

2023

Environmental, Social, and Governance Report





About the Report

This is the second Environmental, Social, and Governance (ESG) Report issued by Sinochem Hong Kong (Group) Co., Ltd., which is aimed to respond to stakeholders' expectations and demonstrate the Company's philosophy, management, actions, and achievements in ESG and sustainable development. This section introduces the report's basis of preparation, time frame, report scope, source of data, references, and access.

Basis of Preparation

This report is primarily guided by the requirements of the *Global Reporting Initiative (GRI) Standards* issued by the Global Sustainability Standards Board (GSSB) and the United Nations Sustainable Development Goals (SDGs) and based on the status of the Company.

Time Frame

This report covers the period from 1 January, 2023, to 31 December, 2023, and backtracks and extends for some content beyond the period to ensure information continuity.

Report Scope

The information and data disclosed in this report cover Sinochem Hong Kong (Group) Co., Ltd. Unless otherwise specified, all data and information in this report concern only Sinochem Hong Kong (Group) Co., Ltd. but not its subsidiaries. To avoid ambiguity, the organisational scope to which the data and information in relation to Sinochem Hong Kong (Group) Co. Ltd. and its subsidiaries apply is expressly indicated in the report.

Source of Data

All information and data in this report are cited from the Company's official documents, statistical reports, and financial statements, as well as the ESG information collected, collated, and reviewed by the Company. The report is published in both Simplified Chinese, and English. In the event of inconsistencies, the Simplified Chinese, version shall prevail. Unless otherwise stated, the currency is measured in RMB Yuan.

References

For the convenience of representation and reading, Sinochem Hong Kong (Group) Co., Ltd. is referred to as "Sinochem HK", the "Company", and "we/us"; Sinochem Holdings Corporation Ltd. is referred to as "Sinochem Holdings"; and China Jinmao Holdings Group Limited, an operating subsidiary of Sinochem HK, is referred to as "China Jinmao".

Access

This report can be downloaded and browsed on the site of Sinochem HK (<http://hk.sinochem.com/hken/30559.html>).

Contents

About the Report	01
Message from the Chairman	04
About Sinochem HK	06

Sustainability Management

Sustainable Development Strategy	09
ESG Governance Structure	12
Communication with Stakeholders and Material Issues	13
ESG Performance Highlights	16

Appendices

GRI Content Index	74
List of ESG Policies and Systems	78
ESG Performance Indicators	80
Reader's Comment and Feedback	83

1 Business Compliance: Consolidating the Development Foundation

Corporate Governance	20
Anti-corruption and Promoting Integrity	22
Internal Control and Compliance	25
Cybersecurity	30
Supply Chain Management	31

2 Environmental Friendliness: Sharing a Green Future

Green Buildings	38
Green Operations	44
Environment Management	47
Responding to Climate Change	50

3 Talent-Driven Growth: Co-Creating a Blueprint for Development

Diversity and Integration	54
Employee Development	56
Employee Care	58
Occupational Health and Safety	58

4 Community Collaboration: Creating a Better Life

Urban Renewal	70
Community Engagement	73

Message from the Chairman



The year 2023 marks the first year of fully implementing the spirit of the 20th CPC National Congress. This period serves as a bridge between our past achievements and our future ambitions. As a core part of Sinochem Holdings' global strategy, Sinochem HK continues to innovate amidst times of change, playing a vital role in this transformation.

Since its inception, Sinochem HK has performed management in environmental protection, safety development, and social responsibility strictly in line with Sinochem Holdings' sustainable development philosophy of "Three Compatibility" and "Three Integration" to expand internationally and continuously strengthen our core competitiveness. Through our direct subsidiary, China Jinmao, we actively implement Sinochem Holdings' strategic vision for urban operations. Additionally, we have established a series of sustainable development policies to fulfil our investment management and oversight responsibilities in areas such as setting and achieving green building targets and ensuring healthy, safe operations. These efforts further solidify Sinochem Holdings' leadership as a leading urban operator and a provider of green building technology services.

Staying Compliant for Steady and Further Progress

In corporate governance, we are committed to upholding the fundamental principles of standardization, transparency, and efficiency. We continually enhance our governance structure, strengthening internal controls and risk management systems. Guided by Sinochem Holdings' governance policies and standards, we have established a clear, compliant, and efficient governance system, with the Board of Directors at its core. Furthermore, we prioritize business ethics and anti-corruption management, strictly complying with anti-bribery laws and regulations. We have developed a "zero-tolerance" policy and conduct regular legal training to foster a clean and ethical corporate environment.

Green Development for Ecological Harmony

In environmental protection, we promote green office practices and advance green leasing initiatives aimed at empowering sustainable urban development. Through our investment and financing endeavors, we support our subsidiary China Jinmao in developing green buildings, conserving ecosystems, and addressing climate change. These measures enhance regional functionality and contribute to vibrant, sustainable urban areas, providing the public with safe, comfortable, and eco-friendly living environments. In 2023, China Jinmao added 1.355 million square meters of green building-certified area, with 100% of its new projects meeting green building standards. Moreover, China Jinmao introduced nine new green-certified projects and obtained 11 new green building certifications and labels, bringing the total number of certifications and labels to 308. The total building area that meets green certification design requirements has reached 30.994 million square meters.

Inclusive Collaboration and Collective Efforts for Safety

In talent development, we have established a scientific decision-making and incentive mechanism that inspires employees' enthusiasm, initiative, and creativity. By actively promoting our corporate culture, we foster a strong atmosphere of unity, perseverance, innovation, contribution, and responsibility. Furthermore, we prioritize employee health and safety. Guided by Sinochem Holdings' "Global HSE Leader" strategy, we continuously improve our occupational health and safety management system. Through regular assessments and occupational health and safety awareness initiatives, we have achieved and maintained a "zero work-related fatalities" and "zero serious work-related injuries" record, successfully meeting our "Four Zeros Target."

Mission of Good Deeds for Journey of Warmth

In fulfilling our social responsibility, we remain committed to our corporate mission by addressing important topics such as flexible land use and urban renewal. We actively support China Jinmao in promoting sustainable community development through key projects like Jinhua Jinmao Future Science City and Shanghai Hengmian Horizon Yards Urban Renewal. In community care, we have issued the Sinochem HK Community Management Policy, and are dedicated to social welfare activities in areas such as the economy, education, healthcare, and the environment, continuously enhancing the well-being of community residents. In 2023, we invested RMB 5.11 million in charitable activities, with employees participating in volunteer activities for a total of 364 hours.

Reflecting on our achievements, we have made significant strides in areas such as investment and financing, corporate governance, environmental management, and social responsibility. Looking ahead, we are confident and optimistic. We believe that in the context of global economic integration, we will consistently uphold Sinochem Holdings' spirit of dedication and enterprise for the new era, consistently enhance our ESG system, and contribute even more to global sustainable development and social progress.



About Sinochem HK

In 2023
The operating revenue of
Sinochem Hong Kong Group is

74.604 billion yuan

among

99% from Jinmao, China

Holding China Jinmao

38.05% equity

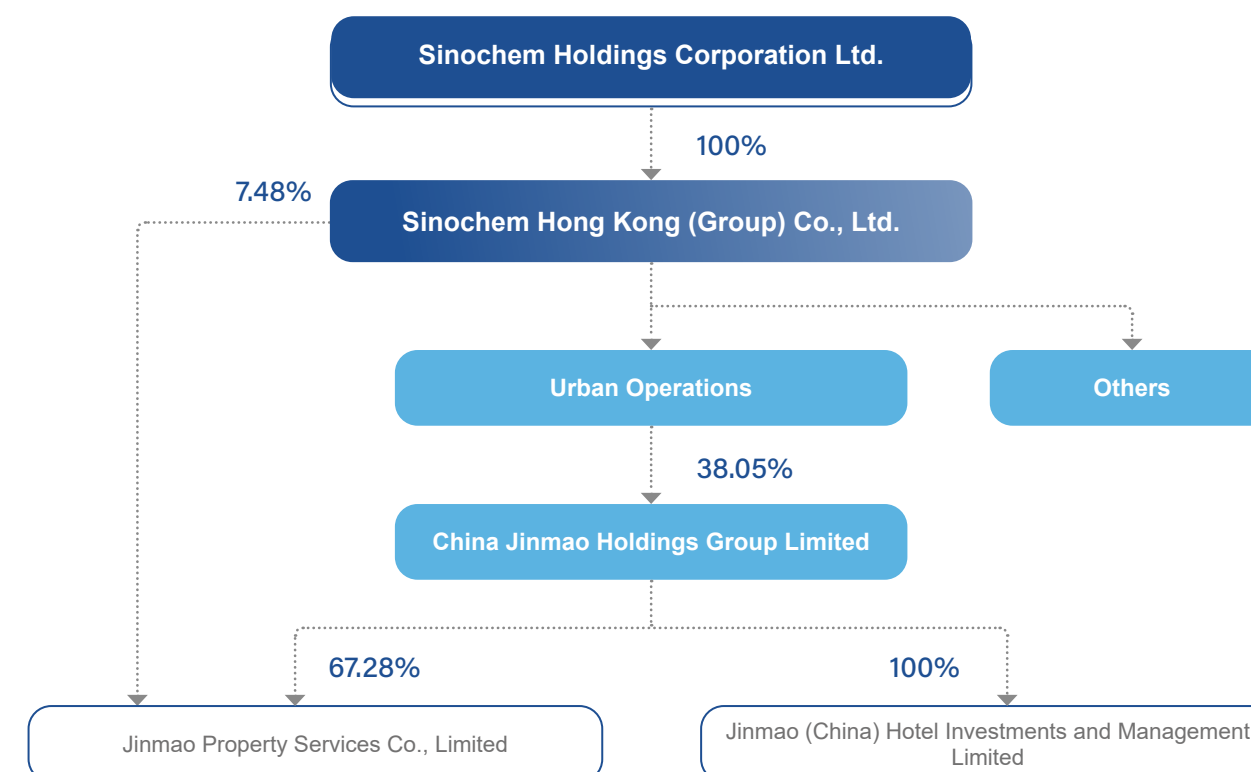
Sinochem Hong Kong (Group) Co., Ltd. (Sinochem HK), registered and founded in Hong Kong in 1989, has a registered capital of about HKD 24.468 billion and is indirectly 100% owned by Sinochem Holdings Corporation Ltd. (Sinochem Holdings). As Sinochem Holdings' flagship platform for overseas investment and holding and primary platform for executing business strategy, Sinochem HK undertakes the responsibilities of offshore financing, equity investment, global centralised fund management, and asset management. Some of Sinochem HK's main subsidiaries include China Jinmao Holdings Group Limited (00817.HK), Sinochem Europe Holdings PLC, Sinochem Asia Group (Co.) Ltd., Sinochem International Oil (Hong Kong) Co., Ltd., and Sinochem Overseas Trading Co., Ltd. Among them, China Jinmao, an operating subsidiary directly owned by Sinochem HK, is mainly engaged in city operations, property development, and hotel operations. Its main business constitutes Sinochem HK's major operating revenue source.

Sinochem Holdings was established through the joint restructuring of Sinochem Group Co., Ltd. and China National Chemical Corporation Ltd. on 8 May, 2021. It is now a key state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and has a workforce of 220,000. With operations in eight business sectors (life science, materials science, petrochemicals, environmental science, rubber and tire, machinery and equipment, urban operations, and industrial finance), Sinochem Holdings owns 16 companies listed in China or overseas, including Jiangsu Yangnong Chemical Co., Ltd. (600486.SH), ADAMA Ltd. (000553.SZ), Adisseo (600299.SH), Sinochem International Corporation (600500.SH), Luxi Chemical Group Co., Ltd. (000830.SZ), Haohua Chemical Science & Technology Corp., Ltd. (600378.SH), Elkem (ELK.OL), Pirelli (PIRC.MI), and China Jinmao (00817.HK), as well as production bases and research and development (R&D) facilities in over 150 countries and regions.

Sinochem HK is Sinochem Holdings' overseas investment and holding subsidiary and one of the primary overseas platforms for executing Sinochem Holdings' business strategy. Sinochem HK actively undertakes the responsibilities of offshore financing, offshore equity investment, global centralised fund management, and asset management. Sinochem HK integrates Sinochem Holdings' ESG goals and philosophy into its management and operations and continuously improves its ESG management system. By enhancing interactions with stakeholders, it promotes the harmony among the Company, the environment, and society and continues to improve its sustainability capabilities.

In 2023, Sinochem HK's operating revenue was RMB 74.604 billion, 99% of which was from China Jinmao. As China Jinmao's largest single shareholder, Sinochem HK holds a 38.05%² stake in China Jinmao. Moreover, the Company executes Sinochem Holdings' guiding strategy for urban operations and performs investment management functions through China Jinmao. Sinochem HK has introduced several sustainable development policies, which are considered guiding principles for all its subsidiary companies, including China Jinmao. It fulfils the responsibilities of investment management and oversight in green building target setting and implementation as well as healthy and safe operations to ensure the green and sustainable development of Sinochem Holdings' urban operations business.

Sinochem HK's Shareholding Structure



¹ Cited from Sinochem HK's audited financial statements for 2023 (<http://hk.sinochem.com/Portals/196/Uploads/Files/2024/6-24/638548333781512368.pdf>). An average exchange rate of RMB 0.9040/HKD is used. The exchange rate is calculated based on the State Administration of Foreign Exchange (SAFE)'s RMB central parity rate.

² This data originated from September 2024.

Sustainability Management

At Sinochem HK, we consider sustainability management as a critical lever for our growth, integrating sustainable development strategy into our daily operations. We are committed to the sustainable development philosophy and maintain a strong focus on ESG governance. Our robust ESG framework is designed to facilitate high-quality growth. Additionally, we maintain active communication with stakeholders, actively listening to diverse perspectives to foster collaborative development with them.

Sustainable Development Strategy

Sinochem HK regards sustainable development as the driving force behind its growth and progress and a key element of its core competitiveness. We have integrated the sustainable development philosophy into our mission, culture, and values, ensuring that all management practices are aligned with our sustainability strategy, thereby underscoring our commitment to sustainable development.

Guided by the United Nations (UN) Sustainable Development Goals (SDGs) outlined in the 2030 Agenda for Sustainable Development, Sinochem HK has formulated a sustainable development strategy and integrated into its overall strategic planning. In fulfilling our corporate mission, we are committed to social responsibility, actively contributing to the sustainable development of society as a whole.

Responding to UN SDGs



As Sinochem Holdings' key platform for offshore financing, investment, and asset holding, Sinochem HK actively undertakes the responsibilities of offshore financing, offshore equity investment, global centralised fund management, and asset management. In line with Sinochem Holdings' sustainable development vision, Sinochem HK is committed to fulfilling its corporate citizenship. While pursuing its mandate within the Corporation, Sinochem HK has been promoting sustainable economic, social, and environmental development and enhancing people's well-being.

Sinochem Holdings' sustainable development philosophy

Three Compatibility

- Compatible with international development trends in social responsibility
- Compatible with the fundamental situation in China
- Compatible with the development needs of Sinochem

Responsibility Concept

Three Integration

- Integrated into the corporate mission, culture and values
- Integrated into the operation and management activities of each business segment
- Integrated into the communication process with various stakeholders

To become a great and respectful conglomerate with global presence

Sinochem HK's sustainable development principles

For People's Better Life

Sinochem HK endeavors to promote the general development of society and meet people's aspirations for better life through its own corporate growth. Investment and financing businesses of Sinochem HK are integrated into the development strategy and plan of the country, which directs capital into the projects, deepening industrial transformation and advocating sustainable development. As one of the first batch of sixteen SOEs approved by the State-owned Assets Supervision and Administration Commission (SASAC) to be engaged in the real estate business, China Jinmao, a Sinochem HK's directly owned and controlled subsidiary, is dedicated to optimising city planning, improving regional functions, unleashing city vitality and promoting city upgrading.

For Safety and Environment

Sinochem HK adheres to the vision of "sustainable development with excellent HSE performance and winning the trust of its stakeholders, the industry and the community". It achieves this by integrating occupational health, safety production and environmental protection throughout its implementation of sustainable development strategy. Adopting green strategy as one of the key strategies, China Jinmao continues to upgrade three areas, namely "eco-city", "life building", and "zero-carbon operations", so as to build the "Ever Green Quality" living model. China Jinmao covers the whole process, including design, construction and operation, with a view of establishing itself as a model of green city operation in China.

For Community

Sinochem HK strives to drive employment and improve people's livelihood through its production and operations, and contribute to local economic and social development. Sinochem HK continuously participates in public welfare to improve local economic, educational, medical and environmental conditions. Sinochem HK also exerts efforts on public welfare and charitable activities to enhance people's well-being. Sinochem HK encourages and supports staff to engage in volunteer activities to show their care. Its subsidiary China Jinmao actively engages in community development and contributes to public welfare by upholding the development philosophy of "what is taken from society is used in society" to contribute to the development of a harmonious community.

For Employees

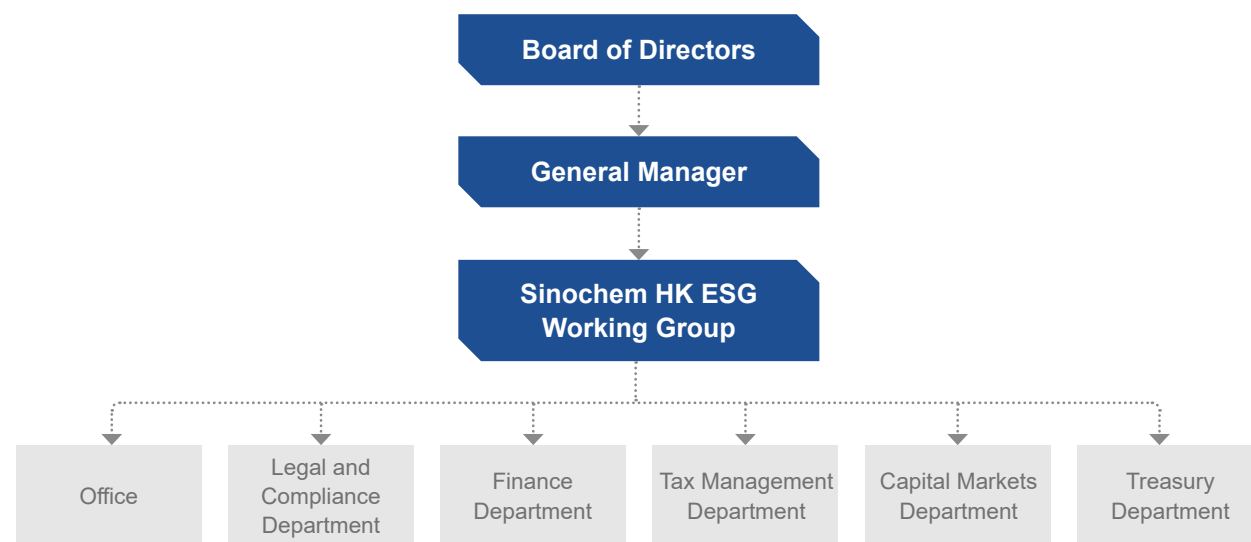
Sinochem HK considers its staff as the key force of corporate growth. It strictly obeys labor laws and regulations, and respects the legitimate rights and interests of its staff while safeguarding its employees' safety and occupational health. Sinochem HK insists on equal employment, attaches great importance to the construction and improvement of its talent team, provides rich and diverse training, and constantly improves its incentive and promotion mechanism. Sinochem HK creates value, scientifically evaluates the value and reasonably distributes the value. Sinochem HK fully mobilises the enthusiasm and creativity of its talents, striving to realise the free and full development of its staff. Sinochem HK cares for its staff, encourages diversified and inclusive corporate culture and creates a "fair, enterprising and harmonious" corporate atmosphere, promoting its common growth with its staff.

For Cooperators

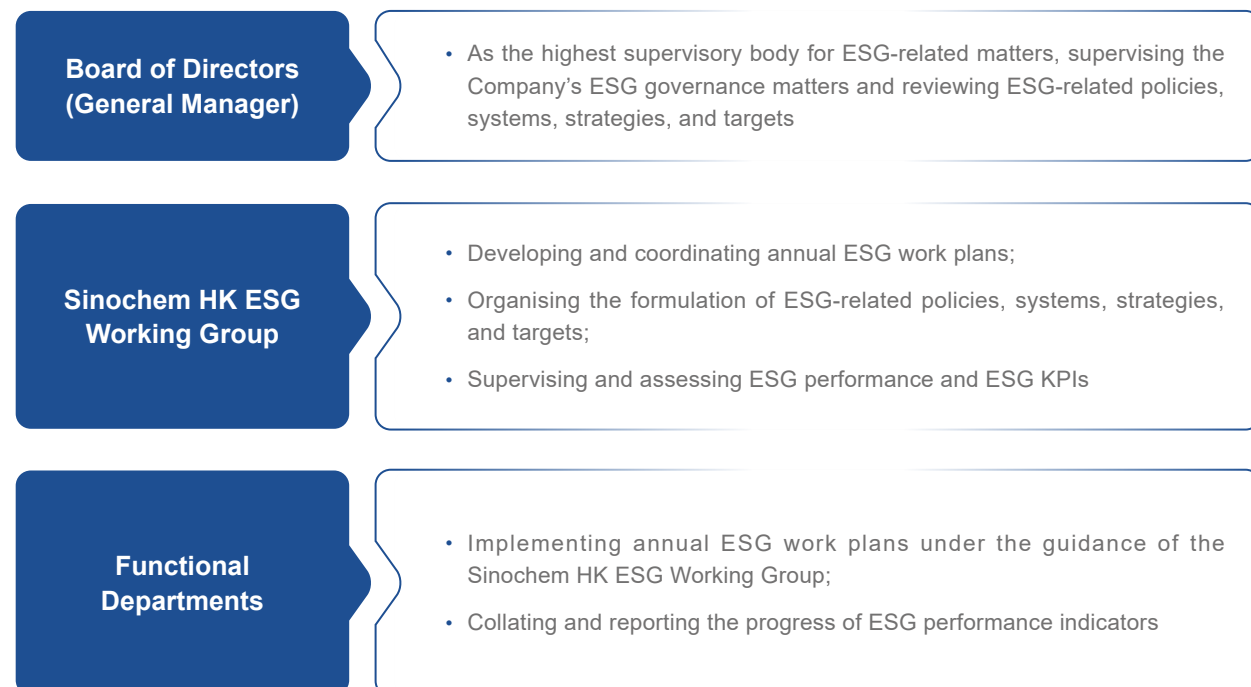
Aiming at satisfying its customers, Sinochem HK creates values for customers. It accomplishes this with value-added services, and seeks to enrich the content and enhance its capabilities to achieve a win-win development with its customers. Sinochem HK attaches great importance to its cooperation with the government, enterprises, financial institutions, research institutes, suppliers, and etc. actively participates in and promotes industrial exchanges, and pools resources and strengths from various channels. By building a global industry resource platform, Sinochem HK drives partners to work and advance together for industrial progress and regional economic development. Sinochem HK advocates for its partners to fulfil social responsibility and pursue a win-win and sustainable development.

ESG Governance Structure

Sinochem HK continuously advances the development of its ESG management system, leveraging its influence to promote the healthy development of both the industry and society. To effectively develop and implement the Company's sustainable development strategies, we have established a multi-tiered ESG governance structure in line with Sinochem Holdings' ESG management regulations and measures. This structure places the Board of Directors as the primary leadership body, with the Sinochem HK ESG Working Group at its core, supported by functional departments responsible for execution and implementation. This systematic approach ensures the effective advancement and implementation of our ESG initiatives.



Sinochem HK's ESG governance structure



Communication with Stakeholders and Material Issues

Sinochem HK remains attentive to the concerns and demands of internal and external stakeholders. We continuously refine our regular, multi-channel communication mechanism, which enables us to respond promptly and efficiently to stakeholder expectations and feedback. This approach helps us meet their needs while fostering mutually beneficial relationships.

Communication Mechanism with Stakeholders

Stakeholder	Expectations and Demands	Communication and Response
 Governments/regulators	<ul style="list-style-type: none"> Operations in compliance with laws and regulations Paying taxes in accordance with the law Boosting economic growth Supporting local development 	<ul style="list-style-type: none"> Information disclosure Regular communication and reporting Visit reception Government surveys and supervision
 Shareholders	<ul style="list-style-type: none"> Enhancing profitability Improving organisational structure Performing information disclosure 	<ul style="list-style-type: none"> General meetings of shareholders Periodic reports and announcements Investor communication meetings
 Customers	<ul style="list-style-type: none"> Business integrity Information disclosure Premium quality 	<ul style="list-style-type: none"> Customer satisfaction surveys Periodic customer communication events Official website and social media interactions
 Employees	<ul style="list-style-type: none"> Protecting rights and interests Career development and training Occupational health and safety Employee care activities 	<ul style="list-style-type: none"> Employee satisfaction surveys Performance management Internal and external training Employee care activities
 Environment	<ul style="list-style-type: none"> Reasonable use of resources Ecological restoration Energy conservation and emission reduction Advocating a green lifestyle 	<ul style="list-style-type: none"> Environmental data disclosure Periodic publication of ESG reports Promotion of low-carbon awareness
 Suppliers and partners	<ul style="list-style-type: none"> Business integrity Just, fair, and open procurement Win-win cooperation Promoting industry development Sustainable development of the supply chain 	<ul style="list-style-type: none"> Open tendering On-site audits Supplier conferences Business conferences Supplier support and cooperation
 Communities	<ul style="list-style-type: none"> Community engagement Promoting employment Minimizing environmental impacts Community services and public welfare 	<ul style="list-style-type: none"> Volunteering services Support for cultural and sports events Participation in community development
 Media	<ul style="list-style-type: none"> Good cooperation Compliance in promotion 	<ul style="list-style-type: none"> Press releases Media interviews

Determination of Material Issues

Sinochem HK prioritises the identification and management of key ESG issues. We regularly engage with stakeholders to collect feedback and insights on material ESG issues. In 2023, we conducted a comprehensive identification, review and assessment of material ESG issues, and subsequently updated the materiality matrix for 2023. The steps for the materiality assessment are as follows:

Identification

We conduct a comprehensive review of key ESG matters and stakeholder concerns, drawing on national policies and industry ESG disclosure trends, to refine our list of ESG issues.

Assessment

We analyse and prioritise these ESG issues from two perspectives: "Importance to the sustainable development of the Company" and "Importance to stakeholders". This assessment culminates in the creation of the 2023 ESG materiality matrix, with the most critical issues highlighted in the report.

During the reporting period, Sinochem Hong Kong Group conducted in-depth analysis and identified a total of

16 ESG issues

among

4 highly important issues

During the reporting period, we conducted an in-depth analysis and identified a total of 16 ESG issues, with 4 deemed highly important. This report will focus on these 4 key issues, providing detailed information to showcase our progress and commitment in these critical areas.



Distribution of Material Issues

Importance	Category	Issue
High importance	Social issue	Health and safety
	Environmental issue	Green operations
	Governance issue	Business ethics and anti-corruption
	Environmental issue	Green building development
Medium importance	Governance issue	Compliance and risk management
	Social issue	Employee rights, interests, and well-being
	Governance issue	Cybersecurity and privacy protection
	Governance issue	Supply chain management
	Social issue	Employee training and development
	Environmental issue	Emissions management
	Environmental issue	Climate change and carbon emissions
	Social issue	Community development and integration
Low importance	Social issue	Diversity, equality, and inclusion
	Social issue	Protection of intellectual property rights
	Social issue	Community welfare
	Environmental issue	Biodiversity



ESG Performance Highlights

Governance

Business Performance

Total operating revenue

RMB **7,460.4** million

Net profit

RMB **434.85** million

Total assets

RMB **50,847.80** million

Anti-corruption

Number of major complaint cases investigated and validated

0

Coverage of compliance responsibility statement signing

100%

Number of concluded corruption lawsuits

0

Network Security

Coverage of personal cybersecurity commitment signing

100%

Environmental

Green-building-certified projects newly obtained

9

Newly added green-building-certified area

1,355,000 m²

Gross floor area (GFA) of projects that meet green label design requirements

30,994,000 m²

Green building certifications and labels newly obtained

11

Accumulated green building certifications and labels

308

Social

Employee

Percentage of female employees in senior level management

40%

Percentage of female employees in middle level management

50%

Percentage of female employees

72.2%

Health and Safety

Cases of work-related injuries

0

Lost working hours due to work-related injuries

0

Supplier work-related injury cases

0

Coverage of employee training

100%

Attendance to the FORUS system training

100%

Awareness of the core values and management
Average safety training hours per employee elements of the FORUS system

100%

Average safety training hours per employee

12

Community Welfare

Invested in public welfare and philanthropic activities

RMB **5.11** million

The total duration of participation in public welfare volunteer activities was

364 hours

Awarded the Silver Award for Volunteer Service (Groups) from the Hong Kong Chinese Enterprises Association (HKCEA)

Sinochem HK Ratings

Time

2023

Rating

- Morningstar Sustainalytics⁴ ESG rating: 12.9; Low risk
- Sinochem HK ranked 5th among nearly 300 assessed companies in the real estate development category worldwide.

2024

- Morningstar Sustainalytics ESG rating: 11.1; Low risk

³ Cited from Sinochem HK's audited financial statements for 2023 (<http://hk.sinochem.com/Portals/196/Uploads/Files/2024/6-24/638548333781512368.pdf>). An average exchange rate of RMB 0.9040/HKD is used. The exchange rate is calculated based on the State Administration of Foreign Exchange (SAFE)'s RMB central parity rate.

⁴ The rating is based on a percentage scale, where the lower the score, the lower the risk. The range of 0-10 is the negligible risk level; 10-20, low risk; 20-30, medium risk; 30-40, high risk; and 40 or more, severe risk.

01

Business Compliance: Consolidating the Development Foundation

Sinochem HK consistently upholds the business principle of integrity, adhering to the highest standards of ethics and placing a strong emphasis on risk control. We continuously improve our corporate governance and risk management systems to ensure they are both effective, compliance-oriented, and supportive of further enhancements of our governance and risk management capabilities as well as our long-term stability and sustainability. Additionally, we actively collaborate with our suppliers to build a sustainable supply chain together.



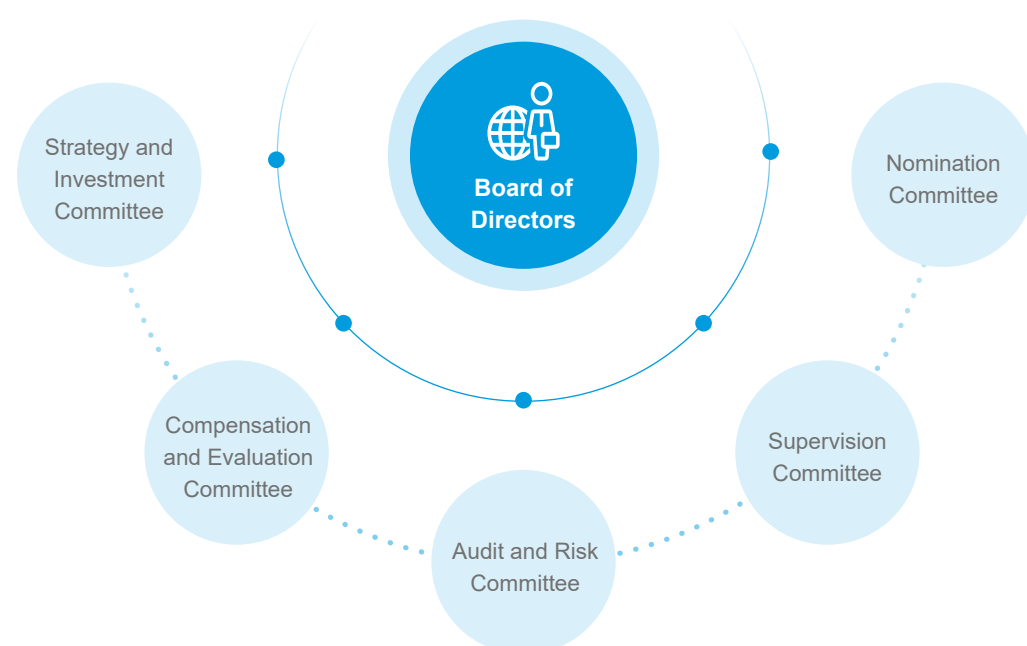
Corporate Governance

A robust corporate governance mechanism is the cornerstone of a company's long-term stability and growth. As a company wholly owned and directly managed by Sinochem Holdings, Sinochem HK strictly complies with Sinochem Holdings' governance policies and regulations in its governance system to ensure that its regulations on organisational structure, decision-making hierarchy, division of powers and responsibilities are in line with those of Sinochem Holdings. Sinochem Holdings, with the Board of Directors as the highest decision-making body, has established a governance structure with clear responsibilities and authority. This strengthens and enhances internal governance, laying a solid foundation for the company's sustained growth.

The Board of Directors of Sinochem Holdings oversees Sinochem HK's operations and management, providing strong support and guidance for its decision-making and development. The Board of Directors of Sinochem Holdings has defined the responsibilities, powers, and procedures for itself and its committees, in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors, the working rules of the committees, and other corporate governance policies. By employing a top-down governance approach, Sinochem Holdings ensures the standardised implementation of its governance model, thereby supporting the stable development of both itself and its subsidiary, Sinochem HK.

Under the Board of Directors of Sinochem Holdings, five specialised committees provide expert guidance on decision-making: the Strategy and Investment Committee, the Compensation and Evaluation Committee, the Audit and Risk Committee, the Supervision Committee, and the Nomination Committee. These committees, each with clearly defined responsibilities and procedures, oversee corporate affairs, make top-level strategic decisions for the company's growth, and ensure the optimization of shareholder interests. As Sinochem Holdings' offshore financing and key investment platform, Sinochem HK operates under the rigorous oversight and expert guidance of these specialised committees in areas such as strategic planning, investment decisions, audit, and risk management. Sinochem HK upholds efficient and transparent corporate governance, thus contributing to the execution of Sinochem Holdings' strategies, development of the risk management system, and progress of the SDGs.

Sinochem Holdings' corporate governance structure



Sinochem Holdings believes that a diverse and independent Board of Directors is essential to protecting shareholders' interests and ensuring stable company growth. When appointing Board members, Sinochem Holdings comprehensively considers factors such as gender, professional expertise, industry experience, and cultural background to ensure the diversity of the Board. The current Board members bring extensive professional knowledge and practical experience in fields such as law, financial accounting, corporate management, and risk management. Their expertise is instrumental in shaping Sinochem Holdings' development strategy and future direction. During the reporting period, Sinochem Holdings had a total of nine Board members,⁵ including five External Directors and one Employee Director, effectively maintaining the Board's independence and ensuring sound decision-making.

In 2023, Sinochem Holdings held a total of **25** meetings of the Board of Directors

with a **96.67%** attendance rate of directors

Composition of the Board of Directors



Members of the Board of Directors **9**



External Directors

5



Employee Director

1



Female Director

1

⁵ <https://www.sinochem.com/newen/17219.html>

Anti-corruption and Promoting Integrity

Sinochem HK upholds a management philosophy of integrity, fairness, and transparency, and has established a robust business ethics governance system. We firmly oppose any form of corruption and continuously strengthen anti-corruption measures. Through regular anti-corruption awareness activities, we ensure that our employees maintain ethical conduct and foster a business environment rooted in integrity and righteousness.

Business Ethics and Anti-corruption Management

Sinochem HK highly values business ethics. Under the guidance of the *Sinochem Holdings Integrity and Compliance Manual*, we have created several internal business ethics management policies with reference to advanced laws, regulations, and standards worldwide, including the *Company Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, and the *Anti-monopoly Law of the People's Republic of China*. Our policies include the *Sinochem HK Anti-commercial Bribery and Compliance Manual*, the *Sinochem HK Code of Business Ethics*,⁶ and the *Sinochem HK Anti-bribery and Corruption Policy*.⁷

Sinochem HK has established a business ethics management system consisting of the Board of Directors, the Office, and the Legal and Compliance Department. The Board of Directors oversees and conducts regular audits of anti-corruption and business ethics management. The Office and the Legal and Compliance Department are responsible for the day-to-day implementation of anti-corruption and anti-bribery measures. Their duties include but are not limited to preventing and controlling bribery and corruption risks, promptly addressing incidents of bribery and corruption, continuously enhancing business ethics mechanisms, and promoting a culture of integrity.

Sinochem HK maintains a strict "zero tolerance" policy for any violations of business ethics. We have defined all forms of corrupt practices, including but not limited to offering or accepting bribes, embezzlement, encroachment, extortion, fraud, and money laundering, and have implemented strong management measures to prevent them. We conduct annually company-wide professional ethics audits, such as self-inspection for professional ethics and comprehensive inspections. In our internal audit and supervision process, we rigorously review anti-corruption policies and related issues. For identified issues, we take immediate corrective action to ensure continuous improvement and robust closed-loop management, effectively minimising the Company's exposure to business ethics risks.

Sinochem HK prioritises promoting business ethics among employees. The ESG Working Group provides integrity training for all employees, including regular communication and training, training for new hires, and case-based precaution education. These initiatives are designed to enhance employees' awareness of business ethics and anti-corruption across all levels.

⁶ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117254104.pdf>

⁷ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117252729.pdf>

Case: Sinochem HK Invites Legal Advisors for Business Ethics Law Training

On 10 July 2023, Sinochem HK invited the Company's legal advisors, Annie Chen's legal team from Chen & Lee Law Office, to host a training session for all employees on anti-corruption and anti-bribery laws. During the session, the legal team provided an in-depth analysis of Hong Kong's basic legal framework, relevant judicial systems, and work-related legal knowledge, thereby strengthening the employees' understanding of business ethics and legal competence.



Business ethics law training

Sinochem HK also values the integrity of its business partners and is committed to fostering a transparent and ethical cooperation environment with suppliers and other partners. We have developed and issued the *Sinochem HK Supplier Code of Conduct*,⁸ which sets out management requirements on business ethical practices for all suppliers, guiding our partners to comply with the Company's anti-bribery and anti-corruption policies. We strictly prohibit corruption, bribery, and other unethical practices and avoid engaging with suppliers or personnel who are convicted or suspected of corrupt practices. This approach effectively prevents and manages corruption and bribery risks in our supply chain. Additionally, we encourage and support our suppliers in developing their own internal anti-corruption policies, further promoting a transparent, healthy, and sustainable supply chain system.

⁸ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117240302.pdf>

Protection for Complaints and Reports

Sinochem HK has strengthened its management of business ethics supervision and reporting by developing the *Sinochem HK Whistleblower Policy*⁹ to regulate whistleblowing channels and procedures. We have clearly outlined the roles and responsibilities for handling complaints and whistleblowing to ensure that all issues are addressed swiftly and effectively.

Sinochem HK encourages employees, suppliers, users, and other stakeholders to monitor and report any known or suspected misconduct that violates laws, regulations, or business ethical principles. We have established multiple reporting channels, including email, phone, and written correspondence. Upon receiving a credible report or complaint, we promptly develop an investigation plan and initiate the inquiry process. Depending on the nature of the case, we may escalate the case to the Company’s management or relevant compliance and disciplinary bodies. Once a violation is confirmed, we take decisive action. Any cases involving illegal activities are referred to law enforcement for further investigation and appropriate action.

Sinochem HK has established a range of whistleblower protection measures under the *Sinochem HK Whistleblower Policy* to provide a secure and confidential environment for reporting. In line with our commitment to protecting whistleblowers’ legal rights, we maintain strict confidentiality of their personal information and the content of their reports. Access to report details is strictly controlled, and disclosure to the reported party or unrelated individuals is strictly prohibited. We strictly prohibit any form of threat, coercion, or retaliation against whistleblowers. If a whistleblower faces unfair treatment due to their report, they have the right to report it to the Legal and Compliance Department. We will ensure they receive the necessary legal support and protection.

Sinochem HK’s Business Ethics Whistleblowing Channels



Email: WhistleblowerXGJT@sinochem.com



Hotline: +852 2829 9659



Address: Legal and Compliance Department, Room 4611, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, China

Sinochem HK’s Performance of Anti-corruption and Promoting Integrity in 2023

Indicator	Unit	2023
Number of major complaint cases validated through investigation	case	0
Number of concluded corruption lawsuits	case	0

⁹ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117245939.pdf>

Internal Control and Compliance

As a wholly-owned subsidiary of Sinochem Holdings, Sinochem HK strictly adheres to Sinochem Holdings’ internal risk control and compliance management policies and actively implements its risk and compliance standards. This approach ensures effective internal risk control, compliance management, and robust business operations. Additionally, we continuously strengthen our risk management capabilities, enhancing the Company’s overall ability to respond to and withstand risks, thereby supporting long-term stable development.

Risk Management System

Sinochem HK places significant emphasis on risk management and internal control, putting them at the core of operations and management. The *Sinochem Holdings Risk Management Measures* and the operational incident work system are fully implemented within the Company. Furthermore, we have established a risk management structure and improved our risk identification, assessment, and response processes to effectively manage and mitigate all types of risks.

Sinochem HK continuously promotes a risk management and internal control system with clearly defined responsibilities and comprehensive functions. We specify the primary responsibilities for risk management and internal control. The Board of Directors, as the leadership and decision-making body for risk management, oversees the Company’s risk management and internal control systems and regularly reviews and assesses major risk issues every year. The General Manager, as the primary person responsible for risk management, is accountable to the Board for the effectiveness of these systems. At the functional level, the Legal and Compliance Department is responsible for conducting risk assessments and implementing countermeasures for significant risk issues.

Sinochem HK follows the risk assessment standards of Sinochem Holdings to conduct risk identification, assessment, and response. During the reporting period, we established risk lists in five major areas: strategic risk, market risk, operational risk, financial risk, and legal risk. Recognising the importance of ESG risk management, we have integrated ESG risks, such as work safety risks, environmental protection risks, natural disaster risks , and public opinion risks, into our overall risk management system, thereby enhancing our ability to manage ESG risks.



Control of Major Risks in 2023

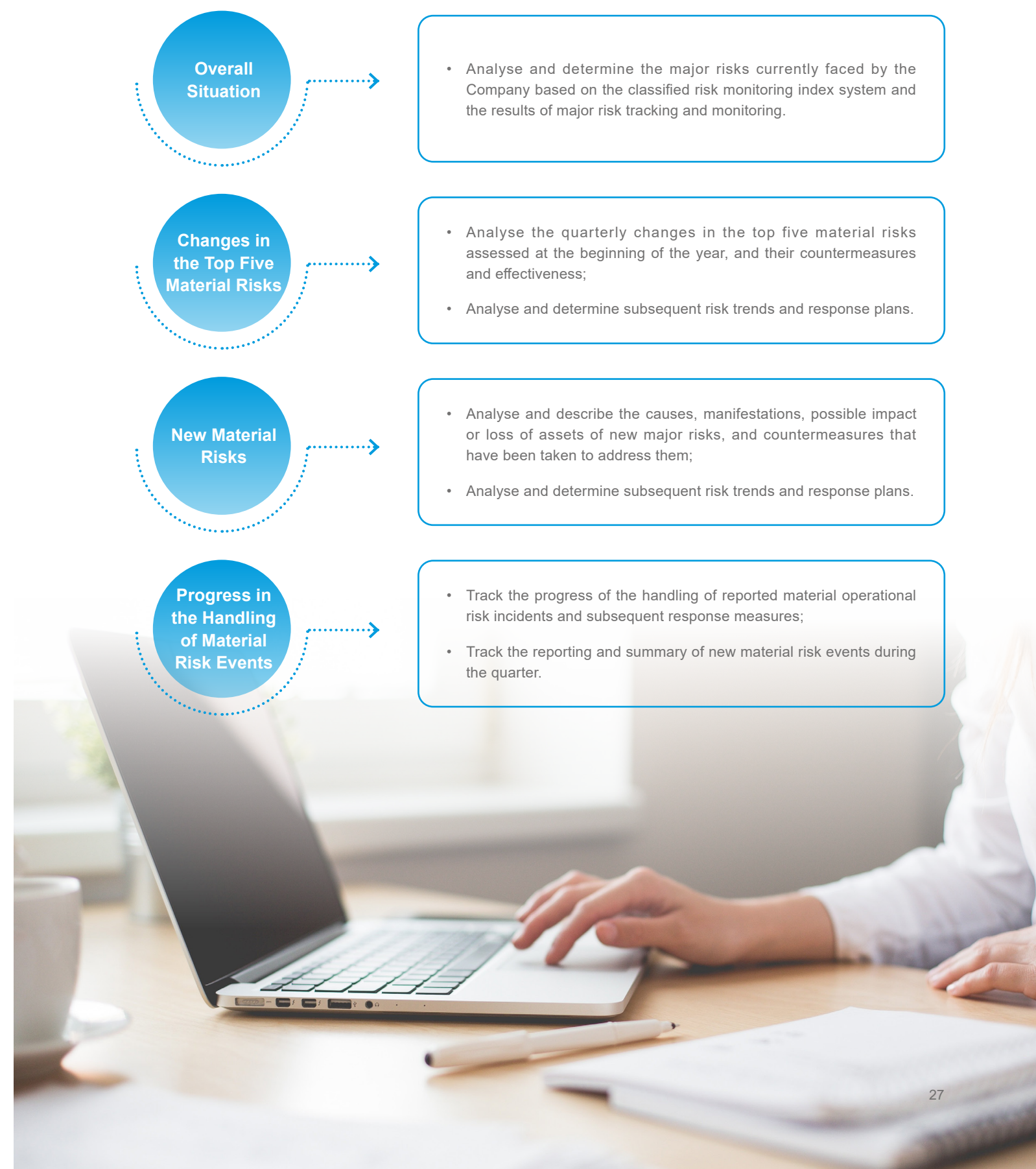
Primary Risk

Secondary Risk

 Strategic risks	<ul style="list-style-type: none"> • Macroeconomic risk • Policy risk • Science, technology, and innovation risk • Reform and business transformation risk
 Market risks	<ul style="list-style-type: none"> • Market competition risk • Customer credit risk • Debt risk
 Operational risks	<ul style="list-style-type: none"> • International business risk • Operational efficiency risk • Investment risk • Production risk • Procurement and supply chain management risk
 Financial risks	<ul style="list-style-type: none"> • Financial and financial derivative business risk • Debt risk • Cash flow risk
 Legal risks	<ul style="list-style-type: none"> • Compliance risk • Litigation risk • Intellectual property rights risk • Contract risk
 ESG risks	<ul style="list-style-type: none"> • Work safety risk • Natural disaster risk • Environmental protection risk • Public opinion risk

For major risks, Sinochem HK has developed specific response strategies, designated responsible departments, and established a top-down, interactive response mechanism for regular tracking and monitoring. We report on operational risks monthly and monitor major risks quarterly to ensure accountability is consistently upheld.

Quarterly Tracking and Monitoring Mechanism for Material Risks



Compliance Management System

As a wholly-owned subsidiary of Sinochem Holdings, Sinochem HK rigorously adheres to Sinochem Holdings' compliance management policy system in terms of compliance recruitments. Each year, all employees, including the General Manager and department heads, are required to sign the *Sinochem Holdings Compliance Responsibility Statement*, which is the Company's internal commitment to compliance, reinforcing employees' recognition of compliance. Based on Sinochem Holdings' compliance management mechanism, we have also established a compliance management system, which includes compliance policy framework, compliance organisational structure, compliance risk management mechanism, and compliance culture construction mechanism. This ensures that our operations consistently align with laws and regulations.

“Three Lines of Defence” of the Compliance Management Organisational System



Compliance Risk Management Mechanism

Compliance Risk Identification and Assessment



- Identify compliance risks regularly
- Establish a compliance risk assessment system
- Assess the impact of compliance risks and analyse the underlying causes of these risks

Compliance Risk Response and Control



- Adopt appropriate measures according to the compliance risk level
- Improve the compliance reporting mechanism
- Develop annual compliance inspection plans and perform compliance inspections
- Develop compliance rectification plans for compliance risks and hidden perils, complete rectification within the deadline, and raise compliance management optimisation suggestions
- Incorporate the effectiveness of compliance management into the performance appraisal of executives and employees

Supervision Management

Sinochem HK adheres to the requirements of Sinochem Holdings' audit and supervision systems and continuously strengthens its internal audit and supervision efforts. We conduct regular audits and supervision, with a focus on key business areas and critical processes, ensuring that corrective actions are taken and violations are promptly addressed. These initiatives provide robust audit support for the Company's high-quality development.

In strict adherence to Sinochem Holdings' audit rectification requirements, Sinochem HK has established clear principles for addressing issues identified during audits, with graded and categorised rectification standards to ensure thorough and effective resolution. We have assembled a professional audit team responsible for developing audit procedure documents and conducting regular internal audits. In 2023, we further intensified our efforts to follow up on issues identified during audits, implementing multiple measures to ensure timely and comprehensive corrections. These initiatives effectively prevented the recurrence of issues and significantly enhanced overall compliance and operational efficiency.

Sinochem HK's Audit Rectification Progress and Results in 2023

Indicator	Unit	2023
Audit rectification completion	%	100

Compliance Culture Building

Sinochem HK is also committed to enhancing employees' awareness of risk and compliance. To achieve this, we actively cultivate a culture of compliance throughout the Company, fostering an environment that is conducive to compliance and risk management. Our initiatives include requiring employees to sign the compliance responsibility statement and hosting compliance training. The principles of risk management and compliance are integrated into our corporate culture, and all employees receive training on fundamental legal knowledge and compliance skills. In 2023, we hosted three employee compliance training sessions, totalling 64 hours of training. Furthermore, all employees signed the *Sinochem Holdings Compliance Responsibility Statement*, and we provided new compliance personnel with detailed guidance on the compliance management system, clarifying the concept of compliance and comprehensively enhancing the awareness of compliance with laws and regulations.

Cyberse- curity

Sinochem HK recognises the critical importance of cybersecurity. We are building a robust cybersecurity management system and continually enhancing the security and reliability of our information systems to effectively mitigate cybersecurity risks.

We strictly abide by the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other pertinent laws and regulations. With reference to Sinochem Holdings' cybersecurity and cybersecurity incident emergency plans, we have developed internal systems, including the Sinochem HK Cybersecurity Management Regulations. In addition, we have developed an information security mechanism and an emergency response mechanism for cybersecurity. We conduct regular cybersecurity oversight and audits to quickly identify and resolve issues, ensuring the secure, reliable, and stable operation of the Company's digital infrastructure and information systems.

Cybersecurity Management System

Sinochem HK has established a cybersecurity management framework with defined roles and responsibilities. We have implemented an accountability system to ensure the orderly and effective advancement of our cybersecurity efforts. The Company's General Manager, as the primary responsible person for the Company's cybersecurity, regularly oversees the planning, coordination, and review of all cybersecurity and information security activities. The Office executes the Company's cybersecurity efforts, and the head of the Office is directly responsible for developing and implementing the Company's cybersecurity plans, policy system, and work standards, monitoring overall information security, and handling the investigation and reporting of security incidents.

Sinochem HK has developed the *Sinochem HK Overall Emergency Plan* and established a response mechanism for cybersecurity emergency incidents. This mechanism includes detailed provisions for incident levels, response measures, and reporting processes. We classify cybersecurity incidents into levels based on their potential impact and have established specific reporting and response procedures for each level. This approach enhances the efficiency of handling cybersecurity incidents and ensures timely and effective responses to risks such as information system disruptions and cyberattacks. Once a cybersecurity incident is identified, the Company's Office immediately assesses the incident's severity and reports it to the Emergency Management Leadership Group. The group then determines the incident level and coordinates the on-site emergency response, ensuring a swift and effective resolution.



Cybersecurity Supervision

Sinochem HK's cybersecurity management system is regularly monitored and inspected to ensure its effectiveness. This includes internal self-inspections and external audits. We conduct regular internal cybersecurity audits tailored to our specific needs, enabling us to identify potential issues early and reduce cybersecurity risks through management and technical measures. Additionally, we undergo Sinochem Holdings' annual centralised cybersecurity audit. During the audit, we implement corrective actions to address system vulnerabilities, ensuring a closed-loop process from risk identification to resolution, thereby further enhancing our ability to prevent cybersecurity risks.

Cybersecurity Promotion

During the reporting period, the coverage rate of a personal cybersecurity commitment letter signed by employees of Sinochem HK was

100%

Supply Chain Management

Supplier Management

Building a stable and sustainable supply chain is at the core of our business development. We have established a sound supplier management system that provides an open, efficient, and transparent environment for collaboration. We actively communicate our commitment to sustainable development to our suppliers and partners, working together to create a responsible supply chain built on mutual trust and shared benefits.

Sinochem HK's primary businesses include offshore investment, financing, and asset management. Our value chain suppliers are mainly professional service providers, offering services such as office management and consultancy. The main ESG risks in our supply chain are related to the urban operations and property development business of our subsidiary, China Jinmao. To respond to supply chain ESG risks, we closely monitor China Jinmao's supply chain ESG performance and support the development of a stable and sustainable supply chain by providing capital and financing. This approach helps ensure the long-term stability and growth of both China Jinmao and ourselves.

Sinochem HK strictly abides by bidding laws and regulations of the jurisdictions where it operates, such as the *Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of the Bidding Law*. We also comply with the *Sinochem Holdings Vendor Management Measures*, the *Sinochem Holdings Vendor Approval Management Guidelines*, the *Guidelines of Sinochem Holdings for Vendor Review and Performance Evaluation*, the *Guidelines of Sinochem Holdings for Vendor Classification and Grading Management and Vendor Relationship Management*, and other policies and systems. In addition, we have developed a supplier management policy system and processes, as well as the *Sinochem HK Supplier Code of Conduct*, the *Sinochem HK Procurement Management Measures*, and other management systems based on the Company's operational status. They regulate our supplier approval, assessment and appraisal, communication, as well as elimination and removal. In addition, we have established an effective procurement management system and steadily enhanced our procurement management. We have established a procurement management team consisting of the General Manager, the Office, and the Finance Department. The team reviews the selection of suppliers, oversees the Company's procurement process, and coordinates the resolution of problems arising from that process, thereby ensuring the smooth progress of procurement activities and the sound operations of the Company.

Sinochem HK's Whole-Lifecycle Management System for Suppliers

Supplier Approval

- Review comprehensively and assess the basic qualifications of suppliers, including their business licences, business reputation, and ability to perform contracts;
- The ISO 9001 Quality Management System, ISO 14001 environmental management system, ISO 45001 Occupational Health and Safety Management System certifications and the provision of environmentally-friendly products and services are prioritised for supplier admission;
- Enter into contracts with health, safety, and environment (HSE) clauses or specialised HSE contracts with our suppliers, which specify the HSE responsibilities of both parties and HSE management requirements, ensuring that suppliers are admitted only after passing HSE qualification reviews and assessments;
- Suppliers must commit to complying with the *Sinochem HK Supplier Code of Conduct* and not being involved in any form of bribery, embezzlement, corruption, fraud, abuse of authority, anti-competition, or money laundering.

Supplier Assessment and Appraisal

- Assess the supply capacity of suppliers based on our supplier classification management strategy;
- Establish a supplier review and assessment mechanism to audit the inspection of, use of, and complaints about procured services; make recommendations and requests for improvement to suppliers, based on the results of the review;
- Establish a supplier performance evaluation system for assessing the quality of services provided by suppliers and their technological capabilities and HSE.

Supplier Communication

- Regularly engage with suppliers and conduct on-going surveys and feedback solicitation.

Supplier Elimination and Removal

- If a supplier obtains abnormal assessment results, provide timely improvement suggestions and review the improvement and upgrading of the specific problems;
- Cancel the supplier's qualification and remove it from the pool, if the supplier fails to complete the rectification and improvement on time.

Distribution and Number of Suppliers for Sinochem HK's and China Jinmao in 2023

Indicator	Unit	Sinochem HK	Sinochem HK and China Jinmao
Total suppliers	entity	32	9,990
Suppliers from North China	entity	3	3,255
Suppliers from East China	entity	0	2,563
Suppliers from Central China	entity	0	1,587
Suppliers from South China	entity	0	1,539
Suppliers from Southwestern China	entity	0	1,017
Suppliers from overseas, Hong Kong, Macao, and Taiwan	entity	29	29



Supply Chain ESG Management

Sinochem HK is committed to promoting sustainable development within the supply chain by embedding ESG principles into supplier management. We sufficiently consider ESG factors associated with our suppliers, including environmental responsibility, quality management, health and safety, labour standards, and business ethics, aiming to create a transparent and responsible supply chain. In 2023, we developed and published the *Supplier Code of Conduct of Sinochem HK* to identify and address potential ESG risks within the supply chain.

Sinochem HK has established a comprehensive risk management process, integrating suppliers' ESG risks in the environment, quality, and business ethics into the Company's risk management framework. We conduct in-depth analysis and assessment of potential risks within the supply chain and implement action plans accordingly. Additionally, we proactively support our supplier partners in continuously improving their ESG performance, contributing together to the sustainable development of the entire value chain.

ESG Principles for Supplier Approval and Assessment

ESG Dimension

Requirements



- Comply with national and regional environmental laws and regulations;
- Obtain environmental management system certifications, such as ISO 14000 or equivalent;
- Review suppliers' ESG performance, including their environmental impact;
- Implement appropriate management mechanisms to assess and mitigate the environmental impact of business operations.



- Comply with national laws and regulations on building and fire safety;
- Review suppliers' ESG performance, including health and safety standards;
- Establish health and safety policies with clear procedures to reduce the risk of injury or illness among employees and ensure their well-being;
- Provide employees with training on on-site safety and operational guidelines to protect them.



- Establish an effective quality management system;
- Obtain quality management system certifications, such as ISO 9001 or equivalent.



- Comply with national labour laws;
- Review suppliers' ESG performance, including labour rights;
- Ensure legal employment practices, prohibiting child labour and forced labour;
- Ensure employees not discriminated against or treated unfairly in recruitment, remuneration, promotion, or training based on age, gender, race, ethnicity, religion, disability, or marital status, and oppose any form of workplace bullying and harassment;
- Respect employees' democratic rights and freedom of expression by establishing appropriate communication channels and grievance procedures, ensuring employees can voice their concerns and appeals to the management.



- Sign the *Transparency Agreement*;
- Develop business ethics policies, strictly prohibiting any form of bribery, corruption, fraud, abuse of power, anti-competitive practices, or money laundering;
- Comply with the Company's requirements against the transfer of benefits, falsification, and other unethical practices;
- Promptly report any situation that may result in a serious conflict of interest to ensure fair collaboration.

Sinochem HK's subsidiary, China Jinmao, is also enhancing its supply chain management system. It has developed various policies and standards, including the *Tendering and Procurement Management Standards of China Jinmao*, the *Supplier and Contractor Management Standards of China Jinmao*, and the *Supplier Code of Conduct of China Jinmao*. These policies govern the processes for supplier access, assessment, communication, and removal, ensuring that the same high standards for quality, environmental responsibility, health and safety, labour practices, and business ethics are applied to suppliers and contractors as those upheld by the Company. This ensures effective management of ESG risks within the supply chain. In 2023, all general contractors under China Jinmao were certified for environmental management systems, quality management systems, and occupational health management systems.

02

Environmental Friendliness: Sharing a Green Future

Sinochem HK is dedicated to implementing Sinochem Holdings' low-carbon strategy, with a focus on green operations, prioritising green buildings, ecological restoration, and environmental management. We consistently enhance the environmental performance of our own operations and those of our subsidiary, steadfastly advancing the green and low-carbon transition.




Green Buildings

Sinochem HK precisely focuses on the green building sector, using its expertise in investment management and financial support to actively position its subsidiary, China Jinmao, as a leader in green building innovation and practice. Together, they are committed to implementing Sinochem Holdings’ sustainable development strategy within the real estate sector. By fostering a deep synergy with China Jinmao, we integrate the “Ever Green Quality” strategic concept throughout the entire lifecycle of building project development and operations. Our aim is to establish China Jinmao as a benchmark in urban green operations, leading the industry towards a new model of green, low-carbon development.

Green Building Targets

Sinochem HK actively embraces its mission in investment management by not only formulating a clear green building investment strategy but also overseeing China Jinmao to develop the Green Strategic Management Standards of China Jinmao. This approach systematically advances the development and management of green buildings. We have set clear green building objectives for all sellable and self-owned property projects under the Company and continuously increase the proportion of certified green building projects.



Green Building Targets

- 100% of China Jinmao’s new residential and office buildings shall meet the basic requirements of Green Buildings of China (or equivalent internationally-renowned standards such as the LEED/ BREEAM certification).
- From 2023 to 2025, China Jinmao shall obtain no less than 15 high-star-level green building certifications and labels.¹⁰
- Among China Jinmao’s newly developed and self-owned hotel projects, 5A and Class A office buildings, and business complex projects, 100% shall obtain the one-star China Green Building Label (or equivalent internationally-renowned standards such as the LEED/ BREEAM certification).
- Application for high-star-level green building certifications and labels is encouraged, and the proportion of high-star-level green projects in development shall increase year by year.



Green Building Achievements

In 2023, China Jinmao had **9** new green-building-certified projects.

It had **11** newly added green building certifications and labels

The newly added green-building-certified area was **1,355,000** m²

100% among which were at a high star level

100% of its new projects met green building standards

¹⁰ High-star-level green building certifications and labels refer to two-star China Green Building and above, LEED Gold and above, BREEAM Very Good and above, the Gold rating and above of the WELL Building Standard, Ultra-Low-Energy-Consumption Buildings, Nearly Zero Energy Buildings, and Zero Energy Buildings.

9 Categories of Green Building Certification and Labels Obtained by China Jinmao

By the end of 2023,



China Jinmao had cumulatively obtained **308** green building certifications and labels



with a total green-building-certified project gross floor area (GFA) of **30,994,000** m²



Case: Sinochem Holdings Headquarters Building as a Green and Low-Carbon Model in Xiong'an

The Sinochem Holdings headquarters building is the first super-high-rise project in North China that will obtain the China Green Building and the US LEED platinum certification. It employs a fixed shading design with structural components for shading on the south side. While demonstrating architectural aesthetics, it also provides shading to reduce heat gain on the curtain wall in summer and lower the air conditioning load.

The application area of photovoltaic power generation products in the project is about

5,000 m²

Among them, the BIPV of the curtain wall exceeds

3,500 m²

Photovoltaic area of roof and corridor

1,400 m²

The utilization rate of renewable energy has reached

45.53%

The building is currently the tallest super high-rise building in China that applies BIPV technology to curtain walls on a large scale. The project has a photovoltaic product application area of about 5,000 m², including over 3,500 m² of BIPV curtain walls, and 1,400 m² of the photovoltaic area on the roof and corridors, achieving a renewable energy utilisation rate of 45.53%. The building is designed with a large-scale data centre, which recycles some of the heat generated during its operation for heating in the winter.

The project also prioritises the use of green and healthy building materials, which effectively lowers the embodied carbon in building materials while reducing the concentration of substances such as benzene and formaldehyde indoors. At the same time, electric construction machinery is used mostly on the project site, significantly reducing carbon dioxide emissions and air pollution caused by the use of fuel-powered machinery.



Design Drawing of China National Chemical Corporation Building

Case: The First Net-Zero Carbon Building in Education

The Dongmei Future Community Kindergarten of China Jinmao¹¹, with its green, low-carbon, healthy, and environmentally friendly design, has adopted multiple energy-saving and low-carbon measures such as ultra-low-energy consumption building technology, rooftop photovoltaic, air source heat pumps, and heat recovery ventilation. It won the "Global Zero-Carbon City Innovation Model Award – Gold Award for Innovative Solutions" at the Global Science and Technology Innovation Conference from the United Nations Industrial Development Organization. In November 2023, the kindergarten became the first project to receive "Net Zero Carbon Building (School) Certification" in China at the annual award ceremony for sustainable buildings and parks held by TÜV Rheinland Greater China and the Building Research Establishment (BRE).



China Jinmao's first net-zero carbon building in education is awarded.

Green Building Construction Throughout the Process

Sinochem HK fully recognises that energy conservation and carbon reduction are effective approaches to carbon peaking and carbon neutrality. Upholding Sinochem Holdings' pathway of "promoting carbon reduction", we prioritise the research and innovation of green and environmentally friendly technologies. Throughout the stages of project design, material selection, construction, and management, we collaborate with China Jinmao to drive innovation and continuously explore cutting-edge technologies and sustainable development models in green buildings. Together, we are working to build a low-carbon, green, and intelligent urban ecosystem for the future.

China Jinmao implements multiple measures across various aspects, including material selection and green building design, to practice the green design concepts of Sinochem HK and Sinochem Holdings. It has formulated documents including the *Environmental Protection Management Standards of China Jinmao*, *China Jinmao's Environmental Protection Accountability Management System*, and the *Sponge City Landscape Design Guideline Manual* to minimise the impact of project construction on the surrounding environment.

China Jinmao promotes and prioritises the comprehensive use of green building materials to reduce the impact on the ecological environment. The company has also established a strict material environmental management process to ensure that the entire process of material use meets the requirements of green construction. In the decoration process, by replacing conventional wooden flame-retardant boards with gypsum-based boards and reinforced boards, and promoting the use of new materials such as the Magic Wall System (partition keel system), it has reduced pollution sources from the base materials and air pollution generated by on-site welding operations.

China Jinmao upholds the ecology-oriented development (EOD) model and employs ecological design concepts and strategies like sponge cities and green stormwater infrastructure (GSI). It integrates rainwater recycling and ecological community construction, advancing urban green development. Additionally, it utilises renewable energy sources (such as geothermal energy, solar energy, and waste heat from equipment), optimises the energy use structure of buildings, and supports the low-carbon development of cities.

In 2023,

China Jinmao launched **12** new sponge city projects

China Jinmao applied the sponge city concept to **128** projects nationwide

The total installed photovoltaics (PV) capacity of China Jinmao's self-owned projects was

2,397.38 kW

with an annual power generation of

1,476,000 kWh

China Jinmao had invested, constructed, and operated **73** urban, regional, and project-level energy stations,

with a total energy supply area of about **27.29** million m²,

resulting in estimated carbon emission reductions by over **180,000** tonnes,

equivalent to planting **10.04** million trees

achieving a clean energy utilisation rate of **100%**

and a renewable energy utilisation rate of **80%**



¹¹ "Dongmao Huafu D1 Plot for Kindergarten" is allocated for "Jinmao Dongmei Future Community Kindergarten".



Case: Sinochem Holdings Tower Sponge City Design

The Sinochem Holdings Tower project in China applies five sponge city design principles, with a rainwater drainage system that controls the total runoff by combining “source, process, and end” methods. It includes sponge facilities such as sunken green spaces and rainwater storage ponds to ensure that surface runoff is preliminarily purified through source facilities.

The rainwater runoff from the building roofs is directly channelled into the end rainwater storage pond through pipelines to reduce the peak runoff. The collected rainwater is used for irrigation of greenery and road sprinkling. After the project is completed, the annual runoff control rate is 99%, the annual runoff pollution reduction rate is about 81.9%, and the rate of sunken green spaces is 97.8%.

After the completion of the project, the annual total runoff control rate

99%

The annual runoff pollution reduction rate is about

81.9%

The sunken green space ratio is

97.8%



Rendering of the Sinochem Holdings Tower sponge city design



Case: Seizing New Opportunities for Renewable Energy

In 2023, Jinmao Green Building delivered the BIPV skylight roof project for the Shanghai Lingang Dingke Hotel, which is a national key project. The metal roofs of the exhibition area and the daylighting atrium roof of the hotel were covered with **14,000** m² of photovoltaic panels, and over **2,200** m² of photovoltaic power generation glass was used on the facade. It can provide nearly **130,000** kWh of clean electricity, reducing carbon dioxide emissions by nearly **70** tonnes every year.



Skylight roof of the Shanghai Lingang Dingke Hotel



Case: Creating a Benchmark Regional Energy Project Tailored to Local Conditions

After the completion of the project, the utilization rate of clean energy will reach

100%

The utilization rate of renewable energy will exceed

30%

Annual savings of approximately standard coal

8,000 tonne

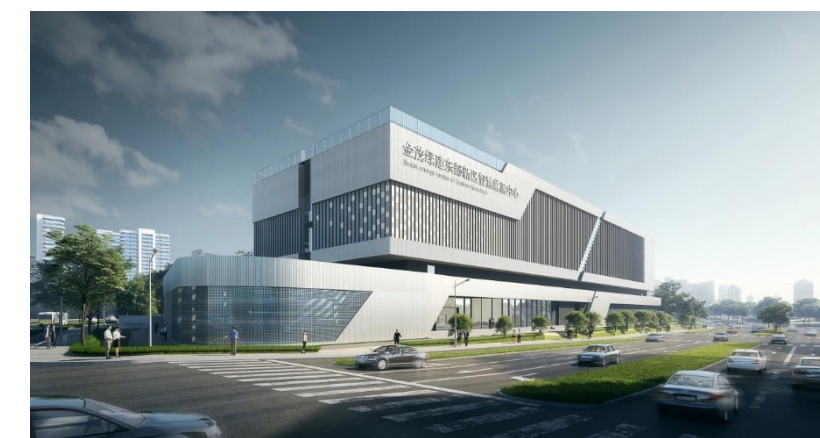
Reduce carbon dioxide emissions

20,000 tonne

Equivalent to planting trees

1.08 million

The New City Energy Station of Chengdu Tianfu International Airport constructed by China Jinmao is the first “regional energy + green data centre” coupling project in the southwest, providing clean centralized cooling and heating services for 2.8 million m² of buildings in the area. Through the use of efficient machine rooms, free cooling, photovoltaic power, and a smart management platform, the project recovers and transfers the excess heat generated by the data centre to the civil heating system, achieving efficient heating. The data centre also uses the energy station’s cold storage and cooling towers to enhance the utilization rate of equipment and natural cooling sources. Once completed, the clean energy utilization rate will reach 100%, the renewable energy utilization rate will exceed 30%, saving about 8,000 tce and reducing carbon dioxide emissions about 20,000 tonnes annually, equivalent to planting 1.08 million trees.



Rendering of Chengdu Eastern New Area Energy Center

Green Operations

Sinochem HK thoroughly implements a low-carbon development strategy. In line with the national goals of carbon peaking and carbon neutrality, we deeply embed the principles of green and low-carbon principles into our daily operations. Given that our business primarily covers administrative offices and property leasing, we uphold a green office principle, advocating for energy conservation and emission reduction while continuously improving the working environment. Additionally, we actively promote green leasing practices, creating sustainable building spaces that encourage leasees to adopt a low-carbon lifestyle, thus reinforcing our strong commitment to green operations.

Green Offices

Sinochem HK attaches great importance to energy conservation and emission reduction. We strictly follow the *Sinochem Holdings Energy Conservation and Low Carbon Management Measures*, the *Sinochem HK Environmental Protection Policy*¹², and other systems and policies, and actively promote our guiding policy for energy conservation and carbon reduction. Under a standardised management system, we have strengthened the management of the entire process of resource utilisation and recycling and optimised the sustainable operational model with distinctive Sinochem HK characteristics.

Sinochem HK's Green Office Measures

Enhancing the Energy Inspection Mechanism

- Regular inspections are conducted to promptly fix issues such as leaks, overflows, and drips in water facilities, ensuring water efficiency.
- It is checked daily whether lighting and air conditioning equipment have been switched off to prevent energy waste during non-office hours.
- During non-office hours, the air conditioning system is turned off as appropriate to optimise energy efficiency.

Optimising Office Resource Allocation

- Colour printing is used less frequently while double-sided printing and copying are promoted to save paper and reduce resource consumption.
- The use of electronic documents is encouraged to replace paper files to decrease paper usage and improve information management efficiency.
- Eco-friendly paper trays are provided to collect single-sided used paper for reuse in printing.
- Office supply sharing stations are established to promote the rational allocation and reuse of resources, thereby reducing the consumption of office supplies.
- Regular online meetings utilising video and teleconferencing tools are advocated to reduce in-person meetings, saving on travel costs and time.



Sinochem HK's green offices signs

Green Leasing

Sinochem HK adheres to the core principle of green leasing, working collaboratively with leasees to fulfil environmental responsibilities. We are committed to continually exploring and implementing green leasing models and integrating environmental considerations into our business operations while actively promoting the adoption of higher industry standards. This approach not only enhances economic value but also significantly reduces our environmental footprint. We advocate the core values of "recycling" and incorporate it into our commercial property leasing contracts, which require that leased spaces be returned in the current condition at the end of the lease term, rather than being stripped down to a bare state. This ensures that existing resources, including decorations, equipment, and furniture, are preserved, minimising waste from unnecessary demolition or removal.

In leasing management, we adopt an independent energy billing model, separating property management fees from energy bills. This approach provides our clients with more environmentally friendly and cost-effective leasing solutions while supporting energy conservation and carbon reduction efforts. In addition, we work closely with our leasees to ensure strict adherence to energy efficiency, water efficiency, and resource conservation standards, thereby enhancing the green performance of our properties.

Additionally, we encourage China Jinmao to regularly organise green and low-carbon awareness activities, including recycling projects for paper, plastic, and other waste, as well as "old for new" green bazaars. Together with leasees and merchants, we explore pathways to sustainable development.

By the end of 2023, all of Sinochem HK's leased properties signed green leasing terms, and 100% of all signed agreements include green leasing terms.

By the end of 2023, Sinochem HK's leased properties signed green leasing terms

100%

¹² <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117243563.pdf>

Case: “World Earth Day” Activity

Nanjing Jinmao Plaza hosted a “World Earth Day” activity featuring a green and recyclable market. An environmental conservation initiative was also launched to encourage leasees to:

- ✓ Prioritise using recycled or renewable green materials during renovation and decoration
- ✓ Adopt measures such as opening windows or adjusting indoor temperatures according to the season to reduce air conditioning energy consumption
- ✓ Promote water conservation and recycling and reduce the provision of disposable bottled water
- ✓ Save office paper, encourage double-sided printing, and reuse single-sided paper



Environmental protection activity themed “Green Action in Nanjing”

Case: “World Environment Day” Activity

In 2023, on “World Environment Day”, a series of activities under the theme “Guarding Green Buildings, Practicing Low-Carbon Agreements” were carried out at the office buildings of the Changsha Jinmao ICC (North Tower). Leasees were encouraged to participate in the “Reducing Plastic, Picking Up Plastic” campaign. They also learned knowledge on waste classification through the “Shooting for Environmental Protection” activity. The initiative aimed to promote green and low-carbon office habits among leasees.



Environmental protection campaign themed “Guarding Green Buildings, Practicing Low-Carbon Agreements”

Environment Management

Sinochem HK is firmly committed to the environmental protection principles of “full process supervision, classified management, prevention first, and combination of prevention and control”. Following the guidelines set forth in the *Sinochem Holdings Environmental Protection Management Measures* and the *Sinochem Holdings Eco-environmental Protection Responsibility System*, we have developed the *Sinochem HK Environmental Protection Policy* to mitigate any direct environmental impacts from our operations. Recognising the potential environmental footprint of our key subsidiary, China Jinmao, particularly in urban operations and property development, we take an active leadership role. Through strategic investment management and supervision, we guide China Jinmao in adhering to environmentally sustainable practices and fulfilling its corporate environmental responsibilities. Together, we are committed to advancing Sinochem Holdings’ strategy for green, low-carbon, and high-quality development.

Sinochem HK’s Ecological Environmental Management Practices in Projects

Practising the commitment to greenfield development

The principle of greenfield development is upheld, requiring that development projects are avoided in national nature reserves or developing agricultural land and greenfield areas. For any necessary construction activities, applicable laws and regulations will be strictly complied with and approval from competent departments will be obtained. It will be ensured that such projects meet green building standards and that the ecology is properly conserved and restored.

Conducting community environmental impact assessments

In the pre-development stage, on-the-spot surveys will be made for ecological and environmental issues and environmental risk maps will be developed. Based on sufficient consideration of the environmental and economic impacts of the development on the local community, urban land resources will be put into flexible and diversified use.

Progressing ecosystem restoration on the site

Soil and water conservation plans will be implemented during project construction, the remediation of contaminated sites will be actively engaged in, and highly-degraded brownfield sites will be improved to progress ecosystem restoration.

Creating an eco-friendly construction environment

In the construction process, the surrounding environment of the construction site and the needs of the local community will be sufficiently considered, and noise, dust, sewage, and wastes will comprehensively managed. The application of green construction techniques and facilities will be actively promoted to create an eco-friendly construction environment.

Enhancing the environmental protection responsibility in construction

A construction site environmental protection working group is established at each project in conjunction with stakeholders such as constructors, supervisors, principal contractors, and subcontractors. It requires construction development projects to set environmental management targets, monitor the overall environmental performance of the project, and report on environmental protection matters on a regular basis to ensuring that on-site environmental protection responsibilities at every level are fulfilled.

China Jinmao is committed to greenfield development. It strictly observes ecological conservation principles and avoid developing national nature reserves, key agricultural land, and greenfield areas. When construction is necessary, the company strictly adheres to relevant laws and regulations, ensuring all projects are approved by the appropriate authorities. China Jinmao also ensures that these projects meet green building standards and prioritise ecological conservation and restoration. In 2023, China Jinmao made significant strides in biodiversity conservation and ecosystem restoration, launching several iconic eco-friendly urban projects, including the South Taihu Lake Jinmao Pastoral Melody, Guiyang Jinmao Crystal Smart Eco-City, and Qingdao Oriental Eden, etc.



Case: Urban Biodiversity Experience Site

The South Taihu Lake Jinmao Pastoral Melody is located in the South Taihu New Area of Huzhou City, Zhejiang Province. It is an agricultural, cultural, and tourism project created by China Jinmao and Syngenta Group China. The project covers more than 3,000 mu (200 ha) and includes ecological micro-environments such as ponds, rivers, woodlands, and gardens. Under the premise of strictly maintaining the basic farmland area, China Jinmao has constructed intelligent greenhouses that demonstrate biodiversity conservation technologies. Additionally, China Jinmao has undertaken the cultivation and protection of the wild soybean, a national second-class protected wild plant, as well as *Hygroryza aristata*, a globally vulnerable species.

Jinmao Pastoral Songs in South the Taihu was awarded

The“2023 Huzhou CityBiodiversity Characteristic ExperienceSite”

The excellent ecological environment of the project has attracted the yellow-breasted bunting, a national first-class protected wild animal to the rapeseed fields. In May 2023, at the launch ceremony of the “Kunmeng Framework” implementation alliance around the Taihu Lake and the biodiversity conservation-themed event, the South Taihu Lake Jinmao Pastoral Melody was awarded the “2023 Huzhou City Biodiversity Characteristic Experience Site”, serving as an excellent example and educational significance for the local area to continue participating in and actively promoting biodiversity conservation actions.



Yellow-breasted bunting, a national first-class protected animal



Case: Qingdao Oriental Eden Project Saline-Alkali Land Management

In an attempt to overcome the unfavourable conditions for plant growth due to high groundwater levels and high salinity in the original topography, Qingdao Oriental Eden adopts different desalination measures according to different locations and terrain elevations. Through comprehensive measures such as hydraulic desalination, desalination ditches, increasing the closure of green spaces, and moisture suppression of salt, the project comprehensively manages the underground saline water conditions, effectively improving the environment for plants to grow. In 2023, Qingdao Oriental Eden completed all the main structures and steel construction of the venues and will advance the planting of large trees in outdoor landscapes.



Qingdao Oriental Eden project

Responding to Climate Change

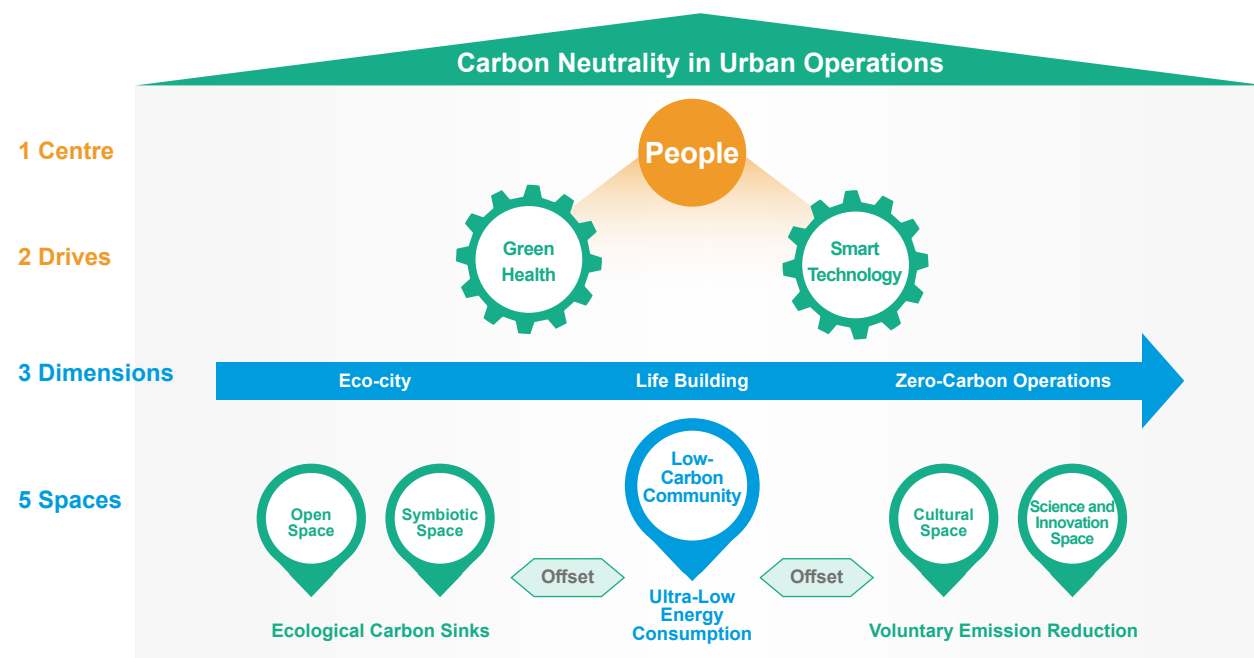
Sinochem HK strictly observes the *Sinochem Holdings Energy Conservation and Low Carbon Management Measures*, the *Sinochem Holdings Carbon Emission Monitoring, Statistics and Reporting Management Standards*, the *Sinochem Holdings Carbon Asset Management Standards*, and the *Sinochem Holdings Environmental Monitoring System Operation Management Standards*. Led by Sinochem Holdings' Carbon Peaking and Carbon Neutrality Leadership Group, we implement the Sinochem Holdings Carbon Peaking Action Plan.

Sinochem HK rigorously implements Sinochem Holdings' FORUS management requirements. We have established a management structure led by the General Manager to guide low-carbon initiatives. Moreover, we have developed specialised plans to establish a sound and tiered system of accountability for energy conservation and low-carbon efforts. By signing responsibility statements that include specific energy conservation and low-carbon targets, we ensure these objectives are fully integrated, delegated, and executed across all subsidiaries, with clear accountability and systematic task implementation. Additionally, we regularly participate in energy conservation and low-carbon training sessions organised by Sinochem Holdings to continuously enhance our employees' professional skills.

As the primary entity responsible for investment management and oversight, Sinochem HK plays a pivotal role in guiding China Jinmao's climate adaptation and mitigation efforts in urban operations. We have led China Jinmao in formulating key documents such as the *Green Strategic Management Standards of China Jinmao* and the *Low-Carbon Development Plan and Implementation Plan of China Jinmao*. In addition to providing strong financial support, we have assisted China Jinmao in mobilising resources across the supply chain. These efforts have enabled China Jinmao to establish a "carbon neutrality" model for its urban operations and devised climate strategies aligned with its business characteristics, thereby contributing to the reduction of GHG emissions.

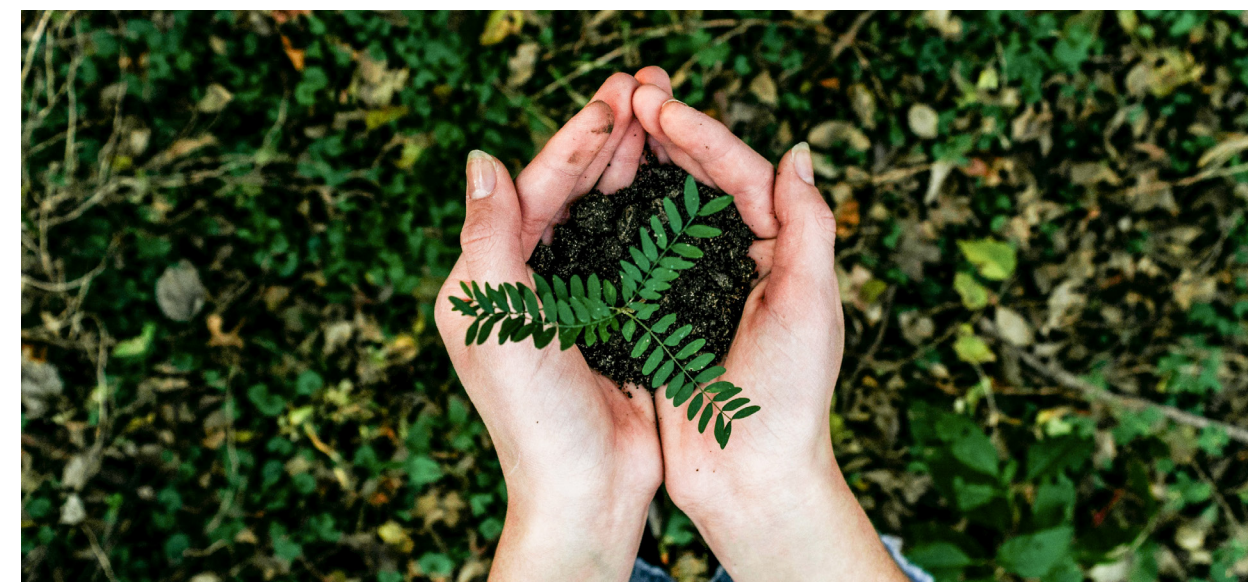
China Jinmao's GHG Reduction Target

For Scopes 1 and 2 emissions in the building operation business, the GHG emission intensity per m² will be reduced by 28.05% in 2025 from the base year of 2019.¹³



China Jinmao's carbon neutrality model for urban operations

¹³ The target covers the carbon emissions under Scope 1 (direct emissions) and Scope 2 (indirect emissions) in the operations of China Jinmao's headquarters and its subsidiaries. Considering the comparability with its peers, the carbon emissions from China Jinmao's energy supply business are not included in the target.



To thoroughly implement Sinochem HK's management requirements and strategic directions, China Jinmao actively responds to the call of the UN Principles for Responsible Investment (UN PRI) by integrating ESG factors into investment analysis and business decisions, practising the concept of responsible investment. In March 2023, China Jinmao achieved a milestone breakthrough in green finance by launching the "Jinmao Shenwan – Shanghai Jinmao Building – Xin Yue Green Asset Support Special Project (Carbon Neutral)", China's largest shelf carbon-neutral CMBS.

Sinochem HK and China Jinmaos' environmental data in 2023

Indicator	Unit	2023	
		Sinochem HK	Sinochem HK and China Jinmao ¹⁴
Comprehensive energy consumption ¹⁵	10,000 tce	0.00084	8.94
Comprehensive energy consumption per unit area	tce/m ²	0.02	0.00000043
Scope 1 GHG emissions	tonne of CO ₂ equivalents	4.18	30,852.88
Scope 2 GHG emissions	tonne of CO ₂ equivalents	34.44	323,454.81
Total GHG emissions ¹⁶	tonne of CO ₂ equivalents	38.62	354,307.69
GHG emission intensity	kg of CO ₂ equivalents/m ²	93.96	16.88

¹⁴ The data collection scope covers: (1) administrative offices of Sinochem HK's headquarters; (2) administrative offices of China Jinmao's headquarters and subsidiaries; (3) public areas of China Jinmao's residential, office building, and commercial projects; (4) some of China Jinmao's hotels and extended-stay apartments; and (5) Jinmao Green Building's energy projects.

¹⁵ The comprehensive energy consumption conversion factor refers to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.

¹⁶ Scope definition: The GHG Protocol divides emissions into Scope 1, Scope 2, and Scope 3. Scope 1 refers to direct GHG emissions from sources owned or controlled by Sinochem HK and China Jinmao, such as boilers' burning natural gas, vehicles' using petrol and diesel. Scope 2 refers to indirect GHG emissions from Sinochem HK and China Jinmao's purchase or acquisition of electricity, steam, heating or cooling.

Calculation standard: Our calculation is based on the formulas and coefficients from the *Guidelines for Accounting Methods and Reporting of GHG Emissions for Public Building Operation Enterprises (for Trial Implementation)*, and *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals on Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong*.

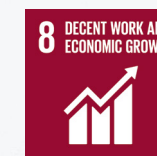
Scope of calculation: The scope of environmental performance reporting in this report adopts the operational control method from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard of the World Resources Institute.

Consistency: Sinochem HK's electricity emission factor adopts that for 2023 released by HK Electric, which is 0.66 tCO₂/MWh. China Jinmao's electricity emission factor adopts the national average power grid emission factor for 2022 of 0.5703 tCO₂/MWh as released in the *Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023-2025* issued by the General Office of the Ministry of Ecology and Environment of the People's Republic of China.

03

Talent-Driven Growth: Co-Creating a Blueprint for Development

At Sinochem HK, talent is the key driver of corporate development. We are fully committed to a “talent-driven” approach, prioritizing the protection of employee rights, embracing cultural diversity, and implementing comprehensive well-being initiatives. We are equally dedicated to maintaining the highest standards of occupational health and safety for both our employees and suppliers. Our talent strategy is guided by the core values of “integrity, professionalism, innovation, and teamwork.” By fostering a fair, inclusive, and safe work environment, we support the personal and professional development of our employees, which in turn fuels the Company’s sustainable and robust growth.



Diversity and Integration

At Sinochem HK, we prioritize our employees' needs by establishing an equitable recruitment process, building a diverse workforce, and fostering a harmonious, equitable, and integrated workplace. This approach supports the Company in achieving its long-term strategic goals.

Equal Employment

We adhere to the labour standards and employment practices established by the International Labour Organization (ILO) and strictly comply with the labour laws, regulations, and human rights standards of the countries and regions where we operate. Additionally, we abide by internal policies such as the *Measures of Sinochem Holdings for Labour Employment Management* and have issued and implemented the *Sinochem HK Human Rights Policy*¹⁷. We firmly prohibit forced labour and child labour, and strongly oppose any form of discrimination or harassment. We also respect our employees' rights to freedom of speech, expression, and association, providing open channels for democratic communication. This approach ensures that employee rights are fully respected and protected, fostering a fair, inclusive, and equitable workplace.

Sinochem HK's Principles for the Management of Employee Rights and Interests

 Legal Employment	<ul style="list-style-type: none"> We ensure that the treatment of all employees is consistent with internationally recognized labour and social standards; Firmly prohibit the employment and use of child labour and resist all forms of forced and compulsory labour.
 Equal Employment	<ul style="list-style-type: none"> We uphold equal employment and ensure that every employee is treated fairly and equally, regardless of gender, race, religion, nationality, or other background differences.
 Legal Management	<ul style="list-style-type: none"> We encourage and guide employees to report their demands reasonably. If employees believe that they have been treated unfairly or their legitimate rights and interests have not been protected, they can promptly report them to the Company's Human Resources Department and the Legal and Compliance Department; Even in the event of a dispute, we will endeavour to find a solution that satisfies the interests of both the Company and the employee.
 Anti-discrimination and Anti-harassment	<ul style="list-style-type: none"> We do not tolerate any discrimination, harassment, threats, violence, bullying, and other similar conduct; Do not allow employees to insult, discriminate, or harass others in words or behaviour; Prohibit the spreading of rumours or other defamatory or discriminatory information.

¹⁷ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117251524.pdf>

Diverse Recruitment

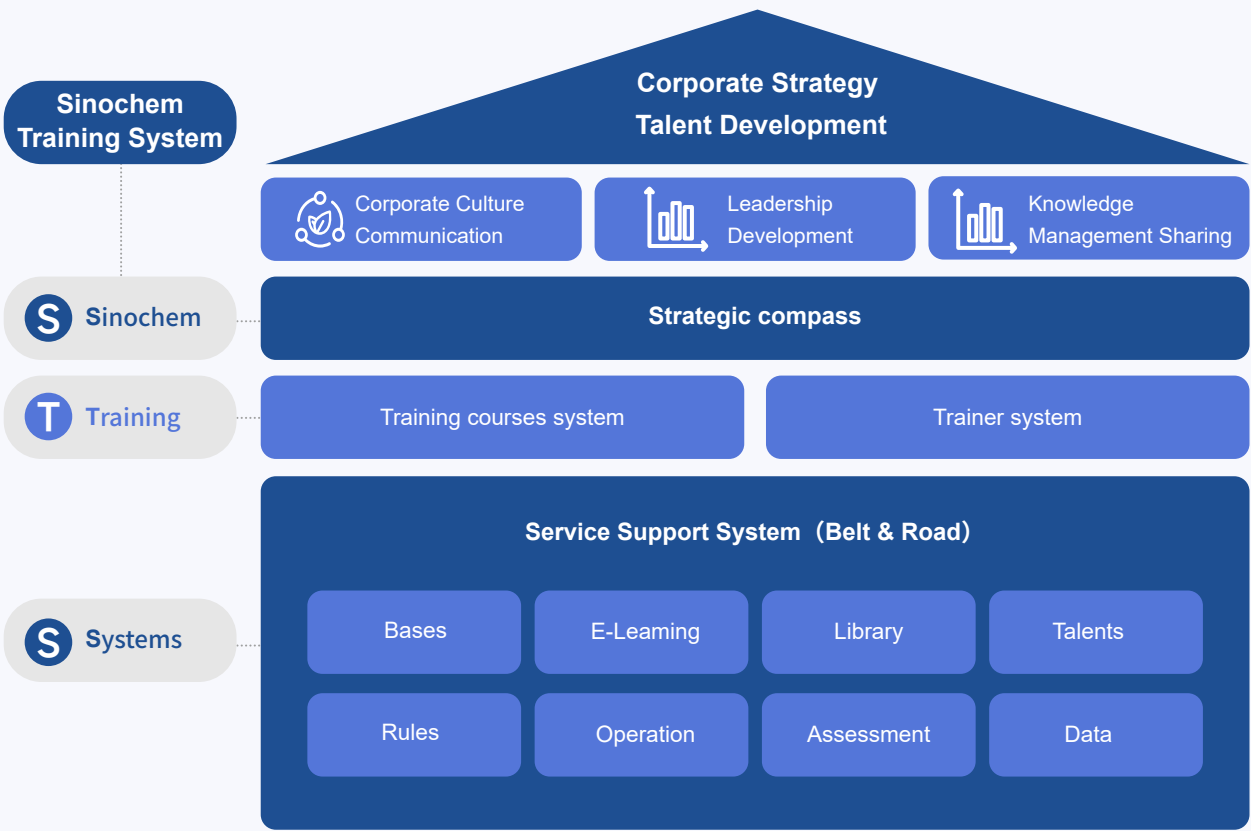
Diversity is at the core of Sinochem HK's talent acquisition strategy. We uphold the principles of diversity and equality, actively recruiting individuals from diverse cultural and professional backgrounds. This approach not only enriches our cultural foundation but also drives sustainable development and innovation in the Company.

Sinochem HK's Employee Performance in 2023

Indicators		Unit	2023
Number of employees by the type of employment	Formal employees	Persons	18
	Interns	Persons	0
	Contracted employees	Persons	0
Number of formal employees by gender	Male	Persons	5
	Female	Persons	13
Number of formal employees by age group	Under 30	Persons	4
	30-50	Persons	8
	Over 50	Persons	6
Number of formal employees by region	Chinese mainland	Persons	4
	Hong Kong, Macao, and Taiwan	Persons	14
	Overseas regions	Persons	0
Number of formal employees by educational background	Senior middle school or below	Persons	1
	Three-year college	Persons	5
	Bachelor's degree	Persons	3
	Master's degree or above	Persons	9
Number of formal employees by rank	Senior level	Persons	1
	Middle level	Persons	4
	Primary level	Persons	13
Percentage of female employees at the management level	Percentage of female employees at the senior level	%	40
	Percentage of female employees at the middle level	%	50
Percentage of female employees		%	72.2

Employee Development

At Sinochem HK, we align closely with Sinochem Holdings’ talent development strategy and integrate it into our employee career development management system. By implementing Sinochem Holdings’ comprehensive training programs, we offer our employees diverse and robust opportunities to continually enhance their capabilities and professional skills, fostering the coordinated growth of both our employees and the Company. Additionally, we continue to refine incentive measures and promotion systems, providing clear career paths and growth opportunities that fully unlock our employees’ enthusiasm and potential. Furthermore, we support ongoing professional development by reimbursing annual membership fees for employees who have obtained qualifications such as HKICPA or ACCA-certified public accountants.



Sinochem Holdings' Training System

Talent-Driven Growth: Co-Creating a Blueprint for Development

We carefully design and conduct special training sessions on compliance and legal matters, professional skills, and management capabilities to fully meet the shared development needs of the Company and its employees. In 2023, Sinochem HK successfully provided training to all employees, averaging 3.67 hours of training per person.

In 2023,
The coverage rate of employee
training for Sinochem Hong Kong
Group is

100%

Per capita training hours

3.67

Sinochem HK’s Employee Training Performance in 2023

Indicators		Unit	2023
Number of trained formal employees by gender	Male	Persons	5
	Female	Persons	13
Number of trained formal employees by rank	Senior level	Persons	1
	Middle level	Persons	4
	Primary level	Persons	13
Total training hours for formal employees by gender	Male	Hours	18.33
	Female	Hours	47.67
Total training hours for formal employees by rank	Senior level	Hours	28
	Middle level	Hours	20
	Primary level	Hours	18

Employee Care



Employee Birthday Benefits

At Sinochem HK, we consistently prioritize employee well-being by developing a comprehensive benefits system that strengthens corporate cohesion and fosters a strong sense of belonging. We strictly adhere to statutory leave policies, ensuring employees receive paid annual leave, sick leave, marriage leave, bereavement leave, and other entitlements as required by law. By refining our management processes, we ensure that working hours are reasonable and well-regulated, supported by a fair and transparent compensation system. Moreover, we always care about employees' physical and mental health, offering benefits such as Mandatory Provident Fund Schemes (MPF)¹⁸, medical insurance, and personal accident insurance, which cover annual health check-ups, routine outpatient care, and fixed-amount inpatient reimbursement. In addition to these core benefits, we offer comprehensive subsidies for daily transportation and meals, birthday and holiday gift vouchers, and weekly fruit deliveries to enhance overall quality of life. We also recognize and support our female employees by granting them a half-day of paid leave and a stipend on International Women's Day, effectively boosting corporate morale and cohesion.

Occupational Health and Safety

Health and Safety Strategy

At Sinochem HK, we uphold the vision of "ensuring sustainable development through excellent HSE performance, and earning the trust and respect of stakeholders, the industry, and the communities we serve." We integrate occupational health and work safety into every aspect of our sustainable development strategy. Guided by Sinochem Holdings' principles of "life first, environmental priority, loss control, and continuous improvement," we continually enhance our health and safety systems. This includes providing regular training to boost emergency management efficiency and strengthen our safety protocols.

Guided by Sinochem Holdings' "Global HSE Leader" strategy, we have integrated the FORUS¹⁹ system into our operations, driving continuous improvement in our HSE management.

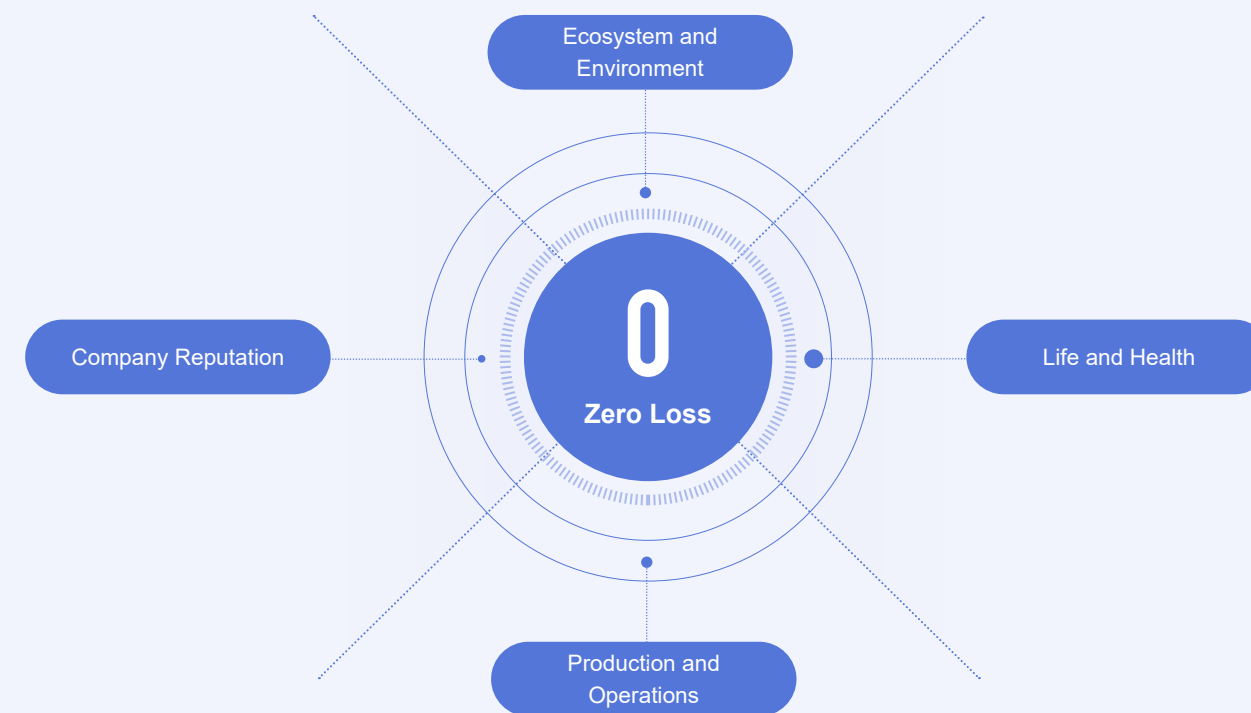


"FORUS" HSE Posters

¹⁸ MPF: Mandatory Provident Fund Schemes

¹⁹ FORUS stands for "for us," which means to ensure healthy and safe work conditions for employees, to provide customers with green and safe products and services, to bring benefits to shareholders, to create greater value for society, and to achieve sustainable business development. FORUS also refers to the "Fore Runner," aiming to promote the continuous progress of HSE management and to create a harmonious and coexistent world. The media release about the launch of the FORUS system can be found on: <https://www.sinochem.com/s/16244-55226-157353.html>

Talent-Driven Growth: Co-Creating a Blueprint for Development



0 harm	0 occupational diseases	0 pollution	0 waste
0 carbon	0 negative public opinions	0 failures	0 ...

safety incidents

0

participation rate in the training on the FORUS system

100%

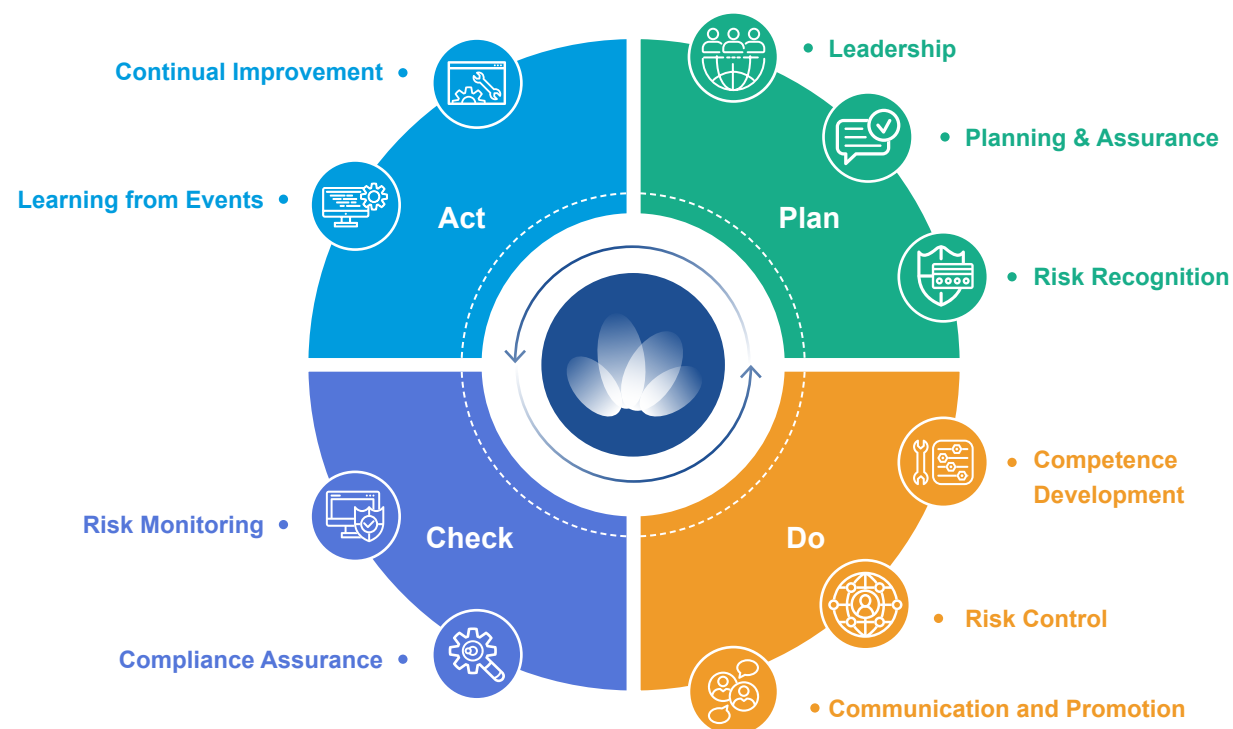
awareness rate of the core values and management elements of the FORUS system

100%

internalisation rate of the FORUS system in business




100%

Objectives of the FORUS System



Management Elements of Sinochem Holdings' FORUS System²⁰

Essential Factor

	LEADERSHIP	The role of leadership is irreplaceable. Excellent leadership is the core driving power of effective HSE management. The management should make clear commitments, actively exercise the leadership with safety as priority, play an exemplary role, create the culture that is necessary to implement FORUS system and lead employees to achieve the goals through actions.
	PLANNING & ASSURANCE	Set right directions via planning. Resources are the necessary assurance for achieving the goals. The Company should incorporate realizing the HSE vision and goals content into the development strategy and action plan, and provide the necessary resources for the establishment, implementation and improvement of the FORUS system.
	RISK RECOGNITION	Risk management starts from risk recognition. Understanding HSE risks and their consequences is critical to exercising the required controls on protecting people and the environment. The Company should regularly assess all of the business activities to identify risks and determine reasonable and effective control measures.

²⁰ More details about the FORUS system can be found on <http://hk.sinochem.com/hken/31171.html>

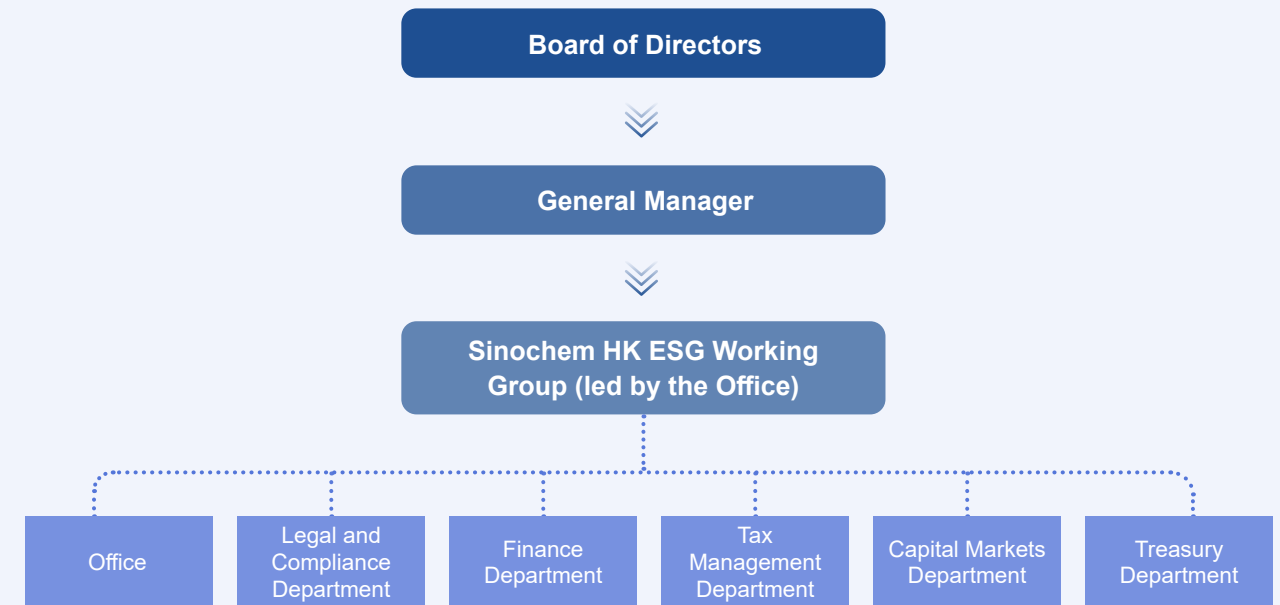
Essential Factor

	COMPETENCE DEVELOPMENT	HSE is the entry requirement for employees. All employees should be competent to fulfil their regular duties. The Company should establish a favourable human resources system to effectively manage employees. The Company should also implement an effective training system to help employees understand the risks in the workplace and the activities they participate. As a result, the Company could maintain its ability to follow management procedures for normal operations and abnormal situations.
	RISK CONTROL	Risk control is the core of HSE management. The Company shall take reasonable and feasible controls according to the priority of risk control to keep the risks of all business activities and processes at an acceptable level. The Company should essentially achieve health, safety, and environmental protection in the design and construction stages and maintain the original intention in the production and operation stage through effective management. If there is an abnormal or emergency situation, the Company should take emergency measures to reduce the impact and keep the risk under control.
	COMMUNICATION & PROMOTION	Good communication is vital for ensuring all employees to understand and implement the FORUS system. The Company should build diversified communication channels, ensure mutual communication of important information, identify and widely promote the performance and best practices of outstanding team and individuals, reinforce correct behaviours while maintain mutual interaction with stakeholders to gain recognition.
	COMPLIANCE ASSURANCE	Compliance is the bottom line of Sinochem HK's HSE system. The Company must establish a process for identifying applicable laws, regulations, and standards, and evaluate their impact on the business to make sure that all business activities can meet or exceed the requirements of laws, regulations, and HSE management, making active compliance a basic principle and conscious behaviour of the Company.
	RISK MONITORING	Risk monitoring is essential to identify opportunities for improvement. To understand whether risks are under control, the Company must establish a risk monitoring mechanism, use HSE performance data to monitor and measure HSE processes and trends, identify deficiencies in control, and carry out necessary improvement measures on the basis of recognizing and controlling risk.
	LEARNING FROM EVENTS	Effective learning from events can convert undesired events into improvement opportunities. The Company should build a No Blame Culture, encourage employees to report incidents, conduct incident investigations, analyse root causes to take tailored corrective and preventive measures, and conduct statistical analysis and management of incidents regularly to strengthen employees' HSE practices.
	CONTINUAL IMPROVEMENT	Continual improvement is essential to achieve excellence. The Company should comprehensively evaluate HSE performance through review and analysis, management review and management benchmarking, identify good practices and management gaps, provide feedback to planning, continuously enhance the level of management.

Sinochem HK and China Jinmao's Health and Safety Targets



Talent-Driven Growth: Co-Creating a Blueprint for Development



Sinochem HK's HSE Management Structure

Employee Health and Safety

We give priority to the establishment and improvement of our health and safety management system and strictly adhere to relevant national and regional laws, guidelines, and regulations. Moreover, we implement higher-level management directives such as the *Sinochem Holdings HSE Management Regulations (Second Edition)*, the *Sinochem Holdings HSE Supervision Management Standards*, the *Sinochem Holdings FORUS System Audit Management Standards*, the *Sinochem Holdings FORUS System Management Review Standards*, the *Sinochem Holdings Work Safety Management Measures (Third Edition)* and the *Sinochem Holdings Life Assurance Rules Management Measures (Second Edition)*. Additionally, we strictly enforce the *Sinochem HK Position Safety Performance Checklist* and have revised and refined internal policies such as the *Sinochem HK Health and Safety Policy (Second Edition)*²¹, laying a solid institutional foundation for the Company's health and safety management.

We have established a three-tier HSE management structure that covers all employees and contractors. The General Manager is primarily responsible for directing and overseeing the overall implementation of the HSE strategy, managing major HSE matters, and approving the formulation, revision, and budgeting of the Company's HSE regulations and policies. The ESG Working Group organizes HSE performance evaluations, conducts HSE education and training, and develops, revises, and executes drills for HSE emergency response plans. Each functional department integrates work safety requirements into its daily operations, collectively ensuring the efficient operation of the health and safety management system.

We have established a robust evaluation and incentive mechanism for managing occupational health and safety, regularly reviewing our progress toward achieving health and safety goals. Through the FORUS system, HSE performance is integrated into the performance-based compensation for management at all levels, with HSE metrics accounting for 20% of the total evaluation. In 2023, the General Manager signed responsibility agreements with Sinochem Holdings on compliance, HSE responsibilities, and cybersecurity, further ensuring the protection of employee occupational health.

The proportion of HSE performance evaluation reaches

20%



Key Elements of Sinochem HK's HSE Performance Appraisal

²¹ <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117233283.pdf>

4 projects

Obtained the standardized learning and exchange project for construction site safety production in construction engineering projects

20 projects

Obtained provincial-level safety production standardization site certification

We regularly identify, assess, and manage occupational health and safety risks across our production and operations, conducting annual HSE inspections and reviews. Based on these evaluations, we develop and implement targeted HSE work plans. Through our investment management activities, we effectively guide and oversee the occupational health and safety management practices at our subsidiary, China Jinmao. Following Sinochem Holdings' FORUS system, China Jinmao sets key HSE management initiatives and goals and performs regular internal audits of its subsidiaries' health and safety practices. This comprehensive approach includes a full audit cycle every three years to validate and enhance the effectiveness of our HSE management system. In 2023, China Jinmao obtained ISO 45001 occupational health and safety management system certification. Four project sites were designated as standardized work safety learning and exchange sites for construction projects, and 20 sites received provincial work safety standardization certifications.

Sinochem HK has consistently maintained a record of “zero work-related fatalities” and “zero serious work-related injuries.” We are committed to preventing work-related fatalities, and our subsidiary, China Jinmao, has maintained a zero-fatality record for four consecutive years.

Sinochem HK's Health and Safety Performance in 2023

	Sinochem HK	Sinochem HK and China Jinmao
Work-related injury case	0	0
Lost working hours due to work-related injuries	0	0

Occupational Health and Safety Training

Sinochem HK regularly conducts HSE training for its employees, covering key areas such as the FORUS system promotion, occupational disease prevention, workplace safety, labour insurance, and fire safety. These sessions aim to enhance employees' self-protection skills. In 2023, employees received an average of 12 hours of occupational health and safety training, with 100% participation across the Company.

China Jinmao aligns closely with the health and safety initiatives of Sinochem HK and Sinochem Holdings by developing annual training plans tailored to different management levels, departments, employees, and contractor personnel involved in work safety. These plans are subject to random inspections and are integrated into the annual performance evaluations. Additionally, China Jinmao ensures that labour subcontractors complete the required three levels of safety training and specialized operational assessments, continually enhancing the Company's safety culture and capacity-building efforts. In 2023, China Jinmao conducted over 850 occupational health training sessions, engaging 30,559 participants, with 100% coverage. During the reporting period, China Jinmao held 1,910 safety education sessions, reaching 85,282 participants, also with 100% coverage. The average training hours per employee reached 49.60, with an investment of RMB 7.89 million in work safety training.

The average duration of occupational health and safety training per person in the company is

12 hours

Employee occupational health and safety coverage rate reaches

100%

China Jinmao holds occupational health training

>850

Joint training

30,559 Number of people

Coverage rate reaches

100%

China Jinmao conducts safety education and training

1,910 sessions

Joint training

85,282 Number of people

Coverage rate reaches

100%

The average training hours per employee is as high as

49.60 hours

Investment in safety production training has reached

7.89 million RMB

Sinochem HK HSE Training Performance in 2023

	Unit	Sinochem HK
Number of HSE training sessions	Sessions	4
Number of HSE trainees	Persons	18
Total HSE training hours	Hours	216
Average HSE training hours per employee	Hours	12
HSE training coverage rate	%	100
Number of safety emergency drills	Sessions	4

Sinochem HK and China Jinmao's HSE Training Coverage Rate in 2023

	Sinochem HK	Sinochem HK and China Jinmao
Coverage rate of occupational health and safety training	100%	100%
Participation rate in the training on the FORUS system	100%	100%

Emergency Management

We actively fulfil our primary responsibility for emergency management, aiming to prevent and minimize the impact of unexpected incidents. We adhere to national emergency management policies, including the *Emergency Response Law of the People's Republic of China* and the *Regulation on Emergency Responses to Work Safety Accidents*. We have developed the *Sinochem HK Overall Contingency Plan* and the *Sinochem HK Specialised Contingency Plan* tailored to different production stages of different business operations. These measures strengthen our emergency management system, enabling swift and organized responses to emergencies while prioritizing the protection of our employees' lives and safety. Additionally, our offices are equipped with essential emergency medical supplies, fire extinguishers, and AED devices at all office locations, ensuring a safe and secure working environment for our employees.



Filtering Fire Escape Respirator

Case: Sinochem HK Conducted Fire Safety Drills

In November 2023, Sinochem HK organized a fire safety drill for all employees, inviting professional firefighters to provide on-site guidance. During the drill, employees not only learned theoretical knowledge but also participated in hands-on practice. By simulating real fire scenarios, employees were trained in essential emergency skills such as using fire extinguishers, evacuating safely, and contacting emergency services. This drill not only improved employees' emergency response capabilities but also strengthened teamwork and communication, further boosting overall team cohesion.



Sinochem HK's Fire Safety Training

Supplier Health and Safety

Sinochem HK and China Jinmao work closely with suppliers and contractors to build a strong culture of health and safety. By implementing a series of preventive measures and continuous improvement strategies, we systematically reduce health and safety risks across all stages of the supply chain. In compliance with relevant laws and regulations, Sinochem HK has updated and issued the *Sinochem HK Health and Safety Policy*²¹ and the *Sinochem HK Supplier Code of Conduct*, which are applicable to all contractors, suppliers, and other partners of the Company and its subsidiaries. In supplier selection and procurement decisions, occupational health and safety are integral factors. We give preference to suppliers who have obtained OHSAS 18001 certification or other recognized occupational health and safety management system certifications. During supplier evaluations, we apply the same stringent health and safety reporting standards to contractors as we do to our formal employees, ensuring that the Company can precisely and promptly monitor their health and safety performance. Additionally, we conduct annual health and safety inspections and risk assessments for contractors, continuously encouraging them to strengthen their safety management systems. This ongoing commitment contributes to the overall improvement of safety performance across the supply chain.

Sinochem HK actively oversees investment management and provides continuous guidance to its subsidiary, China Jinmao, to strengthen contractor safety management and enhance overall safety standards across Sinochem Holdings. China Jinmao conducts strict health, safety, and environmental compliance reviews for potential contractors and acquisition projects, ensuring that all health and safety qualifications, commitments, internal management policies, and the past three years of performance records meet the required standards. Before entering partnerships, China Jinmao signs health and safety responsibility agreements with contractors, requiring them to meet the same standards as China Jinmao's internal health and safety management. This approach ensures that contractors fully understand and implement consistent health and safety policies. Additionally, China Jinmao regularly conducts safety inspections and audits of contractors, refines the supplier evaluation system, and establishes specific health, safety, and environmental performance criteria for them. We conduct comprehensive inspections of all project contractors biannually, with third-party agencies engaged to carry out regular assessments and unannounced inspections, ensuring the effective implementation of health and safety management measures by contractors. In 2023, China Jinmao organized 167 third-party safety assessment inspections, covering 100% of its projects under construction. To further ensure construction safety, China Jinmao conducts thorough evaluations of contractors, covering all stages from initial assessments and team interviews to technical bid reviews and HSE personnel interviews. Additionally, China Jinmao provides specialized health, safety, and environmental training for contractors, ensuring 100% coverage of supervisors, principal contractors, subcontractors, and other key roles. In 2023, China Jinmao held 63 training sessions for contractor teams, trained 167 contractor project leaders, and provided training to 66,878 contractor managers and workers.

In 2023, China Jinmao will organize third-party security assessment inspections

167

Contractor team training

63 sessions

Training for contractor management personnel and workers

66,878 Number of people

China Jinmao's Contractor HSE Training Performance in 2023

Indicators	Unit	2023
Number of HSE training sessions	Sessions	63
Number of HSE trainees	Persons	66,878
Training coverage rate	%	100

Sinochem HK and China Jinmao's Contractor Health and Safety Performance in 2023

	Sinochem HK	Sinochem HK and China Jinmao
Supplier work-related injury case	0	0
Lost working hours due to work-related injuries	0	0

04

Community Collaboration: Creating a Better Life

As the primary investment holding platform for the key state-owned enterprise Sinochem Holdings, Sinochem HK diligently fulfils its investment management responsibilities. Through its direct subsidiary, China Jinmao, Sinochem HK effectively implements Sinochem Holdings' strategic objectives for urban operations. In our role as a state-owned enterprise and responsible corporate citizen, we are committed to aligning our growth with societal needs. We actively engage in social welfare initiatives, contributing to high-quality and sustainable economic and social development for the nation.



Urban Renewal

At Sinochem HK, we actively fulfil our corporate social responsibility and investment management duties by empowering China Jinmao's urban transformation strategy through strategic investments and financing. Our efforts focus on optimizing urban structures, enhancing functionality, and improving overall quality, all while paving the way for a green, intelligent, and human-centered future. We are increasing funding for urban renewal projects, optimizing capital allocation, and unlocking the potential of cities, providing strong momentum for the sustainable development of Sinochem Holdings' urban operations sector. China Jinmao is committed to "Unleashing the Future Vitality of the City" by participating in the reconstruction of urban functions and exploring tailored models for urban renewal projects.

Case: Jinhua Jinmao Future Science City

In 2023, Jinhua Jinmao Future Science City was selected as a provincial pilot area for city renewal in Zhejiang Province. It was also awarded the "2023 Urban Co-Construction Grand Prize" at the China (Zhejiang) Urban Renewal Conference. After over two years of organic renewal and comprehensive renovation, Jinhua Jinmao Future Science City was transformed from the Dongmei area which was characterized by abandoned factories and old neighborhoods into an ecological green space suitable for business, living, travelling, learning, and preserving health.



Before the Project



Rendering of the Project



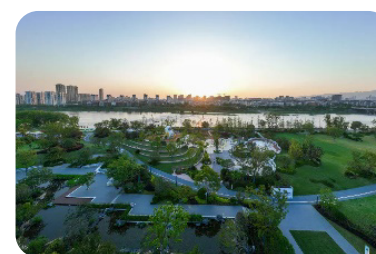
Site of 2023

As an integral part of Jinhua Jinmao Future Science City, Dongmei Future Community is a low-carbon demonstration area developed by China Jinmao. Based on the local climate characteristics and natural conditions, the project can remarkably reduce the energy consumption of buildings. Photovoltaic power generation systems are also installed to create a green and healthy living space. The project is scheduled to be completed and delivered in 2024.

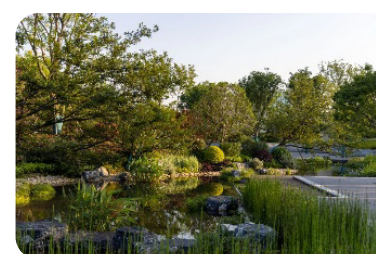


Site of Dongmei Future Community

Community Collaboration: Creating a Better Life



Site of Dongmei Park



Site of Central Green Valley Park



Site of Elf Bird Paradise

In terms of infrastructure, the project has initiated the construction of 8 municipal roads, with 5 already put into use. The construction of Dongshi South Street, one of the north-south main roads, has been completed and serves as the grand avenue welcoming the Asian Games. An "urban ecological chain" has been formed in Jinhua, connecting Dongmei Park, Central Green Valley Park, Tantoushan Ecological Green Space, and Chishan Park. The 3,200-square-meter Elf Bird Paradise aims to become a kid-friendly urban nature haven that provides high-quality leisure space for community residents.

In addition, the Jinmao Science and Technology Innovation Park was opened and hosted leading enterprises such as iFLYTEK, Tiger Industrial Cloud, and Shangyi Yunlian. The Smart Mansion, as a landmark building, is near completion and will be planned to function as the "Smart City Center", the "Industrial Internet Center", and the "Digital Agriculture Innovation Center". These projects aim to continuously inject momentum into the economic growth of Jinhua through a cluster of digital technology industries.



Site of Jinmao Science and Technology Innovation Park



Site of Smart Mansion

Case: Shanghai Hengmian Urban Renewal

The Shanghai Hengmian Horizon Yards Urban Renewal Project covers an area of approximately 600,000 square meters, with a planned total floor area of around 540,000 square meters. The project includes residences, commercial properties, hotels, and historical heritage conservation areas. Adhering to the principle of “minimal intervention and functional transformation”, this project aims to protect historical buildings and inherit cultural elements while combining the old and the new through the use of new construction techniques, technologies, and materials.

The project aims to preserve and restore traditional buildings and revitalizing historical spaces in Hengmian Ancient Town. Through maximizing the transformation and utilization of old buildings, we ensure efficient resource usage while safeguarding the cultural heritage of the ancient town. In the design of new buildings, we incorporated green and smart technologies and concepts while seamlessly blending the unique charm of the water town with distinctive architectural styles. Through these efforts, we achieved a harmonious coexistence between old and new structures.



Demonstration Area Transformed from a Cement Factory in the 1980



Community Centers and Supporting Kindergartens

Sinochem HK actively aligns with national directives on three key projects: social security housing, the transformation of urban villages, and the construction of public infrastructure both under normal conditions and in emergencies. In partnership with China Jinmao, we contribute to projects that enhance and safeguard people’s livelihoods. We are deeply committed to developing housing security systems that protect the housing rights and living conditions of original residents and low-income groups, thereby fostering local social development. In 2023, China Jinmao completed 77,740 square meters of social security housing, including relocation housing, low-rent housing, affordable housing, and talent apartments, with a total of 215,879 square meters delivered.

In 2023, China Jinmao will provide affordable housing including resettlement housing, low rent housing, affordable housing, and talent apartments

Completed area

77,740 square meter

Delivery area

215,879 square meter

Community Engagement

Sinochem Hong Kong Group and China Jinmao invest in public welfare and charity

11.01 million RMB

Total duration of employee participation in volunteer activities

20,669 hours

At Sinochem HK, we understand the deep connection between our business and community development, and we prioritize the social, economic, and environmental impacts of our operations on surrounding communities. Committed to aligning corporate growth with broader social progress, we have established the *Sinochem HK Community Management Policy*.²² This policy is designed to create long-term value for cities and communities through diligent monitoring, assessment, and mitigation of community impacts, as well as fostering effective communication and integration with local communities.

Additionally, we actively utilize our business strengths to engage in a wide range of social welfare initiatives, contributing to job creation, improving livelihoods, and supporting local economic and social development through our business operations. Our efforts focus on enhancing conditions in key areas such as the economy, education, healthcare, and the environment. We also organize various charitable activities and encourage our employees, along with those at China Jinmao, to participate in volunteer efforts. Through these actions, we strive to embody our corporate philosophy of giving back to society and fostering a harmonious community. In 2023, Sinochem HK and its subsidiary China Jinmao invested RMB 11.01 million in charitable activities, with employees contributing 20,669 volunteer hours.

Our volunteer team actively gives back to society and has been consistently involved in various volunteer services, including community care and support for the elderly. In 2023, our team’s efforts were recognized with the Silver Award for Volunteer Service from the Hong Kong Chinese Enterprises Association (HKCEA), earning widespread recognition from both the Hong Kong community and residents.

In 2023, the Company's volunteer team was awarded
Silver Award for "Outstanding Volunteer Team" presented by the Hong Kong Chinese Enterprise Association



Launch Ceremony of China Merchants' Community Care Activity



2023 HKCEA Outstanding Volunteer Recognition Ceremony

2023 Sinochem HK's Community Engagement in Public Welfare and Charity Performance

Indicators	Unit	Sinochem HK	Sinochem HK and China Jinmao
Total public welfare investment (including cash donations, material donations, and project cooperation funding)	RMB 10,000	511	1,101
Total public service hours	Hours	364	20,669
Average employee volunteer hours	Hours	20.2	1.93

²² <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117255195.pdf>

Appendices

GRI Content Index

Statement of Use	From January 1, 2023 to December 31, 2023, Sinochem Hong Kong Group reported the information referenced in this GRI content index in accordance with GRI standards
GRI 1 Used	GRI 1: Foundation 2021

Disclosure Issue/Item	Disclosure Title	Chapter Index
GRI 2: General Disclosures 2022		About the Report
The organisation and its reporting practices		
2-1	Organisational details	About Sinochem HK
2-2	Entities included in the organisation's sustainability reporting	About the Report
2-3	Reporting period, frequency and contact point	About the Report
Activities and workers		
2-6	Activities, value chain and other business relationships	Communication with Stakeholders and Material Issues
2-7	Employees	Talent-Driven Growth: Co-Creating a Blueprint for Development
2-8	Workers who are not employees	Talent-Driven Growth: Co-Creating a Blueprint for Development
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management
2-13	Delegation of responsibility for managing impacts	Sustainability Management
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management
2-15	Conflicts of interest	Corporate Governance
2-16	Communication of critical concerns	Sustainability Management
2-17	Collective knowledge of the highest governance body	Sustainability Management
2-18	Evaluation of the performance of the highest governance body	Sustainability Management

Disclosure Issue/Item	Disclosure Title	Chapter Index
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainable Development Strategy
2-23	Policy commitments	Sustainable Development Strategy
2-24	Embedding policy commitments	Sustainable Development Strategy
2-25	Processes to remediate negative impacts	Internal Control and Compliance
2-27	Compliance with laws and regulations	List of ESG Policies and Systems
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Communication with Stakeholders and Material Issues
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Communication with Stakeholders and Material Issues
3-2	List of material topics	Communication with Stakeholders and Material Issues
3-3	Management of material topics	Communication with Stakeholders and Material Issues
Economic		
GRI 201: Economic Performance		
201-2	Financial implications and other risks and opportunities due to climate change	Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Employee Care
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Anti-corruption and Promoting Integrity
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption and Promoting Integrity
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption and Promoting Integrity
GRI 206: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Anti-corruption and Promoting Integrity

Disclosure Issue/Item	Disclosure Title	Chapter Index
Environmental		
GRI 302: Energy		
302-1	Energy consumption within the organisation	Responding to Climate Change
302-3	Energy intensity	Responding to Climate Change
302-4	Reduction of energy consumption	Responding to Climate Change
302-5	Reductions in energy requirements of products and services	Green Buildings, Responding to Climate Change
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Management
304-2	Significant impacts of activities, products and services on biodiversity	Environmental Management
304-3	Habitats protected or restored	Environmental Management
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	Responding to Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	Responding to Climate Change
305-4	GHG emissions intensity	Responding to Climate Change
305-5	Reduction of GHG emissions	Responding to Climate Change
Social		
GRI 401: Employment		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Care
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety

Disclosure Issue/Item	Disclosure Title	Chapter Index
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9	Work-related injuries	Occupational Health and Safety
403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	Employee Development
404-2	Programmes for upgrading employee skills and transition assistance programmes	Employee Development
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Diversity and Integration
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Diversity and Integration
GRI 413: Local Communities		
413-1	Operations with significant actual and potential negative impacts on local communities	Community Engagement
GRI 414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Supply Chain Management
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management

List of ESG Policies and Systems

ESG Issue	Internal Policies	External Policies
Green Operations Climate Change and Carbon Emissions		Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise Atmospheric Pollution Prevention and Control Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Marine Environment Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Regulations of the People's Republic of China Concerning the Prevention and Cure of Pollution Damage of Marine Environment by Pollutants from Land Chinese Programme for Natural Protection Opinions of the CPC Central Committee and the State Council on Comprehensively Strengthening Ecological and Environmental Protection and Resolutely Winning the battle Against Pollution National Catalogue of Hazardous Wastes Assessment Standard for Green Building Management Measures for Duplicate Forms for Transfer of Hazardous Waste
	Sinochem Holdings Energy Conservation and Low Carbon Management Measures Sinochem Holdings Eco-environmental Protection Responsibility System Sinochem Holdings Environmental Protection Management Measures Sinochem Holdings Carbon Emission Monitoring, Statistics and Reporting Management Standards Sinochem Holdings Carbon Asset Management Standards Sinochem Holdings Environmental Monitoring System Operation Management Standards Sinochem Holdings Carbon Peak Action Plan Sinochem HK Environmental Protection Policy	
Employee Rights, Interests and Well-Being	Measures of Sinochem Holdings for Labour Employment Management Integrity and Compliance Manual Sinochem HK Human Rights Policy	Labour Law of the People's Republic of China Company Law of the People's Republic of China Labour Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China Social Insurance Law of the People's Republic of China Provisions on Minimum Wages Provisions on the Prohibition of Using Child Labour
		Universal Declaration of Human Rights Labour Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Provisions on the Prohibition of Using Child Labour
Occupational Health and Safety	Sinochem Holdings HSE Management Regulations (Second Edition) Sinochem Holdings HSE Supervision Management Standards Sinochem Holdings FORUS System Audit Management Standards Sinochem Holdings FORUS System Management Review Standards Sinochem Holdings Work Safety Management Measures (Third Edition)	Emergency Response Law of the People's Republic of China Regulation on Emergency Responses to Work Safety Accidents Labour Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Work Safety Law of the People's Republic of China Fire Protection Law of the People's Republic of China

ESG Issue	Internal Policies	External Policies
Occupational Health and Safety	Sinochem Holdings Life Assurance Rules Management Measures (Second Edition) Sinochem HK Position Safety Performance Checklist Sinochem HK Health and Safety Policy (Second Edition) Sinochem HK Overall Contingency Plan Sinochem Holdings Occupational Health Management Measures Sinochem Holdings Work Safety and Occupational Health Responsibility System Sinochem Holdings Occupational Disease Hazard Factors Daily Monitoring and Control Standards Sinochem Holdings HSE Committee Work Standards Sinochem Holdings HSE Responsibility Management Measures Sinochem Holdings HSE Performance Assessment Management Standards Sinochem Holdings Contractor HSE Risk Control Standards	Regulations on the Safety Management of Hazardous Chemicals Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents Interim Provisions on the Investigation and Control of Safety Accident Hidden Perils Regulation of the People's Republic of China on Work-Related Injury Insurance Provisions on the Supervision and Administration of Occupational Health at Work Sites Categories and Catalogue of Occupational Diseases
Supply Chain Management	Sinochem Holdings Vendor Management Measures Sinochem Holdings Vendor Approval Management Guidelines Guidelines of Sinochem Holdings for Vendor Review and Performance Evaluation Guidelines of Sinochem Holdings for Vendor Classification and Grading Management and Vendor Relationship Management Sinochem HK Procurement Management Measures Sinochem HK Supplier Code of Conduct	Construction Law of the People's Republic of China Bidding Law of the People's Republic of China Government Procurement Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China Provisions on Engineering Projects Which Must Be Subject to Bidding The Ministry of Housing and Urban-Rural Development Strengthens Safety Control of Major and High-Risk Construction Projects Prevention of Bribery Ordinance
Business Ethics and Anti-corruption	Sinochem Holdings Compliance Management Regulations Sinochem Holdings Integrity and Compliance Manual Sinochem HK Code of Business Ethics Sinochem HK Supplier Code of Conduct Sinochem HK Whistleblower Policy Sinochem HK Anti-commercial Bribery and Compliance Manual Sinochem HK Anti-bribery and Corruption Policy	Criminal Law of the People's Republic of China Oversight Law of the People's Republic of China Company Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Anti-monopoly Law of the People's Republic of China Bidding Law of the People's Republic of China
Community Development and Integration	Sinochem HK Community Management Policy	Charity Law of the People's Republic of China

ESG Performance Indicators

● Environmental Aspect

Indicator	Unit	2022	2023
Comprehensive energy consumption	10,000 tce	0.00079	0.00084 ²³
Comprehensive energy consumption per unit	tce/m ²	0.01003	0.02
Scope 1 GHG emissions	tonne of CO ₂ equivalents	/	4.18
Scope 2 GHG emissions	tonne of CO ₂ equivalents	/	34.44
Total GHG emissions	tonne of CO ₂ equivalents	33.41	38.62
GHG emission intensity	kg of CO ₂ equivalents/m ²	42.45	93.96

● Social Aspect

Indicator		Unit	2022	2023
Number of employees by the type of employment	Formal employees	Persons	18	18
	Interns	Persons	0	0
	Contracted employees	Persons	0	0
Number of formal employees by gender	Male	Persons	4	5
	Female	Persons	14	13
Number of formal employees by age group	Under 30	Persons	4	4
	30-50	Persons	7	8
	Over 50	Persons	7	6
Number of formal employees by region	Chinese mainland	Persons	6	4
	Hong Kong, Macao, and Taiwan	Persons	12	14
	Overseas regions	Persons	0	0
Number of formal employees by educational background	Senior middle school or below	Persons	2	1
	Three-year college	Persons	4	5
	Bachelor's degree	Persons	6	3
	Master's degree or above	Persons	6	9
Number of formal employees by rank	Senior level	Persons	5	1
	Middle level	Persons	4	4
	Primary level	Persons	9	13
Percentage of female employees at the management level	Percentage of female employees at the senior level	%	80	0
	Percentage of female employees at the middle level	%	50	22

²³ The scope of 2023 data for comprehensive energy consumption per unit and GHG emission intensity includes only the operating area of Sinochem HK's Hong Kong office

Indicator		Unit	2022	2023
Percentage of female employees		%	77.8	72.2
Number of trained formal employees by gender	Male	Persons	/	5
	Female	Persons	/	13
Number of trained formal employees by rank	Senior level	Persons	/	1
	Middle level	Persons	/	4
	Primary level	Persons	/	13
Total training hours for formal employees by gender	Male	Hours	/	18.33
	Female	Hours	/	47.67
Total training hours for formal employees by rank	Senior level	Hours	/	28
	Middle level	Hours	/	20
	Primary level	Hours	/	18
Safety incidents		Cases	0	0
Participation rate in the training on the FORUS system		%	100	100
Awareness rate of the core values and management elements of the FORUS system		%	100	100
Internalization rate of the FORUS system in business		%	100	100
Work-related injury case		Cases	0	0
Lost working hours due to work-related injuries		Hours	0	0
Number of HSE training sessions		Sessions	/	4
Number of HSE trainees		Persons	18	18
Total HSE training hours		Hours	/	216
Average HSE training hours per employee		Hours	>13	12
HSE training coverage rate		%	100	100
Number of safety emergency drills		Sessions	2	4
Coverage rate of occupational health and safety training		%	100	100
Supplier work-related injury case		Cases	0	0
Lost working hours due to work-related injuries among contractors		Hours	0	0
Total public service donation		RMB 10,000	/	511
Total public service hours		Hours	/	364
Total employee volunteer hours		Hours	/	364
Average employee volunteer hours		Hours	/	20.2

● Governance Aspect

Indicator		Unit	2022	2023
Number of major complaint cases investigated and validated		Cases	0	0
Number of concluded corruption lawsuits		Cases	0	0
Number of suppliers		Entity	35	32
Number of suppliers by region	Number of suppliers from North China	Entity	6	3
	Number of suppliers from East China	Entity	1	0
	Number of suppliers from Central China	Entity	0	0
	Number of suppliers from South China	Entity	1	0
	Number of suppliers from Southwestern China	Entity	0	0
	Number of suppliers from overseas, Hong Kong, Macao, and Taiwan	Entity	27	29
Coverage of compliance responsibility statement signing		%	100	100
Coverage of personal cybersecurity commitment signing		%	100	100

Reader’s Comment and Feedback

Dear reader,

Thank you for reading this report during your busy time. We sincerely hope to listen to your valuable opinions and suggestions, which will be helpful for strengthening the communication with you and other stakeholders and improving the preparation of Sinochem HK’s ESG reports. We look forward to your feedback in the following ways.

Please fill in your opinions:

1. As against Sinochem HK, which category of stakeholders do you belong to?
- ☐ Governments/regulators ☐ Shareholders ☐ Customers ☐ Employees ☐ Suppliers and partners ☐ Communities
- ☐ Media ☐ Others (please specify)

2. Are you satisfied with this annual report as a whole?
- ☐ Very good ☐ Good ☐ Average ☐ Bad
3. What do you think about the clarity, accuracy and completeness of the information and data disclosed in this report?
- ☐ Very good ☐ Good ☐ Average ☐ Bad
4. Is the information you are concerned about reflected in this annual report?
- ☐ Yes ☐ Average ☐ No
5. You are welcome to raised other opinions or suggestions for this report:

Your Contact Information:

Name:

Company/Organisation:

Telephone:

Email:



Sinochem Hong Kong (Group) Limited

Phone: 852 2824 0100

Address: Hong Kong Island, Hong Kong Special Administrative Region, China

Room 4611, Office Building, Convention And Exhibition Centre, 1 Harbour Road, Wan Chai District

Company Website: <http://hk.sinochem.com/hken/30559.html>