor human rights into annual internal audits and internal control evaluations to achieve full coverage of supervision of labor-related issues
- Subsidiaries conduct external audits of social responsibility related to labor human rights

#### Mitigation and Remediation

- In the event of employing child labor or underage labor, immediately stop their work, contact their parents or legal guardians, persuade them to return, and implement remedial actions and education
- For incidents of forced labor, immediately stop related behaviors, communicate and apologize, and improve management measures in a timely manner
- For incidents of discrimination and harassment, punish the perpetrators or terminate their employment, develop and implement remedial measures and prevent recurrence

### Labor Human Rights Risk Management Mechanism

#### Prevention of Child Labor

- Clearly stipulate that the company shall not employ child labor under the age of 16, and do not support other related enterprises, factories or social groups in employing child labors
- Strictly check applicant information and ensure age is verified

#### Prevention of Forced Labor

- It is prohibited to withhold, hide, destroy the identity certificate of job applicants or employees, or collect deposits
- It is strictly forbidden for anyone to restrict the freedom or actions of company employees in the name of the company
- It is prohibited to force employees to work overtime involuntarily. If temporary overtime is required due to work needs, overtime pay shall be paid according to national requirements

#### Anti-discrimination

- It is clearly stated that employees shall not be discriminated against or treated unfairly in recruitment, promotion, career development, welfare benefits, etc. for any reason
- Adhere to gender equality, equal pay for equal work, and use work ability as the only criterion for career development and promotion

#### Anti-harassment

- Harassment in language, physical, or other harassing behavior towards employees is strictly prohibited



### Requirements for Responding to Labor and Human Rights Risks

#### Certification



Sennics Shandong and Sennics Taian obtained **SA8000 Social Accountability Management System Certification**

#### 2024 Key Performance Indicators

Labor human rights training coverage

**100%**

Operation places that have undergone human rights impact or risk assessments

**95%**

Labor and human rights violations such as child labor, forced labor, discrimination and harassment, etc.

**0**



# Employee Growth

Sinochem International attaches great importance to the introduction and cultivation of talents, and encourages the recruitment of college graduates, industrial workers and senior managers from local communities. We conduct an inventory of talents at all levels in science and technology, operations, digitalization, and financial systems, sort out the current status of professional talent team construction, and establish a classified talent pool. We unblock career development channels, promote the flow and development of various types of talents, tap into employees' own potential, and realize their self-worth.

## Measures to Promote Employee Career Development in 2024

### Supporting Internal Talent Mobility

- Cultivation of versatile talents: Increased the intensity and frequency of cross-unit, cross-field or cross-functional cadre exchanges, and completed 17 cadre exchanges in the year
- Development of outstanding cadres: Outstanding cadres are placed in important projects such as production, scientific research, major projects, and international business units to hone their comprehensive abilities, including 12 people who have been trained in difficult and urgent positions
- Open competition for posts: promoted open competition for team leaders and supervisors posts in subordinate production enterprises
- Internal staff redeployment: supporting openness in career development options for employees, redeployed 366 people cross-industry chain, cross-site, and cross-function in the year

### Attracting and Recruiting Outstanding Local Talents

- Maintained in-depth exchanges and cooperation with local labor and employment security departments, talent agencies and counterpart universities to give full play to the advantages of local employment
- Strengthened the detailed interpretation of local government talent support policies to ensure that eligible employees can enjoy corresponding talent benefits in a timely manner



### Opening up Career Development Channels

- Promoted the implementation of the three-sequence system of management, professional and technical, and production skills, formulated a plan for the construction of the job grade system, clarified the placement standards, promotion and review mechanisms for the three-sequence personnel, and promoted the establishment of an integrated employee job grade system
- Subsidiaries regularly carried out the evaluation and recruitment of technical series and production skill series

Sinochem International attaches great importance to the introduction and cultivation of talents. With the goal of improving the capabilities and performance of employees, it has established a matrix training system with horizontal hierarchical divisions and vertical professional divisions in combination with the differentiated requirements of employee positions and the characteristics of professional sequences. It conducts training demand surveys for its subsidiaries every year and formulates annual education and training plans based on the survey results to meet the knowledge and ability improvement needs of employees of different categories.

	Leadership Education & Training		Professional Training				General Training	
New Executives	New Executive Program	Political Theory Study	Tech/Product Planning Workshop	Excellence in Operations (Procurement, System Building)	Marketing Leadership Camp	Party Member Education	Sinochem's Spirit in New Era	HSE Training
Executive Reserves	Excellence Program (Reserves)	Theme Education	IPD, TRIZ Innovation Tools	Safety Management for Chemical Plant Team Leaders	Marketing Behavior Standardization	Discipline Supervision	Reform Mobilization	Communication Skills
New Managers	New Manager Program	Key Central Meeting Spirit Study	Engineering Development	Vocational Skill Level Training	Overseas Marketing	Sustainable Development	Strategy Communication	Problem Analysis & Solving
Mid-level Reserves	Convergence Program (Mid-level Reserves)	Integrity Education	Technology Management (IP/Patent Protection, Intelligence)	"Five Understandings & Five Abilities" Training	Technical Marketing	Compliance/Confidentiality	Sinochem's Entrepreneurial History	Time Management
High-potential Youth	Photosynthesis Program (Top Graduates/MT)	Red Education Base Visits	Chemical Knowledge	On-the-job Certification Training	Product Knowledge	Rules & Regulations	Industry Lectures	PPT/Excel Skills
	"Sinochem Learning" – Network Training							
	Tiered Development	Political Education	Technology R&D	Production Operations	Marketing	Others	Strategy/Culture	Core Competencies

Sinochem International's Matrix Training System

Employee Type	Training Measures	Training Items (Partial)
Managers at all Levels and High Potential Talents	<ul style="list-style-type: none"> <li>Focus on leadership training programs for new cadres, middle-level cadres, young cadres and reserve talents to deepen industry understanding, enhance strategic thinking and improve management capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Sinochem International "Excellent Plan" Training Course</li> <li>Sinochem High Performance Fiber Materials's New Party Committee Management Cadre Training Course</li> <li>Yangnong Ruitai Mid-level Cadre Training Class</li> <li>Sennics Young Cadre Training Course</li> </ul>
Professional and Technical Personnel	<ul style="list-style-type: none"> <li>Conduct special training around key aspects of the company's production and operation, such as marketing, operational excellence, and technological innovation</li> </ul>	<ul style="list-style-type: none"> <li>Sinochem International Operational Excellence Month Series Training</li> <li>Sinochem High Performance Fiber Materials' Research, Production and Sales Salon</li> <li>Sinochem Hebei New Materials Process Continuity and Automation Seminar and Training</li> <li>Sinochem Plastics 5V5 Plastic Knowledge Marketing Competition</li> </ul>
Front-line Employees	<ul style="list-style-type: none"> <li>Promote job training and skills certification for front-line employees</li> </ul>	<ul style="list-style-type: none"> <li>207 employees of Sinochem International passed the hazardous chemicals safety production training for team leaders of enterprises</li> <li>110 front-line employees at Lianyungang Base were certified as senior or intermediate workers</li> </ul>



Sinochem International held monthly financial training



Sinochem High Performance Fiber Materials held training to improve management capabilities of new cadres and reserve talents



Sinochem International held training on research, production and sales of engineering plastics



Sinochem Plastics held overseas marketing training seminar



Sinochem International held employee skills competition



Sinochem High Performance Fiber Materials organized national vocational skill level certification examination

#### 2024 Key Performance Indicators

Investment in employee training

**8.2075** million yuan

Average training time per employee

**58.64** hours

The Ratio of employees who have received skills-related training

**100**%



Sinochem International implements comprehensive performance management and establishes a performance management system covering all employees. Through the implementation of full-process management, it promotes the implementation of corporate strategies, value creation and performance improvement. Employees' personal annual performance goals include work performance goals and behavioral value goals. Work performance goals are formulated by the direct superiors and the employee themselves after goal decomposition based on the strategic planning of the unit they belong to, the annual key issues and business goals of the department, and the employee's job responsibilities. The employee's performance is comprehensively evaluated through the employee's annual self-evaluation and the evaluation opinions of the direct superior.

#### 2024 Key Performance Indicators

The ratio of employees who have received regular performance and career development assessment

**100**%



# Community Communication

Sinochem International leverages its own resources and professional advantages to actively respond to national strategies with practical actions and contribute to rural revitalization. We are deeply involved in community development and public welfare and charity, actively practice corporate social responsibility, empower community construction, promote positive interaction between enterprises and communities, insist on sharing its development results with the society, and demonstrate corporate responsibility.

## Rural Revitalization

The company actively responds to the national rural revitalization strategy and fully implements various deployments by Sinochem Holdings. Subsidiary enterprises engage in various volunteer activities such as dispatching "first secretary" working teams, "Hope Cabin" initiatives, connecting with disadvantaged households for poverty alleviation by consuming products and services. Through a comprehensive approach involving funding, consumption, and education assistance, we aim to enhance the income levels and industrial development capabilities of the assisted areas, thereby consolidating and expanding the achievements of poverty alleviation and promoting rural economic development.

### Key Measures to Support Rural Revitalization in 2024

#### Consumption Assistance



- Helped sell agricultural products in underdeveloped regions, with a sales amount of RMB 2,553,700

#### Education Assistance



- Actively carried out the "Dream-Fulfilling Aid for Education" campaign, raising more than RMB 350,000 in donations to help rural children realize their dreams

## Community Building

We organize "Community Communication Week" activities, inviting stakeholders such as government agencies, partners, customers, and community members to visit the enterprise's operational sites. Through various interactive forms such as discussions, site visits, educational enlightenment, and popular science lectures, participants gain insights into the company's strategic plans, actions and achievements for sustainable development. They also learn about safety, energy conservation, environmental protection, and other relevant knowledge, fostering a more harmonious and trusting community relationship.







### Case Sinochem Lianyungang Industrial Park and community residents jointly carry out volunteer services for coastline environmental improvement

In April 2024, during World Earth Day, Sinochem Lianyungang Industrial Park and Lianyungang Entry-Exit Border Inspection Station carried out ecological protection volunteer services, organizing nearly 100 employee volunteers to carry out all-round environmental remediation of key coastlines along Haibin Avenue. The activity attracted active participation from residents of surrounding communities, forming a vivid practice of government-enterprise collaboration in protecting marine ecology, which was featured in local media and effectively enhanced the corporate responsibility brand image.



### Case Sennics Thailand participated in the 2024 Nature Restoration and Community Forest Development Event

In August 2024, Sennics Thailand participated in Thailand's 2024 Nature Restoration and Community Forest Development Event in Baoyun Town, Sri Racha District, Thailand, conveying the "green, low-carbon, and environmentally friendly" sustainable development concept in countries along the "Belt and Road".



We actively respond to social concerns, vigorously promote the spirit of volunteerism, carry out various public welfare and charity activities to give back to the society, and take practical actions to improve the medical, educational, environmental and cultural construction levels of local community residents, and jointly create a better life and a harmonious society.



Yangnong Group carried out service activities on International Volunteer Day



Sennics Taian carried out volunteer service activities for the elderly



Yangnong Group held the 6th Children's Science and Technology Day Event



Yangnong Group carried out chemistry knowledge popularization activities for middle school students

### 2024 Key Performance Indicators

Donation

**4.8826** million yuan

Benefit from public welfare activities

**4,215** people

Volunteer activities

**19**

Cumulative service hours

**452.5** hours

# Collaborative Partners

## Substantive Issues

- Safety and Quality of Product/Service
- Supply Chain Management

## In Response to SDGs





# Customer Health and Safety

Sinochem International has established an Excellence Operation Center and a Marketing Management Center, and has worked with the Health, Safety and Environmental Sub-committee of the Sustainable Development Executive Committee to coordinate matters related to product and service health and safety. In compliance with the requirements of the "Customer Health and Safety Protection Management Measures", it has strictly managed safety and health risk control and information notification before and during product delivery, established multiple channels to respond to customer inquiries or collect customer opinions, and regularly conducted customer satisfaction surveys to continuously improve customer service capabilities and levels with positive feedback.

The company always adheres to the "customer-centric" concept, fully respects and protects the legitimate rights and interests of customers, and protects the health and safety of customers with high-quality products and professional and efficient services, and delivers corporate responsibility and warmth by strengthening the dynamic assessment and prevention mechanism of safety risks and improving the emergency response system.

## Measures to Protect Customer Health and Safety in 2024



### Product Safety Information

- Strictly controlled the production process and product safety specifications, pasted chemical safety labels in accordance with national standards, provided product SDS (Safety Data Sheet) and MSDS (Material Safety Data Sheet), and truthfully informed customers of product hazards and safety protection measures



### Opinion Collection Channel

- Published product and service inquiry emails on the company's official website to better receive various feedback and inquiries from customers
- Improved the marking of service hotline and other labels on the official websites, WeChat accounts, SDS and MSDS of subordinate enterprises



### Emergency Response Plan

- Prepared the "Product Post-sale Emergency Management Measures" to guide subordinate enterprises to standardize emergency response work, effectively prevent, actively respond to, and promptly control major product post-sale accidents and formulate recall plans



### Risk Factor Assessment

- Regularly conducted self-inspections of customer health and safety risk factors and standardized the labeling, storage, handling and transportation of hazardous chemicals

## Sinochem International product and service consultation email

intl-customerservice@sinochem.com

### 2024 Key Performance Indicators

Customer complaint handling rate

100%

Customer satisfaction rate

98.6%

Violations of health and safety impacts of products and services

0

Violations of product and service information and labeling

0

Violations of marketing compliance

0

# Supply Chain Management

Sinochem International has established a Centralized Procurement Center, and worked with the Sustainable Supply Chain and Sustainable Governance Subcommittees of the Sustainable Development Executive Committee to coordinate supply chain management. We follow compliance requirements such as the "Supplier Code of Conduct", clarify supplier environmental, labor human rights, and business ethics standards, and build a supplier full life cycle management system.

The company builds a global supply chain ecosystem of "Resilience, Low Carbon, and Mutual Benefit", uses ESG governance to collaboratively enhance the overall value of the industrial chain, actively explores diversified carbon reduction solutions for the value chain, creates a green industrial chain and supply chain, optimizes sustainable supply chain partnerships through concrete actions, and builds a global chemical industry community with sustainable development.

## Supplier Management

The company implements full life cycle management covering supplier access, employment, evaluation, and exit, and includes safety and environment, labor human rights, social responsibility, and other issues in the scope of evaluation and assessment. Suppliers are rewarded, rectified, downgraded, or cleared out based on the evaluation and assessment results.

Category	Number of Suppliers
Total	4,160
Core Suppliers	157
East China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai)	3,341
North China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia)	457
South China (Guangdong, Guangxi, Hainan)	54
Northeast China (Liaoning, Jilin, Heilongjiang)	83
Northwest China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu)	125
Southwest China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing)	25
Central China (Hubei, Hunan, Henan, Jiangxi)	75

\*Note: Core suppliers refer to suppliers whose materials and services are essential to our production and operations, and suppliers whose quality, price and supply sustainability have a significant impact on our production and operations

### 2024 Key Performance Indicators

New suppliers that were screened by social and environmental criteria

27

Core suppliers have passed CSR assessment

114

Core Suppliers that have passed on-site assesement for CSR

98



<b>Supplier Admission</b>	<ul style="list-style-type: none"> <li>• Implement supplier qualification admission, sustainable supplier admission review, and management of qualified product catalogs. All suppliers must undergo qualification review before entering the list of qualified suppliers</li> <li>• Focus on the performance of suppliers in sustainable development, set up the "Supplier Self-Assessment Form", invite suppliers to conduct self-assessment, conduct on-site audits and batch trials of products for core suppliers, and complete the admission review and grading of suppliers based on the evaluation results, research and qualification review</li> </ul>
<b>Supplier Engagement</b>	<ul style="list-style-type: none"> <li>• Sign the "Supplier Code of Conduct" and "Supplier Integrity Commitment" with all formal suppliers to ensure open, fair and just procurement</li> <li>• Incorporate social and environmental compliance requirements into supplier contracts to promote supplier responsibility from a legal perspective</li> </ul>
<b>Supplier Evaluation</b>	<ul style="list-style-type: none"> <li>• Develop a series of sustainable assessment tools such as "Sustainable Supply Chain Risk Source Assessment Analysis" and "Supplier CSR Risk Analysis Form", conduct dynamic quantitative assessments of suppliers' actual supply conditions and credit records every year, and analyze suppliers' social responsibility risks</li> <li>• Invite suppliers to complete the "Supplier Sustainability Self-Assessment Questionnaire" regularly every year to dynamically evaluate the supplier's sustainable development management</li> <li>• Through a combination of online and offline methods, we regularly conduct social responsibility assessments and on-site audits of core suppliers every year, and take measures such as incentives, rewards, downgrades, rectifications, and termination of cooperation with suppliers based on the assessment results</li> </ul>
<b>Supplier Withdrawal</b>	<ul style="list-style-type: none"> <li>• Select outstanding suppliers based on the annual evaluation results and give them priority in cooperation under the same conditions or provide them with regular incentives for cooperation opportunities</li> <li>• Based on the results of the supplier performance evaluation, suppliers who breach the contract will be given warnings, notifications, suspension of trading qualifications, or even elimination measures</li> <li>• Suppliers with poor sustainable development performance are required to make corrections within a specified period of time, and their purchase share or business cooperation opportunities are reduced; suppliers who seriously violate the social responsibility requirements will have their cooperation relationship cancelled and removed from the qualified supplier list</li> </ul>

## Supply Chain Empowerment

We have developed a sustainable supply chain training package, placing a strong emphasis on the development and nurturing of our suppliers. Through organizing training sessions and sharing best practices, we aim to help both internal procurement staff and external suppliers enhance their awareness and capabilities in sustainable procurement; We continue to leverage the influence of the "3S Sustainable Supply Chain Partner Network" WeChat public account to integrate multiple resources and competitive advantages to achieve win-win cooperation and sustainable development in the supply chain.



### Construction of the "3S Sustainable Supply Chain Partner Network" Platform

- Through the network platform, we have set up columns such as "3S Stories", integrated various resources, and updated and publicized supply chain dynamics and typical events in a timely manner
- Launched targeted "3S Classroom" micro-courses, focusing on the latest hot topics in the supply chain to provide training and explanations, and continuously empower suppliers to achieve sustainable development



### "Voice of Supply Chain Partners" Survey

- Conducting an annual survey allows us to gather feedback from our partners regarding their evaluation, expectations, and needs concerning the sustainable development efforts within our supply chain network. This survey serves as a new channel to improve communication and information sharing with our suppliers

### 2024 Key Performance Indicators

Number of audited/assessed suppliers participating in improvement initiatives or capacity building

72

## Carbon Reduction along the Value Chain

We jointly promote carbon reduction in the value chain and carry out a series of extended actions to promote clean technology products and carbon asset services through services, empowerment, and co-construction, and continuously improve the sustainability of product services and supply chains.

In order to find out the carbon emission data of the supply chain, Sinochem International carried out the first overall deployment of the value chain Scope 3 carbon inventory from the headquarters level in 2024, laying a solid foundation for more in-depth coordinated carbon reduction in the supply chain. Our subsidiaries, such as ELIX and Sennics, have previously conducted or explored Scope 3 data statistics based on their actual business conditions, and regularly disclosed relevant data in their respective sustainability reports.

### Value Chain Carbon Reduction Initiatives in 2024



#### Engaging in Climate Action

- Sinochem International and its subsidiaries encouraged suppliers to participate in climate action by requiring them to sign a sustainable development declaration
- Included climate change, emissions reduction and environmental impact-related clauses in purchasing agreements with suppliers



#### Recyclable Packaging

- Promoted the implementation of reducing the use of packaging materials, selecting packaging containers made of renewable or environmentally friendly materials, and reusing packaging containers in the supply chain, to explore ways to reduce waste and carbon emissions in the value chain



#### Green Warehousing and Logistics

- Reduced transportation energy consumption caused by unnecessary logistics allocations through pre-sorting and container transportation
- Integrated energy conservation, environmental protection and sustainable development concepts into warehouse construction and management processes, promoted energy-saving transformation of warehouses, improved storage efficiency and reduced energy waste



#### Exploring Supply Chain Carbon Accounting

- Released the "Sinochem International Supply Chain (Scope 3) Carbon Emissions Statistical Plan" to explore supply chain carbon accounting methods
- Conducted a comprehensive carbon emission inventory covering scope 3 emissions of subsidiaries and formed a carbon emission statistical table
- The carbon asset team provided professional services in carbon footprint accounting to downstream customers



#### Case

### Sinochem International conducted its first value chain Scope 3 carbon inventory, leading the supply chain in carbon reduction

In 2024, Sinochem International carried out carbon emission inventory of the value chain scope 3 in subordinate pilot business unit for the first time. The inventory was based on international standards such as the "Greenhouse Gas Accounting System: Enterprise Value Chain (Scope 3) Accounting and Reporting Standard", and based on the characteristics of the industrial chain and supply chain, targeting upstream and downstream transportation, goods distribution, emissions of purchased goods, and solid and liquid waste disposal emissions. A total of 435,153 tons of carbon dioxide equivalent were emitted within the inventory scope. At the same time, supply chain carbon reduction pilot projects were created around green production and supplier management. Through green procurement standards, training and performance evaluation, the supply chain was effectively promoted to achieve carbon reduction goals, and the upstream of the supply chain was actively driven to synergistic carbon reduction.

### 2024 Key Performance Indicators

Recyclable packaging material projects

15

Economic benefits generated

15.34 million yuan

Recyclable packaging material projects by suppliers

9

# Sustainable Procurement

Sinochem International strengthens the supervision of corruption and bribery risks in supply chain management and procurement processes, builds and continuously deepens the digital procurement platform, promotes the creation of DEI culture, and is committed to building a transparent, green and efficient industrial supply chain.

## 2024 Key Performance Indicators

Local sourcing procurement rate of suppliers

99%



## Sustainable Procurement Initiatives

### Transparent Procurement

- All suppliers are required to sign the "Supplier Code of Conduct" and the "Supplier Integrity Commitment", and clauses related to supplier integrity are included in procurement contracts. In addition, regulatory requirements are put forward for violations such as corruption, bribery, and conflicts of interest in multiple processes such as supplier admission, employment, and review
- Adopt dual control of business ethics and supplier management, supervise procurement personnel and suppliers in both directions, and ensure that there is no business ethics violation between the company and its suppliers
- Carry out publicity and training on topics such as sustainable procurement and procurement compliance management for procurement personnel and suppliers
- Carry out regular control of suppliers through daily cooperation process supervision, contract performance evaluation and procurement management inspection, and promote risk assessment and on-site audit



### Green Procurement

- Conduct sustainable development assessments on suppliers and give priority to purchasing green and low-carbon products and services
- Under the premise of ensuring the performance and quality of raw materials, renewable materials, recycled materials, and low-consumption and low-pollution materials are given priority



### Diversified Procurement

- Publicly release the "Global Supplier Diversity Program" and launch it in the supplier SRM system to provide more cooperation opportunities and establish friendly cooperative relationships with diverse companies in the procurement process of products and services
- Through the 3S Sustainable Supply Chain Partner Network WeChat official account, we launched a diversity-themed micro-course for internal procurement staff and all suppliers to enhance their diversity awareness



### Digital Procurement

- Continue to deploy procurement information platform, and promote digital innovation of procurement management with SRM, CRM and other information systems
- Carry out optimization and iteration of the procurement information platform to improve the system's friendliness, openness and scalability



# Collaborative Network of Industry

Sinochem International focuses on building an open innovation and collaboration ecosystem, and forms a collaborative network of industry, academia and research by integrating the multi-dimensional strengths of industry associations, industry-leading companies, upstream and downstream resources and academic institutions. We organized and participated in more than 30 exhibitions, exchanges, technical forums and other industry activities throughout the year to share successful experiences in green processes, energy conservation and carbon reduction, new product solutions, etc., and discuss industry hot topics and cutting-edge technology applications.

April 2024



Sinochem International attended the 11th Epoxy Resin High-end Application Technology Exchange Conference, sharing topics such as product cleaning technology and industrial transformation and upgrading, and in-depth discussions on cutting-edge technology applications

June 2024



Sennics co-organized the 15th National Rubber Additives Production and Application Technology Seminar to share the company's application research in bio-based and recyclable materials and accelerators

September 2024



Sinochem International invited well-known experts and downstream well-known tire company customers to discuss topics such as the development trend of high-performance tires and the application of para-aramid materials at the industry exhibition around the theme of "Future Prospects of Rubber Skeleton Materials Industry"

September 2024



Sinochem International and Ringier Industrial Media jointly held a webinar on "Plastic Anti-Aging Additives and Their Applications" to share customized products and solutions with partners





At the same time, we leverage our professional advantages to promote the improvement of industry or group standards, provide professional services to upstream and downstream of the industrial chain, to jointly create a green, low-carbon and sustainable development ecosystem.

### ESG-related Group Standards Formulated with the Participation of Sinochem International and Its Subsidiaries in 2024

Group Standard Name	Participating Company	Release Date
Guidelines for the Preparation of ESG Reports for China's Petroleum and Chemical Industry	Sinochem International	December 24, 2024
Greenhouse Gas Product Carbon Footprint Quantification Method and Requirements Epoxy Resin	Sinochem International	December 24, 2024
Greenhouse Gas Product Carbon Footprint Quantification Method and Requirements Specialty Fiber Products	Sinochem High Performance Fiber Materials	December 24, 2024
Greenhouse Gas Product Carbon Footprint Quantification Method and Requirements Polymer Additives	Sinochem Green Energy	December 24, 2024
Guidelines for Carbon Neutrality Evaluation of Chemical Enterprises	Sennics	March 12, 2024

### Case Sinochem Green Energy completed a green supply chain pilot project for a well-known automobile company

In October 2024, Sinochem Green Energy fully leveraged its professional advantages in carbon asset management to complete a green supply chain pilot project for a world-renowned automobile company. By providing professional services in product carbon footprint accounting, it formed a basic database of supply chain carbon footprint, helping customers understand the "carbon assets" of the supply chain and promote carbon emission reduction throughout the entire supply chain.

### Case Sinochem International participated in the co-construction of the "Green and Low-carbon Supply Chain Public Service Platform"

April 3, 2024, Sinochem International, as a co-builder, joined the "Green and Low-carbon Supply Chain Public Service Platform" led by the Shanghai Development and Reform Commission. The platform aims to establish a product carbon footprint management system that conforms to national conditions and market conditions and connects with international rules, focusing on all links in the supply chain, improving and enhancing product carbon footprint standard measurement and data collection, creating a supply chain-oriented accounting model set, carbon footprint database and a high-quality local carbon factor database for the entire chain, and expanding and enriching product carbon footprint application scenarios by promoting the implementation of the product carbon labeling certification system.



# Sci-Tech Innovation

## Substantive Issues

- Safety and Quality of Product/Service
- Innovation-driven

## In Response to SDGs



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



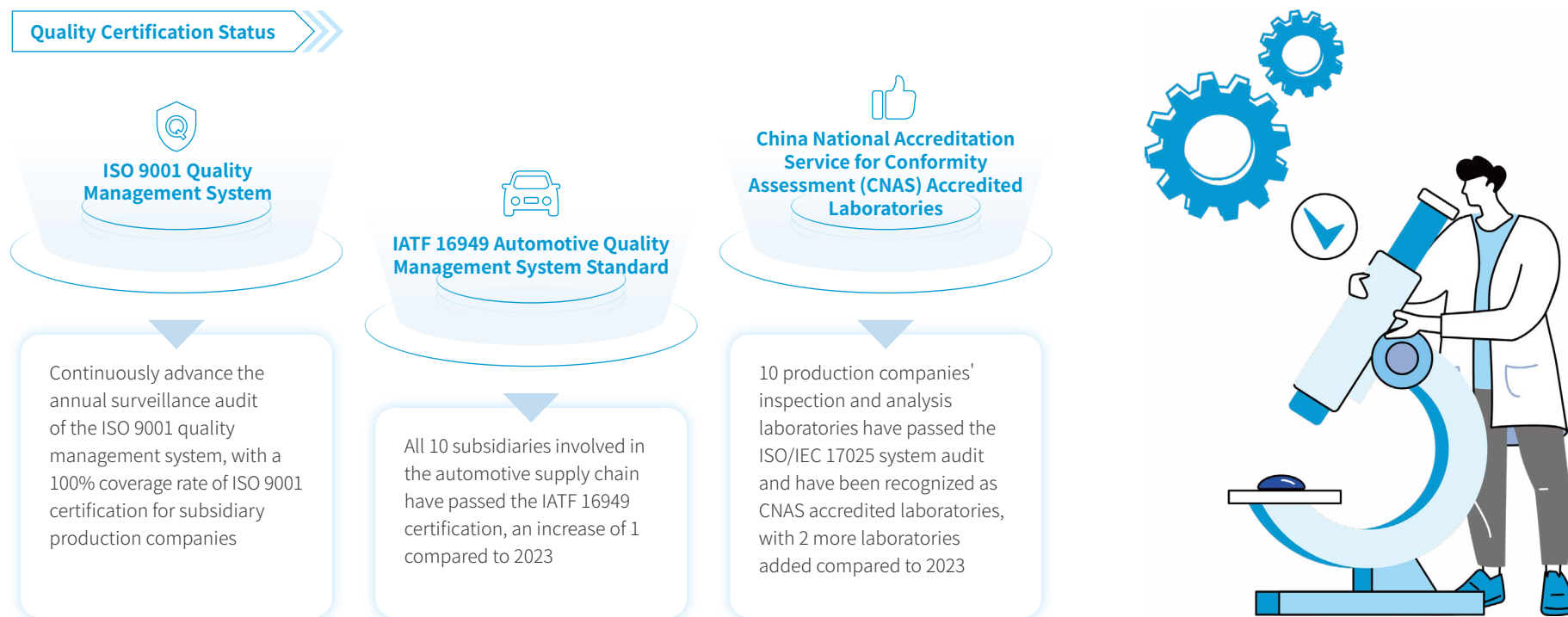
17 PARTNERSHIPS  
FOR THE GOALS

# Quality Management

Sinochem International's Excellence Operation Center and the Health, Safety and Environment Subcommittee of the Sustainable Development Executive Committee are responsible for coordinating matters related to product quality, following the requirements of the "Product Quality Management Measures", and comprehensively standardizing work processes such as quality system requirements, quality planning, process quality management, customer service management, quality cost management, quality accident management, quality supervision and improvement, and quality digitization.

The company adheres to the business principle of "Quality First" and integrates the spirit of craftsmanship into every link by continuously optimizing management standards and deepening the quality awareness of all employees. It drives quality upgrades with innovation and delivers consistent quality commitments and guarantees to customers.

We strictly control quality to ensure that no quality accidents occur. In 2024, the company did not have any major or extremely serious quality accidents.





## Measures for Product Quality Management in 2024

### Quality Management Practice

- The headquarters has set up an Excellence Operation Center to coordinate quality management-related work, and its subsidiaries have set up professional quality management positions with clarified quality management responsibilities and requirements
- Actively carried out QC group activities, 50 QC group projects have achieved results, and the quality improvement benefits reached 86.74 million yuan

### Quality Supervision and Improvement

- Key export products have completed EU REACH and RoHS certification
- Conveyed the requirements of hazardous substances restriction to upstream supplier
- Accepted 15 spot checks by government quality supervision departments, all of which were qualified

### Quality Digital Application

- Promoted subordinate enterprises to use the real-time monitoring and the setting of key process control points of the MES system to control the quality process, and use error-proofing technology to prevent quality problems in advance to ensure the stability of the production process and product quality

### Improvement of Awareness

- Carried out "Quality Month" activities, organized knowledge competitions, skills competitions and other forms of activities to enhance employees' quality awareness
- Carried out targeted quality training to improve the quality management capabilities of employees and outsourced personnel



The Intermediates Division organized a special quality learning activity



Additives Division organized quality management skills competition

## 2024 Honors



Yangnong Kumho was selected as a **typical case of "Improving quality" in the petrochemical industry by the China Petroleum and Chemical Industry Federation**

Sennics was selected as a **typical case of quality improvement and brand building in 2024 by the Ministry of Industry and Information Technology**

Sinochem High Performance Fiber Materials was selected into the **list of typical experiences of quality benchmarks in China by the China Quality Association in 2024**

## 2024 Key Performance Indicators

The qualified rate of key products in supervision and random inspection

**100%**

The qualified rate of products in one-time production

**99.95%**

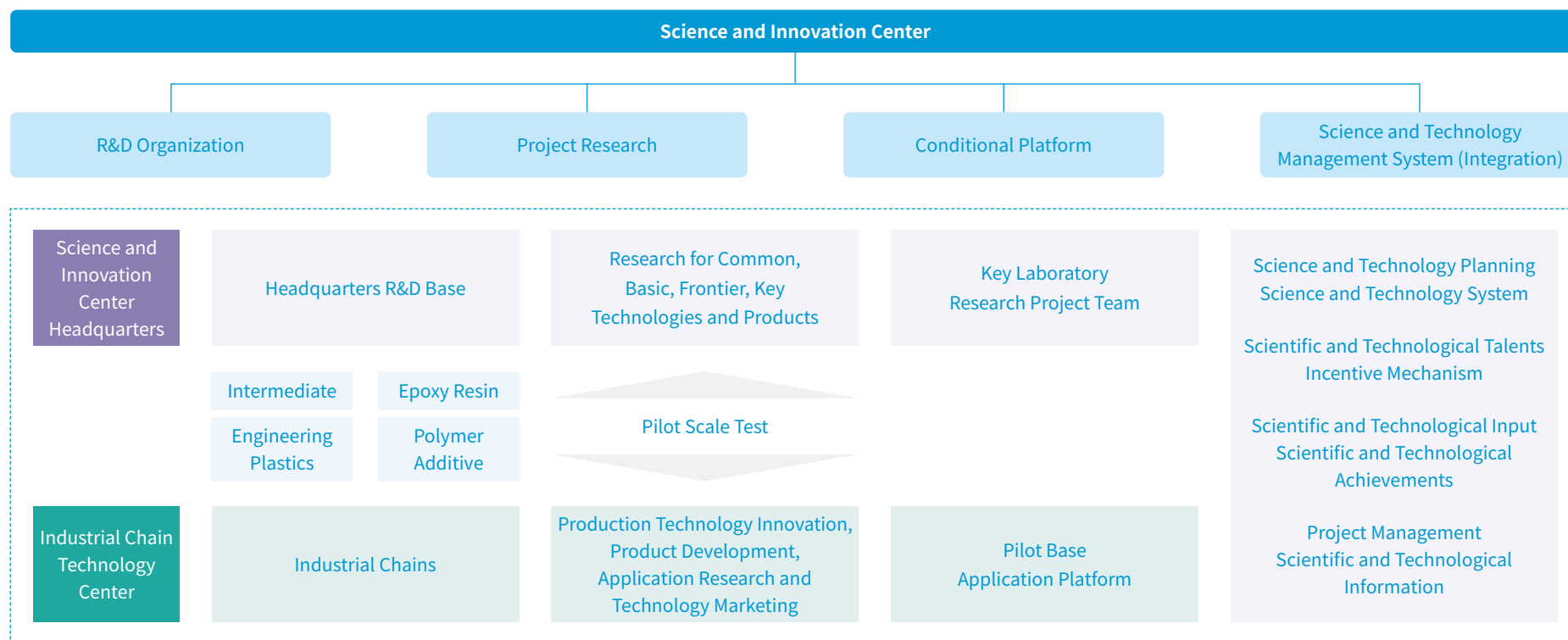
Product-related standards that we led or participated in drafting

**25** (including national standards, industry standards, and group standards)



# Innovation-driven Development

Sinochem International adheres to the innovation-driven strategy and promotes the reform of the Science and Technology Innovation Center. Based on platform construction, with talent cultivation as the core and scientific research projects as a driven force, it continues to establish an integrated R&D organizational structure and technology management system, coordinating R&D resources, concentrating on strengthening scientific and technological research, and laying out the chemical new materials industry chain around the innovation chain.



Sinochem International Science and Technology Innovation System

The company continues to strengthen the top-level design of scientific and technological innovation, and establishes an integrated R&D project management mechanism covering scientific and technological intelligence, project management, engineering applications, intellectual property and confidentiality, R&D digitalization, open innovation, etc. Focusing on the development of key industries and market customer needs, the company promotes key project research and new product development, and continues to carry out basic and common technology research to create an innovation engine for new chemical materials.

## Innovation Platform Construction

The company optimizes the construction of innovation platforms, integrates internal and external resources, accelerates the R&D process, reduces innovation costs, and deeply strengthens the core competitiveness of scientific and technological innovation on the basis of building a bridge between scientific research and industrial transformation.

### Sinochem International's Core Innovation Platform

National high-tech enterprises **12**

Nationally-recognized enterprise technology center **1**

Postdoctoral workstations **4**

National/provincial level specialized, sophisticated,

unique and novel enterprises **12**

National/provincial level champion manufacturing

enterprises in an individual field **3**

We are committed to building an open innovation cooperation mechanism. Through extensive strategic cooperation and exchanges with industry associations, industry-leading companies, enterprises at all links of the supply chain, as well as partners such as universities and research institutions, we promote the establishment of innovation platforms, the implementation of innovative projects and the development of key technologies, contributing to the progress and flourish of chemical industry.

### 2024 Honors

Sennics was selected into the **list of the eighth batch of champion enterprises in the manufacturing industry by the Ministry of Industry and Information Technology**

Sinochem High Performance Fiber Materials was selected into the **list of the sixth batch of specialized, sophisticated "Little Giant" enterprises by the Ministry of Industry and Information Technology**

Sennics Anhui was selected into the **list of specialized and sophisticated "Little Giant" enterprises recommended for continued support by the Ministry of Industry and Information Technology (second batch, third year)**

Sinochem Fuheng was selected into the **list of specialized, sophisticated "Little Giant" enterprises recommended for continued support by the Ministry of Industry and Information Technology (first batch, third year)**



#### Case

**Sinochem International Science and Technology Innovation Center and Yangtze River Delta National Technology Center established a joint innovation center**

December 4, 2024, Sinochem International Science and Technology Innovation Center and Yangtze River Delta National Technology Innovation Center established a joint innovation center. The two parties will give full play to the key effects of resource integration and synergistic catalysis, and systematically carry out all-round and multi-level scientific research work.

#### Cultivation of scientific research talents

Deeply explore the core needs of enterprises in terms of technological innovation and talent reserve, and build a complete talent training system



#### Scientific research and technological breakthroughs

Actively connect and introduce global innovation resources to jointly overcome technical problems that restrict industrial development



### 2024 Key Performance Indicators

Investment in scientific and technological R&D

**776** million yuan

Research projects

**40**

External cooperation entitles

**29**

Cooperative research projects

**49**

Industry-academia-research cooperation platforms

**4**

## Talent Cultivation for Innovation

The company insists on strengthening the construction of a professional talent team, unblocking the career development channels for scientific and technological talents, establishing a talent evaluation, promotion and incentive mechanism centered on value contribution and value creation, and promoting the horizontal development and vertical improvement of scientific and technological personnel. We organize the application of R&D sequence experts, and conduct seminars on topics such as the construction of scientific and technological innovation organizations and the cultivation of scientific and technological talents, constructing a capability and quality model for scientific researchers, and creating a talent highland and talent reservoir.

## Technology Achievement Transformation

Focusing on the industrial mission of "strengthening areas of weakness in the new chemicals materials", the company relies on scientific and technological innovation to continuously promote the improvement of quality and efficiency of existing equipment and products, carry out key R&D projects in an orderly manner, promote the development of high-end products and iterative upgrades of processes, accelerate the transformation of scientific and technological achievements, and continuously meet the demand for new chemical materials for the development of new quality productivity.



- Based on a new "one pot synthesis" process from acetone and isobutyraldehyde for synthesizing methyl isopentyl ketone (MIAK), the construction of a 3,000 t/a MIAK industrial plant has started



- Started engineering research of 2,000 tons/year of polydicyclopentadiene (PDCPD) resin developed using a new catalyst system with independent intellectual property rights



- The new heterogeneous precipitation polymerization technology for preparing ethylene-maleic anhydride (EMA) copolymer has passed the process safety, reliability and advancement demonstration

Key Technology Achievement Transformation Projects of Sinochem International in 2024

### 2024 Honors

"Key Technology Development and Industrialization of High-quality Hexamethylenediamine by Caprolactam Process" passed the scientific and technological achievement appraisal of China Petroleum and Chemical Industry Federation, and the overall technology reached the **international leading level**

The "High-Performance Plastics PDCPD Project" was selected as the **2024 "Shanghai High-Tech Achievement Transformation Project"**

"High-Performance Special Nylon MXD6 Polymerization and Application Research Project" was awarded the **"Shanghai Science and Technology Innovation Action Plan" Rising Star Project**



### 2024 Key Performance Indicators

R&D personnel

**702**

Core talents recruited in new materials and other fields

**55**

Technical personnel training coverage

**100%**



Case

### Sennics Anhui's MIAK product won the title of "Annual Innovation Product" of Chemical New Materials

In March 2024, the methyl isoamyl ketone (MIAK) product independently developed and produced by Sennics Anhui was selected through layers of selection and won the title of "Chemical New Materials 2023 Innovation Product" by the China Petroleum and Chemical Industry Federation. The successful development of this product can not only ensure the stable supply of important raw materials for the company's high-end rubber antioxidants, but also has important significance for filling the gaps in the supply chain of China's chemical new materials industry chain. At the same time, Sennics Anhui took the lead in drafting the "Industrial Methyl Isoamyl Ketone" group standard, injecting new vitality into the high-quality development of China's fine chemical industry.

### 2024 Key Performance Indicators

Innovation technology awards

**6**

New product sales revenue

**9.703** billion yuan

## Intellectual Property Protection

The company continues to optimize the intellectual property management system, formulates and revises management systems such as the "Science and Technology Achievement Management Measures", "Intellectual Property Management Regulations", and "Patent Risk Management Measures", strengthens management requirements in various aspects of intellectual property rights, maintenance, operations, and risk prevention, clarifies the management mechanisms for the protection, identification, and transformation of scientific and technological achievements, and implements intellectual property management throughout the life cycle of scientific research projects. We promote the construction of a patent management system, and consolidate intellectual property management throughout the project process, organize and carry out intellectual property training and publicity, coordinate internal and external resources to promote exchanges and sharing, and continuously strengthen cultural construction.

### Intellectual Property Protection Measures in 2024

#### Enhancing Awareness of Property Rights

- Organized 23 thematic training sessions, covering R&D digitization, intelligence utilization, patent and technology secret protection, etc.
- Promoted internal and external communication and sharing, optimized the intellectual property evaluation and supervision mechanism, and implemented integrated intellectual property management

#### Protecting Trade Secrets

- Established a confidentiality management organization covering all business areas and functional departments of the company to comprehensively strengthen the protection and management of trade secrets of the company's business activities
- Used advanced technology to automatically encrypt documents, minimizing the risk of leaks while meeting business development needs
- A total of 5 special training sessions on trade secret protection were held, covering trade secret protection practices, special confidentiality management for key projects, and management of trade secret-related confidential documents

#### Promoting Digital Platforms

- Promoted the use of R&D digital cloud platforms, organized training on digital platforms and software, to enhance awareness of intellectual property compliance and software usage capabilities

### 2024 Honors

The two patents "A multi-level porous TS-1 catalyst, its preparation method and use" and "A preparation method of a composite catalyst for synthesizing hexamethylenediamine intermediates and the application of the composite catalyst" won the **2024 Patent Excellence Award by China Petroleum and Chemical Industry Federation**

### Case Sinochem International held a series of intellectual property and confidentiality activities in 2024

April 25 to 26, 2024, Sinochem International took the opportunity of World Intellectual Property Day to hold a series of intellectual property and confidentiality activities in 2024. The activities focused on actual business needs, integrated internal and external resources, and promoted intellectual property and confidentiality through theme seminars, practical training, knowledge quizzes, etc., creating a strong atmosphere of "respecting knowledge and advocating innovation" and enhancing the intellectual property and confidentiality awareness of employees.



### 2024 Key Performance Indicators

Patent applications	Including invention patents	New authorized patents	Including new authorized invention patents
230	200	183	133
Valid patents		Trade secrets leakage	
1,092		0	

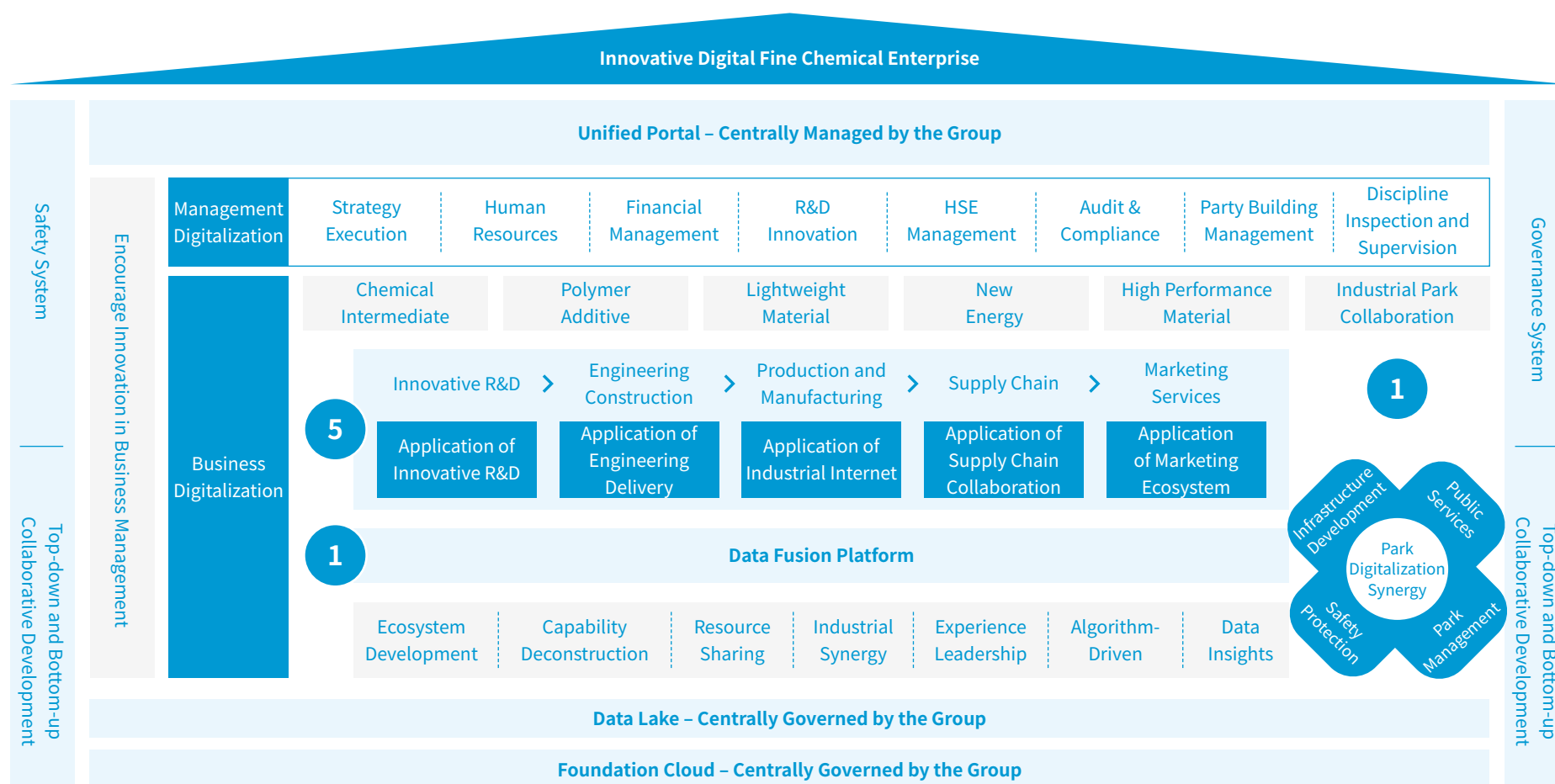
Major litigation or arbitration cases that have occurred due to infringement of the intellectual property rights of others or the company

0



# Digital Transformation

In accordance with the "Online Sinochem" strategic plan, Sinochem International leverages the deep integration of digital technology with business R&D, production, operations and management to continuously build a "5+1+1" digital transformation framework, improves its intelligent manufacturing system, to create a digital transformation model for a "leading innovative chemical new materials enterprise".



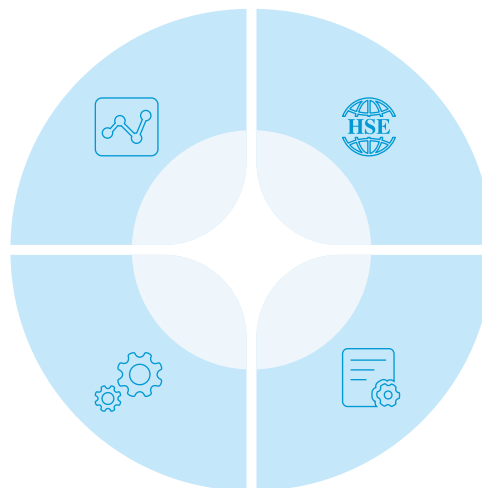
## Digital Transformation Initiatives in 2024

### Smart Operation

- Strengthened "pre-calculation for win" strategy, promoted the construction of MES in key subordinate production enterprises, WMS and EAM in the Intermediate Division, fully opened up the connection of production, supply and marketing planning, providing accurate and efficient operation data through system construction, and providing auxiliary decision-making through data support model calculation

### Smart Production

- Strengthened the digital application of factory production, promoted the construction and improvement of production digital scenarios for process alarm and equipment management, and implemented "all that should be set should be set" and "all that can be optimized should be optimized"



### Smart HSE

- Consolidated the achievements of the major safety rectification campaign and solidly carried out the smart HSE root cause treatment campaign
- Continued to promote digital scenarios such as contractor management, video AI applications, and personnel gathering monitoring, and strengthened business applications and inspection and supervision

### Digital Marketing and Procurement

- Promoted the CRM system to fully cover all industrial chains and formed a unified marketing platform
- Further expanded the coverage of the SRM system and the scope of procurement, strengthened the supervision and standardization of the procurement process, and enhanced the company's centralized procurement capabilities



### Case Sinochem High Performance Fiber Materials Empowers efficiency with "Data" and Improves "Quality" with "Intelligence"

Sinochem High Performance Fiber Materials actively promotes intelligent transformation and digital transformation in all aspects of R&D, production and sales, and uses digital systems and tools to connect the "information islands" of sales, R&D, production, quality, warehousing and other lines, and create a digital solution for the integrated transformation of R&D, production and sales to ensure the realization of "production on demand", providing strong support for itself to create new quality productivity. In August 2024, the company's quality management digitalization experience of "building a management model with digital empowerment for R&D, production and sales" was successfully selected into the list of typical experiences of the 2024 quality benchmark of the China Quality Association.

### 2024 Honors



Sennics Taian was awarded **"2024 Shandong Province Smart Factory" and "2024 Shandong Province Excellent Enterprise for Integration of Industrialization and Informationization"**

Yangnong Kumho was named **"2024 Jiangsu Province Intelligent Manufacturing Workshop"**

## Special Column

# Innovation-driven and Green Transformation for Creating New Quality Productivity in Chemical Industry

As the global economy accelerates its transformation toward low-carbon and intelligent development, new quality productivity has become the core engine driving industrial upgrading and economic growth. Sinochem International has always adhered to the dual-wheel drive of scientific and technological innovation and green development. Through industrial chain integration, technological breakthroughs and green practices, it has enhanced its competitiveness in the process of creating new quality productivity and continued to inject high-quality development momentum into the chemical industry.

## Full Operation of C3 Industry Chain: A Milestone in Epoxy Resin Integration

2024, the Sinochem International C3 industrial chain project was fully connected. The project give full play to the synergy effect of the industrial chain, reduce the risk of fluctuations in raw materials and key intermediates through an integrated development model, and at the same time, through the technology superposition effect, realize the improvement of Sinochem International's comprehensive competitiveness in the field of epoxy resins, and help Chinese manufacturing leap to the high end in the global industrial chain.



Built a fully integrated industrial chain of "PDH-Propylene-Phenol/Acetone & Bisphenol A/Epichlorohydrin-Epoxy Resin", with self-sufficient raw material supply, to strengthen the competitive advantage of the epoxy resin industry chain



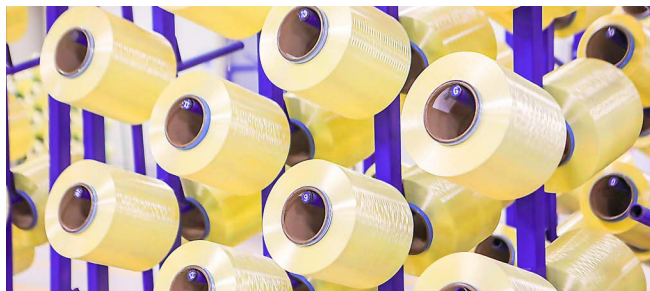
Producing propylene oxide and epichlorohydrin through green processes and recycling technologies significantly reduced three waste emissions and comprehensive energy consumption, becoming a benchmark for clean production



## Para-aramid Expansion: Intelligence and Low Carbon Development Reshape the High-performance Fiber Industry

In January 2025, Sinochem High Performance Fiber Materials's 2,500-ton per year para-aramid expansion project was successfully put into operation, increasing the company's total production capacity to 8,000 tons/year. This expansion not only effectively enhances the company's competitive advantage in the industrial chain, but also helps stabilize China's high-performance fiber material supply chain through technological breakthroughs and intelligent upgrades.

Sinochem International continues to strengthen the core competitive advantages of its products, constantly carries out layout of the entire industry chain, the entire product portfolio, and the entire life cycle of aramid industry, explores product applications in key industries, and strengthens application development and services in application areas such as communication optical cables, rubber skeletons, special human protection, lightweight composite materials, low-altitude economy and new energy, ultrafiltration membranes, and low-carbon economy. It provides product solutions with multiple performance indicators to better meet the urgent needs of many industries to develop new quality productivity.



### Technological Innovation



- Successfully broke through the technical difficulties of low-cost preparation process and equipment, reducing the overall production cost of para-aramid by about 4%
- Successfully mastered the entire process of feeding technology and achieved precise control of the heat treatment process of high modulus para-aramid

### Green Development



- Through waste heat recovery and process optimization, carbon emissions per ton of product are significantly reduced
- Completed the LCA assessment of para-aramid products and obtained certification from an authoritative third-party organization, providing downstream customers with accurate carbon data and helping to decarbonize the supply chain



# Appendix

## List of Subsidiaries

Enterprise Name	Enterprise Abbreviation	Explanation	Location
Jiangsu Yangnong Chemical Group Co., Ltd.	Yangnong Group		Yangzhou, Jiangsu
Jiangsu Ruixiang Chemical Co., Ltd.	Yangnong Ruixiang	Production Base	Yangzhou, Jiangsu
Ningxia Ruitai Technology Co., Ltd.	Yangnong Ruitai	Production Base	Zhongwei, Ningxia
Jiangsu Ruiheng New Material Technology Co., Ltd.	Yangnong Ruiheng	Production Base	Lianyungang, Jiangsu
Jiangsu Yangnong Kumho Chemical Co., Ltd.	Yangnong Kumho	Production Base	Yangzhou, Jiangsu
Sennics Co., Ltd.	Sennics		Shanghai
Sennics Co., Ltd. Shandong	Sennics Shandong	Production Base	Heze, Shandong
Sennics Co., Ltd. Taian	Sennics Taian	Production Base	Taian, Shandong
Sennics Co., Ltd. Anhui	Sennics Anhui	Production Base	Tongling, Anhui
Sennics Co., Ltd. Lianyungang	Sennics Lianyungang	Production Base	Lianyungang, Jiangsu
Sennics Thailand Co., Ltd.	Sennics Thailand	Production Base	(Overseas) Thailand
Jiangsu Fopia Chemicals Co., Ltd.	FOPIA	Production Base	Yancheng, Jiangsu
Sinochem Engineering Plastics (Yangzhou) Co., Ltd.	Sinochem Yangzhou Engineering Plastics	Production Base	Yangzhou, Jiangsu
ELIX Polymers S.L.	ELIX	Production Base	(Overseas) Spain
Sinochem High Performance Fiber Materials Co., Ltd.	Sinochem High Performance Fiber Materials	Production Base	Yangzhou, Jiangsu
Sinochem International New Materials (Hebei) Co., Ltd.	Sinochem Hebei New Materials		Shijiazhuang, Hebei
Sinochem Hebei Co., Ltd.	Sinochem Hebei		Shijiazhuang, Hebei
Sinochem Hebei Fuheng Co., Ltd.	Sinochem Fuheng	Production Base	Handan, Hebei
Sinochem Hebei Xinbao Chemical Technology Co., Ltd.	Sinochem Xinbao	Production Base	Handan, Hebei

Enterprise Name	Enterprise Abbreviation	Explanation	Location
Sinochem Hebei Fuding Chemical Technology Co., Ltd.	Sinochem Fuding	Production Base	Handan, Hebei
Sinochem Health Company Ltd.	Sinochem Health		Qingdao, Shandong
Sinochem Pharmaceutical Co., Ltd.	Sinochem Pharmaceutical		Nanjing, Jiangsu
Sinochem Plastics Co., Ltd.	Sinochem Plastics		Beijing
Sinochem Guangdong Co., Ltd.	Sinochem Guangdong		Guangzhou
Sinochem Japan Co., Ltd.	Sinochem Japan		(Overseas) Japan
Shanghai Sinochem Technology Co., Ltd.	Sinochem Technology		Shanghai
Sinochem Lianyungang Industrial Park Management Co., Ltd.	Sinochem Lianyungang		Lianyungang, Jiangsu
Sinochem Lianyungang Petrochemical Terminal Co., Ltd.	Lianyungang Port		Lianyungang, Jiangsu
Sinochem Lianyungang Petrochemical Storage Co., Ltd.	Lianyungang Warehousing		Lianyungang, Jiangsu
Jiangsu Sinopure Electronic Materials Co., Ltd.	Sinopure	Production Base	Lianyungang, Jiangsu
Ningxia Sinochem Lithium Battery Materials Co., Ltd.	Ningxia Sinochem Lithium Battery	Production Base	Zhongwei, Ningxia
Sinochem Hebei Lithium Battery Technology Co., Ltd.	Sinochem Hebei Lithium Battery	Production Base	Shijiazhuang, Hebei
Sinochem Yangzhou Lithium Battery Technology Co., Ltd.	Sinochem Yangzhou Lithium Battery	Production Base	Yangzhou, Jiangsu
Huaian Junsheng New Energy Technology Co., Ltd.	Huaian Junsheng	Production Base	Huai'an, Jiangsu
Sinochem (Ningbo) Ro Memtech Co., Ltd.	Ningbo Runwo	Production Base	Ningbo, Zhejiang
Sinochem (overseas) Pte Ltd.	Sinochem Singapore		(Overseas) Singapore
Sinochem International Chemical Technology (Hainan) Co., Ltd.	Sinochem International Hainan		Haikou, Hainan
Sinochem Green Energy Technology (Shanghai) Co., Ltd.	Sinochem Green Energy		Shanghai

## Key Performance Indicators






Theme	Key Indicators	Unit	Year 2024	Year 2023	Remarks
Economic Index	Total assets	billion Yuan	51.156	53.917	
	Operation revenue	billion Yuan	52.925	54.272	
	Net profit attributable to shareholders of listed companies	billion Yuan	-2.837	-1.848	
	Taxes payment	billion Yuan	1.315	1.735	
Business Ethics	Percentage of employees had training on business ethics	%	100	100	
	Number of confirmed cases of corruption	cases	0	0	i.e., litigation cases arising from corruption and bribery
	Number of confirmed information security incidents	cases	0	0	i.e., major cybersecurity incidents and substantiated complaints involving violations of customer privacy and loss of customer data
	Percentage of business locations that performed internal assessments or audits for business ethics issues	%	100	100	
	Percentage of operation sites with a business ethics certification (e.g. ISO 27001 or ISO 37001)	%	100	100	All network servers at Sinochem International and its subsidiaries are managed in a uniform manner by the headquarters, which is ISO 27001 certified
Sustainable Supply Chain	Percentage of targeted suppliers who have signed Supplier Code of Conduct	%	100	100	Targeted suppliers are core suppliers. Core supplier refers to suppliers whose materials and services are core materials for the enterprise's production and operations, and suppliers whose quality, price and supply sustainability have a significant impact on the production and operations of the enterprise
	Percentage of target suppliers participating in corporate social responsibility (CSR) assessments	%	72.6	78.94	
	Percentage of target suppliers participating in on-site corporate social responsibility (CSR) audits	%	62.4	67.09	
	Percentage of suppliers who have signed contracts that include clauses on environmental, labor and human rights requirements	%	72	28	
	Percentage of purchasers who have participated in training in sustainable procurement	%	100	100	
	Number of audited/assessed suppliers participating in improvement initiatives or capacity building	-	72	35	







Theme	Key Indicators	Unit	Year 2024	Year 2023	Remarks
Labor Rights	Percentage of employees who have received diversity, discrimination and harassment training	%	100	100	i.e., labor human rights training coverage
	Percentage of operation sites that have undergone human rights impact or risk assessments	%	95	90	
	Percentage of employees from minority and disadvantaged groups	%	0.09	0.51	
	Percentage of employees from minority and disadvantaged groups in senior management positions (excluding the Board of Directors)	%	2.82	2.44	
	Percentage of female employees	%	25.2	25.2	
	Percentage of women in senior management positions (excluding the Board of Directors)	%	16.20	16.26	
	Percentage of women in Board of Directors (including the Board of Directors and the Board of Supervisors)	%	20	30	
	Average hours of employee training	hours	58.64	48	
	Percentage of employees who have received skills-related training	%	100	100	
	Percentage of employees who have received regular performance and career development assessment	%	100	100	
	Percentage of employees covered by formally elected employee representatives or collective agreements	%	100	100	
Health & Safety and Environment	Percentage of operation sites that have conducted employee health and safety risk assessments	%	100	100	
	Percentage of operation sites with labor and human rights certifications (e.g., ISO 45001, SCC, SA 8000, Fair Wage Network, B Corp, GEEIS, WBENC)	%	95	100	







Theme	Key Indicators	Unit	Year 2024	Year 2023	Remarks
Health & Safety and Environment	Working hours	hours	17,050,496	12,516,000	
	Working days lost due to occupational injuries, deaths and health reasons	days	40	22	
	Number of work-related accidents	cases	0	0	
	Lost-time injury rate for the directly employees	-	0.11	0.08	
	Lost-time severe injury rate for the directly employees	-	0.0017	0.002	
	Percentage of employees trained on specific environmental issues	%	100	100	
	Percentage of operation sites that have undergone specific environmental risk assessments	%	100	100	
	Percentage of operation sites with environmental certifications (e.g. ISO 14001, EMAS, ISO 50001)	%	100	100	
	Total energy consumption	MWh	9,430,663.01	8,872,931.18	Including electricity, natural gas, coal, steam, fuel oil and others
	Total renewable energy consumption	MWh	28,121.99	94,865.47	
	Renewable energy consumption as a percentage of total energy consumption	%	0.3	1.1	
	Water consumption	liters	36,765,437,390	29,072,233,400	
	Total amount of water recycled and reused	megaliters	1,467,584.66	1,118,058.65	
	Total weight of air pollutants	tons	803.76	636.95	Including nitrogen oxides, sulfur dioxide, volatile organic compounds (VOCs), smoke and dust, etc.
	Total hazardous waste discharge	tons	77,912	67,662	
	Total non-hazardous waste discharge	tons	163,111	163,668	
	Total waste recovery	tons	160,538	162,735	
	Percentage of total company operational waste diverted from landfill	%	11.8	10.9	
	Direct (Scope 1) greenhouse gas emissions	tons of CO <sub>2</sub> equivalent	2,926,331.77	2,204,876	
	Indirect (Scope 2) greenhouse gas emissions	tons of CO <sub>2</sub> equivalent	2,067,572.88	1,754,393	



## United Nations Sustainable Development Goals ( SDGs ) Actions and Performance

Sustainable Development Goals	Annual Action Framework	Section
	<ul style="list-style-type: none"> <li>• Create jobs opportunities and attract outstanding local talents</li> <li>• In response to the national rural revitalization strategy, using a combination of financial, consumption, education and other forms of support to promote rural economic development</li> </ul>	<p>Employee Growth</p> <p>Community Communication</p>
	<ul style="list-style-type: none"> <li>• Through a series of support measures such as "Hope Cabin" volunteer services and connecting with farmers in need to carry out consumption-based poverty alleviation, we help rural people obtain reliable social security</li> </ul>	<p>Community Communication</p>
	<ul style="list-style-type: none"> <li>• Carry out assessment and certification of toxic emissions and waste, as well as on-site audits, to ensure that the health of employees not be endangered</li> <li>• Strengthen the construction of occupational health and safety management system, adopt "Prevention, Treatment, Management, Education, Capacity-building" to ensure the physical and mental health of employees in an all-round and full-cycle manner</li> <li>• Build a multi-dimensional employee health care system to care for employees through measures such as "cultural empowerment, health protection, and psychological counseling"</li> </ul>	<p>Pollution Prevention</p> <p>Occupational Health and Safety</p> <p>Employee Rights Protection</p>
	<ul style="list-style-type: none"> <li>• Establish a matrix training system with "horizontal division of levels and vertical division of professions" to meet the needs of employees of different categories to enhance their value</li> <li>• Take supporting education as an important action in the field of social responsibility, and actively carry out the "Dream-Fulfilling Aid for Education" activity</li> </ul>	<p>Employee Growth</p> <p>Community Communication</p>
	<ul style="list-style-type: none"> <li>• We insist on gender equality and equal pay for equal work, strictly prohibit discrimination and harassment, and provide employees with a diverse, equal and inclusive working environment</li> <li>• Set up a female employees' committee and "Mommy's Hut" breastfeeding rooms to safeguard the legitimate rights and interests of female employees and respect and support the career development of female employees</li> </ul>	<p>Employee Rights Protection</p> <p>Diversity, Equality and Inclusion</p>

Sustainable Development Goals	Annual Action Framework	Section
	<ul style="list-style-type: none"> <li>Establish a water recycling system to ensure that production water meets safety standards</li> <li>Establish a water resources management system to strictly control water intake and sewage discharge so as not to have a significant impact on water sources</li> </ul>	Resource Utilization
	<ul style="list-style-type: none"> <li>Build a clean, efficient and low-carbon energy management system and improve energy efficiency through technological improvements and elimination of high-energy-consuming equipment</li> <li>Actively explore the comprehensive utilization of new and renewable energy, provide self-built photovoltaic power generation, purchase green electricity and green certificates, and optimize the energy structure</li> </ul>	Resource Utilization
	<ul style="list-style-type: none"> <li>Comply with international human rights and domestic employment laws and regulations, safeguard the basic human rights of internal and external employees including those in the supply chain, and respect and protect the legitimate rights and interests of all employees</li> <li>Provide employees with stable job opportunities, a good working environment, competitive salaries and benefits</li> </ul>	Employee Rights Protection
	<ul style="list-style-type: none"> <li>Formulate a clean technology development strategy and increase the research, development, production and application of clean technology</li> <li>Promote the reform of the Science and Technology Innovation Center, establish an integrated R&amp;D organizational structure and technology management system based on platform construction, with talent training as the core and scientific research projects as the driven force</li> </ul>	Clean Technology Opportunities Innovation-driven Development
	<ul style="list-style-type: none"> <li>Clearly stipulates that no discrimination should be made on the basis of race, social class, religious belief, disability, gender, age, marital status, pregnancy or political affiliation</li> <li>Strive to create a fair and just job search and career development platform, and provide protection and support for minority and vulnerable groups such as female employees, disabled employees, and ethnic minority employees</li> </ul>	Employee Rights Protection Diversity, Equality and Inclusion
	<ul style="list-style-type: none"> <li>Promote green and clean production technology from the source, regularly conduct environmental impact assessments covering core business production bases, and reduce environmental liability risks during operations</li> <li>Implement a closed-loop management model for chemicals that covers source efficiency improvement, process optimization, and end-of-life recycling to reduce the environmental footprint of chemicals</li> </ul>	Environmental Governance Special Column: Reducing the Environmental Footprint of Chemicals

Sustainable Development Goals	Annual Action Framework	Section
	<ul style="list-style-type: none"> <li>• Develop green processes and green products with suppliers, partners and customers to ensure chemical safety and to minimize, reduce or control the impact of chemicals on the environment and human health.</li> <li>• Fully respect and protect the legitimate rights and interests of customers, strictly control the production process and product safety specifications, and truthfully inform customers of the product's dangerous factors and safety protection measures</li> </ul>	Chemical Safety Customer Health and Safety
	<ul style="list-style-type: none"> <li>• Integrate climate change response into corporate strategy, formulate overall goals and clear action paths to achieve carbon peak by 2030 and carbon neutrality by 2050</li> <li>• Regularly identify, evaluate and manage climate risks and opportunities, continuously innovate and upgrade low-carbon technologies and processes, and create green products and solutions</li> </ul>	Climate Strategy and Action
	<ul style="list-style-type: none"> <li>• Strengthen ecological environmental risk control and water pollution emergency response capacity building in the Yangtze River and Yellow River basins, as well as rainwater pollution risk control, to protect aquatic ecosystems</li> </ul>	Pollution Prevention
	<ul style="list-style-type: none"> <li>• Conduct biodiversity impact assessments during project planning to minimize disturbance to the ecological environment</li> <li>• Support surrounding residents to participate in ecological protection through community co-construction projects</li> </ul>	Biodiversity Conservation
	<ul style="list-style-type: none"> <li>• Adhere to the rule of law and compliance operation, and build an authoritative and efficient audit supervision system</li> <li>• Adhere to business ethics, strengthen the promotion of business ethics among employees and suppliers, and strictly supervise and eliminate corruption and bribery</li> <li>• Strictly abide by relevant applicable laws and regulations and participate in market competition fairly</li> </ul>	Corporate Governance Compliance Management Business Ethics
	<ul style="list-style-type: none"> <li>• Integrate environmental, labor human rights, business ethics and other requirements into supplier management and build a sustainable supply chain with suppliers</li> <li>• Integrate the multi-dimensional strengths of industry associations, industry-leading companies, supply chain resources and academic institutions to build an open innovation and collaboration ecosystem</li> </ul>	Supply Chain Management Collaborative Network of Industry Innovation-driven Development

# Third Party Assurance



## Independent Assurance Statement

### Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by Sinochem International Corporation (hereinafter "Sinochem International" or "the Company") to conduct an independent third-party assurance of 2024 Sustainability Report of Sinochem International (hereinafter "the Report"). The report disclosed sustainability

information for the fiscal year 2024 (1 January 2024 to 31 December 2024) of Sinochem International.

### Responsibilities

Sinochem International is not only responsible for the preparation of sustainability report and the collection and submission of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland is a global service provider that provides CSR and sustainability services in more than 65 countries, with experienced and technical expertise in the areas of environment, CSR, sustainability and stakeholder engagement. TÜV Rheinland Assurance team follows the TÜV Rheinland Global Business Ethics Compliance Policy and Procedures, covering the principles of integrity, compliance and conflict of interest. Therefore, our assurance services are based on the principles of independence and impartiality, and we do not participate in the writing and preparation of the report of Sinochem International. It is the duty of TÜV Rheinland to carry out independent assurance in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial judgments on sustainability reporting.

### Assurance Standard

TÜV Rheinland undertook assurance work for the sustainability information disclosed in the report of Sinochem International in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS v3), Type 1 and Moderate level.

### Assurance Objectives

The purpose of the assurance was to provide management of Sinochem International and stakeholders concerned with the company's sustainability information and performance with an independent view of the assurance, including assessment of whether the content of the report adhered to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and verification of sustainability information disclosure.

### Assurance Criteria

The following assessment criteria were used in undertaking the work:

- Global Sustainability Standards Board (GSSB) Sustainability Reporting Standards (GRI Standards 2021)
- Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reports (for Trial Implementation) and Self-Regulatory Guidelines for Listed Companies No. 4 – Preparation of Sustainability Reports
- State-owned Assets Supervision and Administration Commission of the State Council's "Guiding Opinions on the Fulfillment of Social Responsibility by Central Enterprises" and "Reference Index System for ESG Special Reports of Listed Companies Controlled by Central Enterprises"
- United Nations 2030 Sustainable Development Goals (SDGs)
- Ten principles of the United Nations Global Compact
- ISO 26000:2010 Guidelines for Social Responsibility

1



- Adherence to the AA1000 AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

### Methodology

Our assurance activities and procedures include:

- Inquiring management and those personnel responsible for collecting and aggregating sustainability performance information to understand the management processes, systems, and controls for sustainability performance information.
- Reviewing and assessing the availability, adequacy, and relevance of performance information based on sampling principles.
- Applying analysis program to assess the accuracy of the information available for performance data.
- Collecting and examining the supporting evidence of available performance information to assess the extent to which the relevant evidence and information related to the scope of the assurance in the sustainability report supports and adheres to the AA1000AP AccountAbility Principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

### Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon in order to obtain all the information, evidence and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3.

The information and performance data relating to the assurance is limited to the disclosure of the contents of this report. Our assurance work did not include financial report and its financial data, as well as other information not related to the topic of sustainability.

### Conclusions

Based on the above assurance procedures and methodology performed and the evidence obtained, we conclude that there are no instances or information that would be contrary to the following statements:

- 2024 Sustainability Report of Sinochem International and its contents are in adherence to the AA1000AP AccountAbility Principles and align with the information disclosure requirements of GRI Standards.
- Sinochem International has implemented processes and systems to collect and aggregate performance information and data related to materiality issues within the reporting boundary, and the company's management practices have also shown that the company conducted double materiality analysis and evaluation of issues.
- The sustainability-related information and performance disclosed in the report are evaluated and supported by documentary evidence, which truly reflected management practices of Sinochem International in the field of sustainable development.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on Sinochem International based on this Assurance Statement.

### Adherence to the AA1000AP AccountAbility Principles

#### Inclusivity

The key stakeholders identified by Sinochem International included governments and regulators, shareholders and investors, customers, suppliers, employees, communities, industry associations and partners, and scientific research institutions. Evidence indicated that in 2024, the company not only conducted a stakeholder questionnaire covering sustainability topics such as environmental compliance management, clean technology opportunities, occupational health and safety, and supply chain management, but also interacted with key functional departments and various stakeholder groups on key sustainability topics in its daily business activities. Sinochem International also analysed the results of the questionnaire survey and the communication feedback of stakeholder groups, which could provide a reference basis for the corporate's sustainable development strategy decision-making adjustment and management of achieving milestones.

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### Materiality

Evidence indicated that in 2024, Sinochem International conducted a double materiality analysis for the first time. Based on the analysis of the characteristics of the chemical industry, the new guidelines of the exchange, the sustainability standards, and the relevant requirements of ESG ratings, the company evaluated and prioritised the importance of the issues from the two dimensions of impact materiality and financial materiality, which also took into account the specific analysis results of the stakeholder questionnaire survey and the consultation of internal and external experts. The issue matrix chart showed the key issues (e.g., safety management, water management, corporate governance, supply chain management, climate change and carbon management) that are both impact materiality and financial materiality during the year. The Board of Directors of the Company reviewed and approved the results of the assessment of the above materiality issues.

### Responsiveness

Sinochem International's communication channels with its stakeholders mainly included participation in government policy research, regular information disclosure, customer service platform and satisfaction survey, grievance and reporting, supplier training and audits, employee training and satisfaction survey, participation in standard formulation, industry forums, community public welfare projects, etc. Evidence demonstrated that in 2024, Sinochem International has launched a report on response to climate change, and a fair competition guideline manual to respond to stakeholders' concerns in a timely manner.

This report disclosed data on the performance of key indicators (such as greenhouse gas emissions, energy consumption, pollutant emissions and waste, water performance, sustainable supply chain, labour and human rights, etc.), and the above KPI data are historically comparable. The report also disclosed targets in key ESG areas (such as energy intensity, complaint acceptance rate, etc.), progress against targets for the current year, and governance measures.

### Impact

Sinochem International's risk management framework and impact assessment covered risk areas such as procurement, environment and safety, supply chain, business ethics, human resources (labour and human rights), and compliance. Evidence showed that in 2024, the company actively implemented special risk management and control in major risk areas (such as scientific and technological innovation, information security, anti-corruption, etc.) in combination with operation management, compliance management and internal control systems.

The report disclosed an analysis of the impacts, risks and opportunities of material issues, including the impact cycle, affected stakeholders, as well as climate risk and opportunity analysis, supply chain carbon management (pilot), energy conservation and consumption reduction, and other measures to assess and manage sustainability-related impacts on their own operations and upstream and downstream of the value chain.

**Daniel Pan**

Technical Manager of Corporate Sustainability  
Services TÜV Rheinland (Shanghai) Co., Ltd  
Shanghai, China, 29 May 2025



**AA1000**  
Licensed Report  
000-555/V3-U4148

3



# Indicator Index Table

## GRI Standards

<b>Statement of use</b>	Sinochem International has reported the information cited in this GRI content index for the period from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
<b>GRI 1</b>	GRI 1: Foundation 2021

GRI Standards	Disclosure	Page Number	Remark
GRI 2: General Disclosures 2021			
2-1	Organization details	04-05	
2-2	Entities included in the organization's sustainability reporting	02	
2-3	Reporting period, frequency and contact point	02	
2-4	Restatement of information	not applicable	No information was restated during the reporting period
2-5	External assurance	100	
2-6	Activities, value chain and other business relationships	04-05, 76-77	
2-7	Employee	62	
2-8	Workers who are not employees	62	
2-9	Governance structure and composition	21-22	
2-10	Nomination and selection of the highest governance body	21-22	
2-11	Chair of the highest governance body	21-22	
2-12	Role of the highest governance body in overseeing the management of impacts	21-22	
2-13	Delegating responsibility for managing impacts	21-22	
2-14	Role of the highest governance body in sustainability reporting	24	
2-15	Conflict of Interest	For details, please refer to the "Sinochem International 2024 Annual Report"	
2-16	Communication of critical concerns	21-22	
2-17	Collective knowledge of the highest governance body	21-23	

GRI Standards	Disclosure	Page Number	Remark
2-18	Evaluation of the performance of the highest governance body	23	
2-19	Remuneration policies	23	
2-20	Process to determine remuneration	23	
2-21	Annual total compensation ratio	Confidentiality Restrictions	Disclosure limitations due to commercial confidentiality
2-22	Statement on sustainable development strategy	21, 24	
2-23	Policy commitments	21, 62	
2-24	Embedding policy commitments	11-13	
2-25	Processes to remediate negative impacts	28, 62-63, 68	
2-26	Mechanisms for seeking advice and raising concerns	62-63, 75	
2-27	Compliance with laws and regulations	33, 53	
2-28	Membership associations	11	
2-29	Approach to stakeholder engagement	14	
2-30	Collective bargaining agreements	63	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	15-19	
3-2	List of material topics	16	
Economy			
GRI 201: Economic Performance 2016			
3-3	Management of material topics	94	
201-1	Direct economic value generated and distributed	94	
201-2	Financial implications and other risks and opportunities due to climate change	46-47	
201-3	Defined benefit plan obligations and other retirement plans	For details, please refer to the "Sinochem International 2024 Annual Report"	
201-4	Financial assistance received from the government	For details, please refer to the "Sinochem International 2024 Annual Report"	
GRI 204: Procurement Practices 2016			
3-3	Management of material topics	79	
204-1	Proportion of spending on local suppliers	79	

GRI Standards	Disclosure	Page Number	Remark
<b>GRI 205: Anti-corruption 2016</b>			
3-3	Management of material topics	29	
205-1	Operations assessed for risks related to corruption	94	
205-2	Communication and training about anti-corruption policies and procedures	29	
205-3	Confirmed incidents of corruption and actions taken	29	
<b>GRI 206: Anti-competitive Behavior 2016</b>			
3-3	Management of material topics	30	
206-1	Legal actions against anti-competitive behavior, antitrust and antitrust practices	30	
<b>Environment</b>			
<b>GRI 301: Material 2016</b>			
3-3	Management of material topics	42	
301-1	Materials used by weight or volume	Missing/incomplete information	Statistics are not available yet, but are being gradually improved
301-2	Recycled input materials used	42, 50-51	
301-3	Reclaimed products and their packaging materials	42, 49-51	
<b>GRI 302: Energy 2016</b>			
3-3	Management of material topics	38	
302-1	Energy consumption within the organization	38	
302-2	Energy consumption outside of the organization	Missing/incomplete information	Statistics are not available yet, but are being gradually improved
302-3	Energy intensity	38	
302-4	Reduction of energy consumption	38-39	
302-5	Reductions in energy requirements of products and services	38-39	
<b>GRI 303: Water and Effluents 2018</b>			
3-3	Management of material topics	35, 40	
303-1	Interactions with water as a shared resource	40	
303-2	Management of water discharge-related impacts	35-36	
303-3	Water withdrawal	40	
303-4	Water discharge	35-36	
303-5	Water consumption	41	
<b>GRI 304: Biodiversity 2016</b>			




GRI Standards	Disclosure	Page Number	Remark
3-3	Management of material topics	48	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	48	
304-2	Significant impacts of activities, products and services on biodiversity	48	
304-3	Habitats protected or restored	48	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	48	
<b>GRI 305: Emissions 2016</b>			
3-3	Management of material topics	45-47	
305-1	Direct (Scope 1) GHG emissions	47	
305-2	Energy indirect (Scope 2) GHG emissions	47	
305-3	Other indirect (Scope 3) GHG emissions	Missing/incomplete information	Scope 3 greenhouse gas emissions have not yet been counted and are being gradually improved
305-4	GHG emission intensity	47	
305-5	Reduction of GHG emissions	39	
305-6	Emissions of ozone-depleting substances (ODS)	not applicable	There is no ODS emission in the company's operation and production process
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	37	
<b>GRI 306: Waste 2020</b>			
3-3	Management of material topics	35	
306-1	Waste generation and significant waste-related impacts	35-37	
306-2	Management of significant waste-related impacts	35-37	
306-3	Waste generated	36	
306-4	Waste diverted from disposal	37, 96	
306-5	Waste directed to disposal	37	
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
3-3	Management of material topics	76	
308-1	New suppliers that were screened using environmental criteria	76	
308-2	Negative environmental impacts in the supply chain and actions taken	76-78	
<b>Society</b>			
<b>GRI 401: Employment 2016</b>			
3-3	Management of material topics	62	
401-1	New employee hires and employee turnover	62	



GRI Standards	Disclosure	Page Number	Remark
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64	
401-3	Parental leave	Missing/incomplete information	The number of employees who enjoy parental leave has not yet been counted, and is being gradually improved
<b>GRI 403: Occupational Health and Safety 2018</b>			
3-3	Management of material topics	58	
403-1	Occupational health and safety management system	58	
403-2	Hazard identification, risk assessment and incident investigation	56, 58	
403-3	Occupational health services	58	
403-4	Worker participation, consultation and communication on occupational health and safety	53	
403-5	Worker training on occupational health and safety	54-58	
403-6	Promotion of worker health	58	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58	
403-8	Workers covered by the occupational health and safety management system	58	
403-9	Work related injuries	56	
403-10	Work-related ill health	58	
<b>GRI 404: Training and Education 2016</b>			
3-3	Management of material topics	69-70	
404-1	Average hours of training per year employee	71	
404-2	Programs for upgrading employee skills and transition assistance programs	69-71	
404-3	Percentage of employees receiving regular performance and career development reviews	71	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
3-3	Management of material topics	66	
405-1	Diversity of governance bodies and employees	67	
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality Restrictions	The company adheres to the principle of "equal pay for equal work" and is committed to creating equal and diverse workplace, which will be omitted due to confidentiality requirements
<b>GRI 406: Non-discrimination 2016</b>			

GRI Standards	Disclosure	Page Number	Remark
3-3	Management of material topics	68	
406-1	Incidents of discrimination and corrective actions taken	68	
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>			
3-3	Management of material topics	63	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	63-64	
<b>GRI 408: Child Labor 2016</b>			
3-3	Management of material topics	68	
408-1	Operations and suppliers with significant risk for incidents of child labor	68	
<b>GRI 409: Forced or Compulsory Labor 2016</b>			
3-3	Management of material topics	68	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	68	
<b>GRI 413: Local Communities 2016</b>			
3-3	Management of material topics	72	
413-1	Operations with local community engagement, impact assessments and development programs	72-73	
413-2	Operations with significant actual and potential negative impacts on local communities	72-73	
<b>GRI 414: Supplier Social Assessment 2016</b>			
3-3	Management of material topics	76	
414-1	New suppliers that were screened using social criteria	76	
414-2	Negative social impacts in the supply chain and actions taken	76-78	
<b>GRI 416: Customer Health and Safety 2016</b>			
3-3	Management of material topics	75	
416-1	Assessment of the health and safety impacts of product and service categories	75	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	75	
<b>GRI 418: Customer Privacy 2016</b>			
3-3	Management of material topics	31	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	31	

## Guidelines No.14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

Category	Issue	Corresponding Article	Page Number
 <b>Environment</b>	Climate Change Response	Articles 21 to 28	45-48
	Pollutant Emissions	Article 30	35-37
	Waste Disposal	Article 31	35-37
	Ecosystem and Biodiversity Conservation	Article 32	48
	Environmental Compliance Management	Article 33	33-34
	Energy Utilization	Article 35	38-39
	Water Resource Utilization	Article 36	40-41
	Circular Economy	Article 37	49-51
 <b>Society</b>	Rural Revitalization	Article 39	72
	Social Contribution	Article 40	72-73
	Innovation-driven	Article 42	85-90
	Science and Technology Ethics	Article 43	not applicable
	Supply Chain Security	Article 45	76-81
	Equal Treatment of Small and Medium-sized Enterprises	Article 46	The amounts of the company's accounts payable and notes payable at the end of the reporting period are detailed in the "Sinochem International 2024 Annual Report"
	Safety and Quality of Product / Service	Article 47	75, 83-84
	Data Security and Customer Privacy Protection	Article 48	30-31
 <b>Sustainable Development Related Governance</b>	Employee	Article 50	62-71
	Due Diligence	Article 52	14
	Stakeholder Communication	Article 53	14
	Anti-Commercial Bribery and Anti-Corruption	Article 55	28-29
	Anti-Unfair Competition	Article 56	30

## SASAC Reference Indicator System for ESG Special Reports of Central Enterprises Holding Listed Companies

Tier 1 Indicators	Tier 2 Indicators	Tier 3 Indicators	Page Number
Environment			
E1 Resource Consumption	E1.1 Water Resources	E1.1.1 Fresh water consumption	41
		E1.1.2 Circulating water consumption	41
		E1.1.3 Proportion of circulating water usage	41
		E1.1.4 Water resource consumption intensity	41
	E1.2 Materials	E1.2.1 Consumption of non-renewable materials	To be improved
		E1.2.2 Consumption of toxic and hazardous materials	To be improved
		E 1.2.3 Material consumption intensity	To be improved
	E1.3 Energy	E 1.3.1 Fossil energy consumption	38
		E 1.3.2 Non-fossil energy consumption	96
		E 1.3.3 Proportion of non-fossil energy use	38
		E1.3.4 Total energy consumption	96
		E1.3.5 Energy consumption intensity	38
	E1.4 Packaging Materials	E1.4.1 Amount of packaging materials used	To be improved
		E1.4.2 Lightweighting and reduction of packaging materials	51
E2 Pollution Prevention	E2.1 Wastewater	E2.1.1 Wastewater discharge compliance	37
		E2.1.2 Wastewater management and emission reduction measures	35-36
		E2.1.3 Wastewater discharge	37
		E2.1.4 Wastewater pollutant emissions	37
		E2.1.5 Wastewater pollutant discharge concentration	37
	E2.2 Exhaust Gas	E2.2.1 Waste gas emission compliance	36-37
		E2.2.2 Emissions of waste gas pollutants	96
		E2.2.3 Exhaust gas pollutant emission concentration	37
	E2.3 Solid Waste	E2.3.1 Compliance with laws and regulations for solid waste disposal	36
		E2.3.2 General industrial solid waste management	35-36
		E2.3.3 Amount of general industrial solid waste disposed	37
		E2.3.4 Hazardous waste management	35-36
		E2.3.5 Hazardous waste disposal volume	37



Tier 1 Indicators	Tier 2 Indicators	Tier 3 Indicators	Page Number
E3 Climate Change	E3.1 Greenhouse Gas Emissions	E3.1.1 Sources and types of greenhouse gases	47
		E3.1.2 Greenhouse gas emission management	45-47
		E3.1.3 Scope 1 emissions	47
		E3.1.4 Scope 2 emissions	47
		E3.1.5 Scope 3 emissions	To be improved
		E3.1.6 Greenhouse gas emission intensity	47
	E3.2 Emission Reduction Management	E3.2.1 Greenhouse gas emission reduction management	38-39, 48
		E3.2.2 Greenhouse gas emission reduction	38-39
	E3.3 Environmental Rights Trading	E3.3.1 Participation in the carbon emission trading market	48
		E3.3.2 Participation in the energy rights, water rights and pollution rights trading market	For details, please refer to the "Sinochem International 2024 Annual Report"
		E3.3.3 Participation in green electricity trading	39
	E3.4 Climate Risk Management	E3.4.1 Climate risk management	46-47
E4 Biodiversity	E4.1 Impacts of Production, Services and Products on Biodiversity	E4.1.1 Impacts of production, services and products on biodiversity	48
E5 Resource and Environmental Management	E5.1 Low-carbon Development Goal Formulation and Strategic Measures	E5.1.1 Low-carbon development goal formulation and strategic measures	46-47
		E5.2.1 Water resources use management	40-41
	E5.2 Resource Management Measures	E5.2.2 Material usage management	42
		E5.2.3 Energy use and energy conservation management	38-39
	E5.3 Statistical Monitoring and Assessment Reward and Punishment System for Energy Conservation and Carbon Reduction	E5.3.1 Energy conservation and carbon reduction monitoring, statistical reporting and assessment system	38-39
		E5.4.1 Clean production	38-39
	E5.4 Environmental Protection Actions and Measures	E5.4.2 Green technology transformation and recycling	49-51
		E5.4.3 Green building renovation	43-44
		E5.4.4 Green office and operation	39
		E5.4.5 Green procurement and green supply chain management	79
		E5.4.6 Environmental protection charity activities	72-73
	E5.5 Green and Low Carbon Certification	E5.5.1 Environmental management system certification	33

Tier 1 Indicators	Tier 2 Indicators	Tier 3 Indicators	Page Number
	E5.5 Environmental Management System Certification	E5.5.2 Green and low-Carbon enterprise certification	49
		E5.5.3 Green and low-carbon product and service certification	49
	E5.6 Legal Compliance in the Field of Environment	E5.6.1 Emergency plan for sudden environmental incidents	34
		E5.6.2 Illegal and irregular events in the environmental field	33
Society			
S1 Employee Rights and Benefits	S1.1 Employee Recruitment and Employment	S1.1.1 Enterprise recruitment policy and implementation	62
		S1.1.2 Staff structure	62, 67
		S1.1.3 Avoid child labor or forced labor	68
	S1.2 Employee Compensation and Benefits	S1.2.1 Salary philosophy and policy	64
		S1.2.2 Working hours and rest periods	64
		S1.2.3 Salary and welfare benefits	64
		S1.2.4 Democratic management of employees	63-64
	S1.3 Employee Health and Safety	S1.3.1 Employee occupational health and safety management	58
		S1.3.2 Employee safety risk prevention and control	53-56
		S1.3.3 Response to safety accidents and work-related injuries	56-58
		S1.3.4 Care and support for employees	64-68
	S1.4 Employee Development and Training	S1.4.1 Employee incentive and promotion policy	69, 71
		S1.4.2 Employee education and training	70-71
		S1.4.3 Employee career planning and posts change support	69-71
	S1.5 Employee Satisfaction	S1.5.1 Employee Satisfaction Survey	63
		S1.5.2 Labor disputes	62
		S1.5.3 Employee turnover	62
S2 Product and Service Management	S2.1 Product Safety and Quality	S2.1.1 Production standard management policies and measures	83-84
		S2.1.2 Quality management	83-84
		S2.1.3 Product recall and withdrawal	75
		S2.1.4 Negative product or service events	75
	S2.2 Customer Service and Rights	S2.2.1 Customer satisfaction	75
		S2.2.2 Customer complaints and handling	75
		S2.2.3 Customer information and privacy protection	31

Tier 1 Indicators	Tier 2 Indicators	Tier 3 Indicators	Page Number
S3 Supply Chain Security and Management	S2.3 Innovation and Development	S2.3.1 R&D and innovation management system	85-87
		S2.3.2 R&D investment	86
		S2.3.3 Innovative achievements	87
		S2.3.4 Intellectual Property Protection	88
	S3.1 Supplier Management	S3.1.1 Supplier selection and management	76-77
		S3.1.2 Number and distribution of suppliers	76
	S3.2 Supply Chain Management	S3.2.1 Supply chain management policies and measures	76-77
		S3.2.2 Supply chain security assurance and emergency response plan	76-77
		S3.2.3 Significant risks and impacts (supply chain)	76-77
	S4 Social Contribution	S4.1 Tax Payment Status	S4.1.1 Tax payment
S4.2 Community Co-construction		S4.2.1 Policies and measures for participating in local community construction	72-73
		S4.2.2 Contribution and impact on local communities	72-73
S4.3 Social Welfare Activities		S4.3.1 Policy measures for participating in social welfare activities	72-73
		S4.3.2 Investment and effectiveness in participating in social welfare activities	73
		S4.3.3 Barrier-free environment construction	66
S4.4 National Strategy Response		S4.4.1 Industrial transformation	89-90
		S4.4.2 Rural Revitalization and Regional Coordinated Development	72
		S4.4.3 The Belt and Road Initiative and overseas responsibilities	73
		S4.4.4 Industry characteristics and other social responsibility performance	49-51, 59-60, 80-81
Corporate Governance			
G1 Governance Strategy and Process	G1.1 Governance Strategy and Process	G1.1.1 Governance strategy formulation	08-09, 22
		G1.1.2 Governance strategy supervision process	08-09, 22
		G1.1.3 Governance strategy approval and review process	08-09, 22
		G1.1.4 Party building leadership	25
	G1.2 Organizational Structure and Functions	G1.2.1 Ownership responsibilities	21-23
		G1.2.2 Organizational structure and functions of the board of directors, board of supervisory and management	21-23
		G1.2.3 Appointment procedures and composition of the board of directors, board of supervisory and management	21-23
	G1.3 Salary Management	G1.3.1 Remuneration plan for directors and supervisors	23
		G1.3.2 Transparency of board remuneration	23
		G1.3.3 Reasonableness of management remuneration	23

Tier 1 Indicators	Tier 2 Indicators	Tier 3 Indicators	Page Number
G2 Standardized Governance	G2.1 Internal Control	G2.1.1 Internal audit	27
		G2.1.2 Internal control structure, mechanism and process	27
	G2.2 Integrity Construction	G2.2.1 Integrity building system norms	28-29
		G2.2.2 Effectiveness of integrity building measures	28-29
	G2.3 Fair Competition	G2.3.1 Fair competition system norms	29
		G2.3.2 Effectiveness of fair competition measures	29
G3 Investor Relations Management and Shareholders' Rights	G3.1 Investor Relations Management	G3.1.1 Investor relations management strategy	24
		G3.1.2 Investor communication	24
		G3.1.3 Establishment of investor relations management department	24
	G3.2 Shareholders' Equity	G3.2.1 Shareholders' Meeting	23
		G3.2.2 Communication with shareholders	21, 23-24
		G3.2.3 Shareholders' right to know and participate in decision-making	23-24
	G3.3 Creditor Rights	G3.3.1 Credit status	24
		G3.3.2 Bond Market Performance	24
G4 Transparency of Information Disclosure	G4.1 Information Disclosure System	G4.1.1 Disclosure of financial information	24
		G4.1.2 Disclosure of non-financial information	24
	G4.2 Quality of Information Disclosure	G4.2.1 Regular monitoring, audit and evaluation for all disclosed information	24
G5 Compliance Operation and Risk Management	G5.1 Compliance Operation	G5.1.1 Compliance operation system	26
		G5.1.2 Compliance system construction	26
		G5.1.3 Specific process of compliance review	26
	G5.2 Risk Management	G5.2.1 Risk identification and early warning	27
		G5.2.2 Risk control and tracking	27
		G5.2.3 Risk reporting and management	27



## Feedback Form

Thank you for reading the "Sinochem International 2024 Sustainability Report". We value and look forward to hearing your feedback on the company's sustainability efforts and this Sustainability Report. Your opinions and suggestions help us continuously improve the disclosure standards of sustainable development and promote sustainable development management and practices. You could fill out the form below and send us feedback by post or email. We welcome and sincerely appreciate your valuable comments!

### Your overall impression of this report.

☐ Very Good    ☐ Good    ☐ Average    ☐ Slightly Poor    ☐ Poor

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### Information you are concerned about that is not reflected in this report:

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