



中化
sinochem

中化香港(集团)有限公司
Sinochem Hong Kong (Group) Co., Ltd.

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2022

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT

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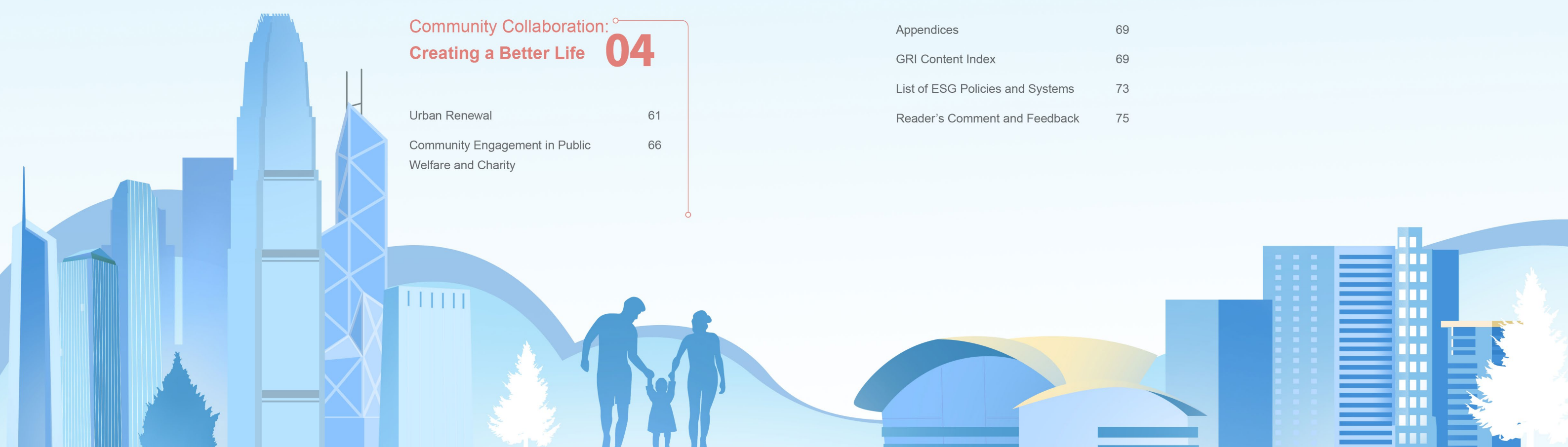
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About the Report

This is the first *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.

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, 2022, to 31 December, 2022, 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.'s 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>).

Message from the Chairman

The year 2022 was an extraordinary one. It was the first full operational year after the joint restructuring of Sinochem Holdings. We made concerted efforts to incorporate ESG concepts into Sinochem HK’s management and operations throughout the year. We put our commitment to sustainable development into practice and pursued high-quality development with compliance, environmental protection, employee development, and social collaboration as the core and focus. We insisted on seeking progress while maintaining stability throughout the year. We fully performed our investment management functions as Sinochem Holdings’ offshore financing platform and key investment and holding platform. We implemented Sinochem Holdings’ guiding strategy for urban operations through China Jinmao, our directly-owned operating subsidiary. In addition, we implemented a number of sustainable development policies and fulfilled our investment management and oversight responsibilities in green building target setting and implementation, as well as healthy and safe operations. Thus, we strengthened Sinochem Holdings’ position as a leading urban operator and provider of green building technology services.

We are publishing our first ESG report for 2022, summarising and evaluating the sustainability practices and accomplishments of Sinochem HK and its operating subsidiaries. We will usher in a new era marked by increased corporate social responsibility, environmental protection, and employee well-being in response to higher standards and more stringent requirements.

Business Compliance for Steady and Further Progress

We are keenly aware that integrity and compliance are the cornerstone of corporate sustainability. As the flagship overseas investment and holding platform of the key state-owned enterprise Sinochem Holdings, we insist on continuous innovation in system construction, audit compliance, etc. We analyse our internal control and compliance management processes to uphold compliance principles, modify and optimise our organisational structure configuration, and enhance our compliance policies and systems. We combat corruption, promote integrity, and adhere to business ethics. To cultivate a healthy corporate ecosystem, we have increased our efforts in preventing and controlling integrity risks in key areas and promoted integrity training and education.

Environmental Friendliness for Harmonious Coexistence

We insist on pursuing high-quality development from a long-term perspective and empowering sustainable urban development. We develop green offices and promote green leasing. Through our investment and financing business, we assist our operating subsidiary, China Jinmao, in green building development, ecological and environmental protection, and climate change response in an effort to improve the urban ecological environment for future generations. In 2022, China Jinmao was once again ranked first for competitiveness of green property development in China, with 100% of its new projects meeting green building standards. It has obtained a cumulative total of 297 green building certifications and labels, covering an area of 29,639,000 m². It has invested in, constructed, and operated 79 city-, regional- and project-level energy station projects, with an estimated annual carbon emission reduction of over 423,000 tonnes and a 100% clean energy utilisation rate.

Diversity, Equality, and Concerted Efforts for Safety

We firmly believe that employees are an indispensable force for business development. Putting people first, we have created an equal, diverse, healthy, and inclusive workplace, over half of our headquarters employees being female. We have developed a comprehensive employee training system to provide employees with career development assistance, with a 100% employee training coverage rate. We have integrated Sinochem Holdings’ FORUS system into our operation and established a sound occupational health and safety management system. Notably, we have maintained a record of “zero work-related fatalities” in fulfilling our commitment to protecting every employee’s health and safety.

Community Collaboration and Commission Fulfilment

Keeping in mind community and urban development, we actively fulfil our corporate social responsibility and incorporate the concept of sustainable development into our day-to-day operations and investment management. We have directed the flow of capital to sustainable urban renewal projects in order to stimulate the vitality of urban renewal, thereby contributing to the development of a sustainable, stable, and healthy urban environment. Our operating subsidiary, China Jinmao, had acquired a total of 34 urban operations projects by the end of 2022, thereby continuously fostering urban development. We focus our services on the Hong Kong local community and demonstrate our concern for others and philanthropy through concrete actions. We actively participated in the “Caring for the Community” series of The Hong Kong Chinese Enterprises Association events and won the association’s Bronze Award for Volunteer Service (Groups) 2022.

In the future, we will, as always, adhere to Sinochem Holdings’ concept of “In Science We Trust”. We will forge ahead with stronger strategic self-confidence and higher morale. We will continue to improve our ESG governance, constantly enhance our sustainable development capabilities, and make unremitting efforts to promote social sustainability and create a better future for humanity.



Li Fuli

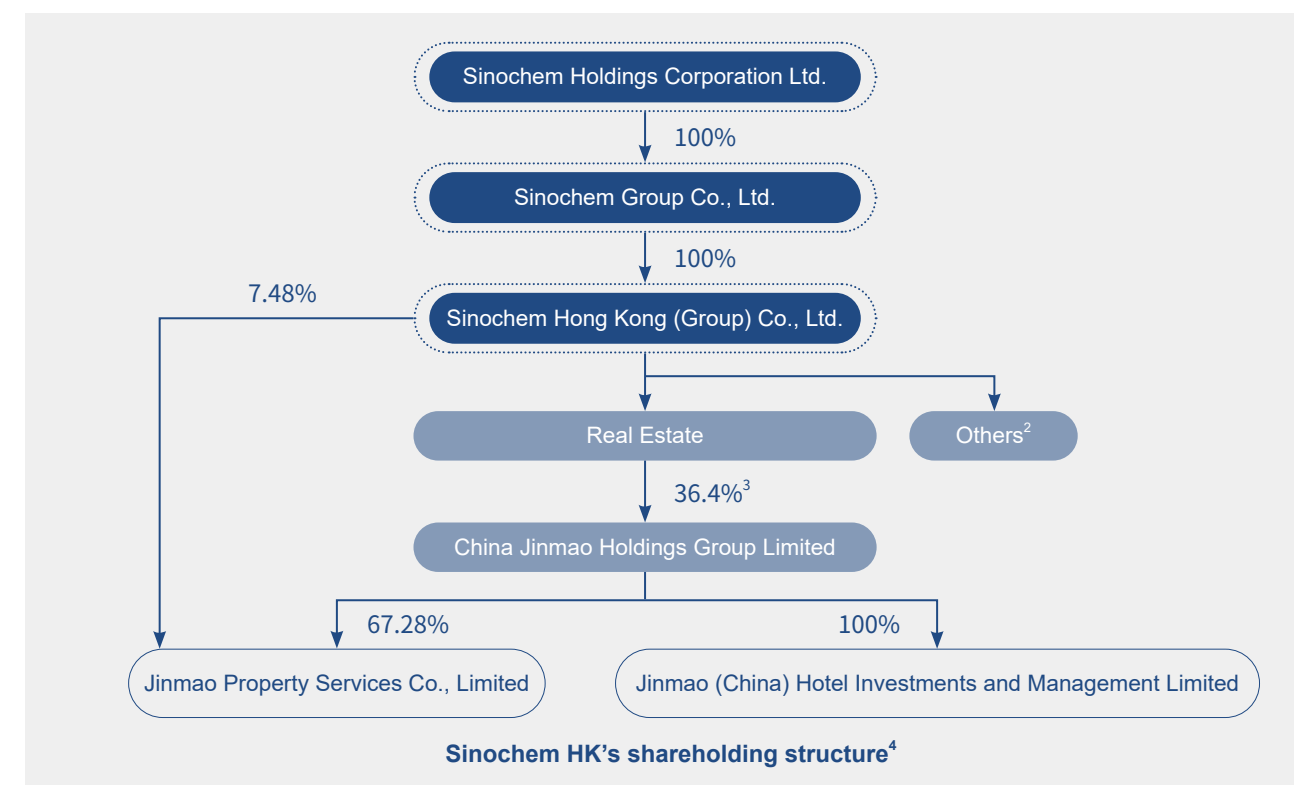
Chairman of Sinochem Hong Kong (Group) Co., Ltd.



About Sinochem HK

Sinochem HK, registered and founded in Hong Kong in 1989, has a registered capital of about RMB 20.5 billion and is indirectly wholly owned by Sinochem Holdings. Sinochem HK is Sinochem Holdings' overseas investment and holding subsidiary and one of the primary overseas platforms for executing Sinochem Holdings' business strategy. As Sinochem Holdings' offshore financing and holding platform, Sinochem HK mainly undertakes the responsibilities of offshore equity investment, financing, global cash concentration management, and asset management. Sinochem Holdings was established through the joint restructuring of Sinochem Group Co., Ltd. and China National Chemical Corporation Ltd. on 8 May, 2021. 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 has become one of the world's leading chemical conglomerates.

Some of Sinochem HK's main subsidiaries include China Jinmao (00817.HK), Sinochem Europe Holdings PLC, Sinochem International Oil (Hong Kong) Co., Ltd., Sinochem Overseas Trading Co., Ltd etc. 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. In 2022, Sinochem HK's operating revenue was RMB 83.858 billion,¹ 99% of which was from China Jinmao. As China Jinmao's largest single shareholder, Sinochem HK holds a 36.4% 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.



¹ Cited from Sinochem HK's audited financial statements for 2022 (<http://hk.sinochem.com/Portals/196/Uploads/Files/2023/7-4/638240728300264578.pdf>). An average exchange rate of RMB 0.8593/HKD is used. The exchange rate is calculated based on the State Administration of Foreign Exchange (SAFE)'s RMB central parity rate.

² Comprising Sinochem Europe Holdings Plc, Sinochem International Oil (Hong Kong) Co., Ltd., Sinochem Investment (Singapore) Pte. Ltd., Sinochem Overseas Trading Co., Ltd., Sinochem Overseas Capital Ltd., and Sinochem Offshore Capital Co., Ltd.

³ Despite holding less than 50% of the voting rights, Sinochem HK is considered to have control over China Jinmao as it is the single largest shareholder. The remaining 63.60% of China Jinmao's equity shares are widely held by many other shareholders, and there is no historical evidence of these other shareholders collaborating to collectively exercise their votes or to outvote the Company.

⁴ The key elements of the shareholding structure are as of 31 December, 2022.

Sustainability Management

Sinochem HK integrates Sinochem Holdings' ESG goals and philosophy into the Company's management and operations and continuously improves its ESG management system. By enhancing interactions with stakeholders, we promote the harmony among the Company, the environment, and society and continue to improve our sustainability capabilities.

Sustainable Development Philosophy

As an offshore financing platform and a key overseas asset holding company of Sinochem Holdings, Sinochem HK actively undertakes the responsibilities of offshore financing, offshore equity investment, global centralized fund management and asset management. In line with Sinochem Holdings' sustainable development vision, Sinochem HK is committed to fulfilling its corporate social responsibilities. 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





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.



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.



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, opposes any form of discrimination, 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.

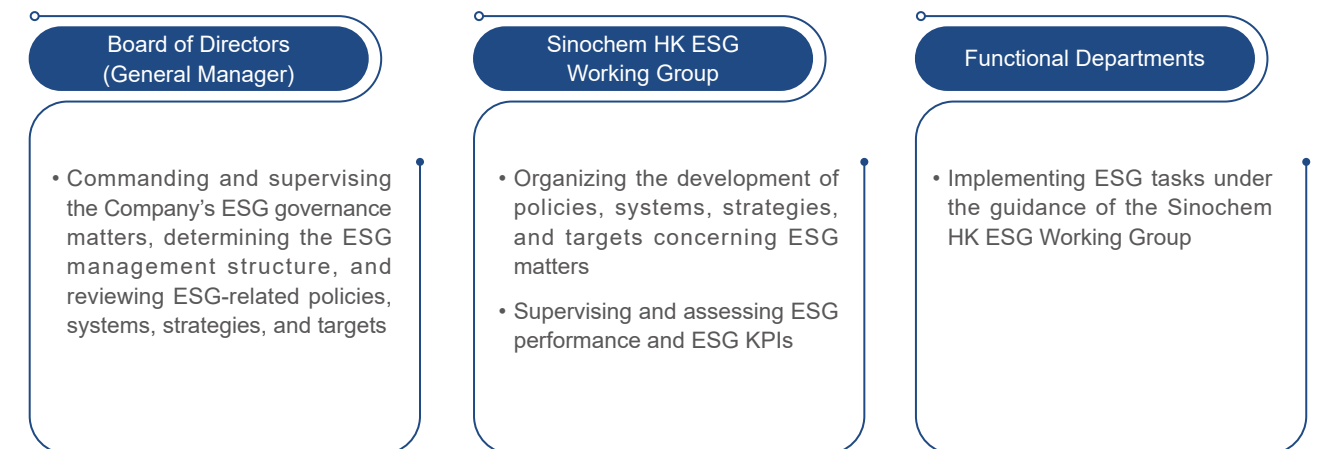
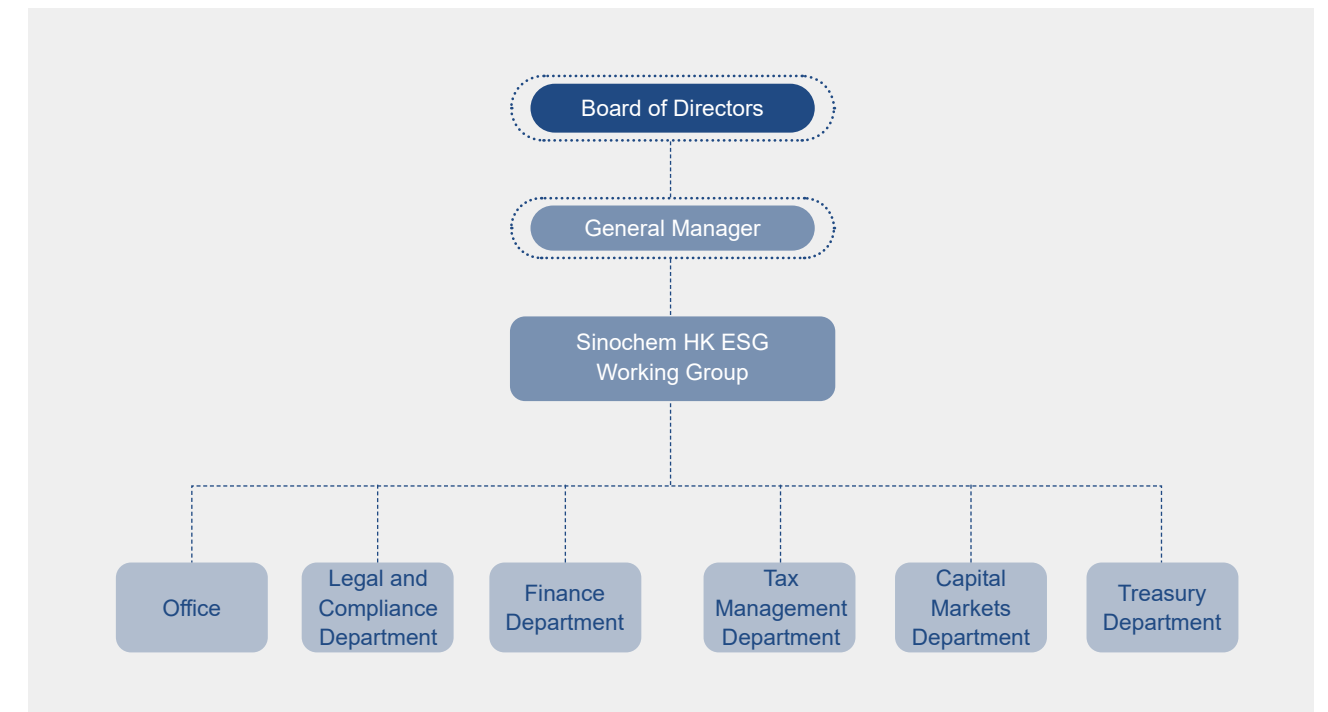


Aiming at satisfying its customers, Sinochem HK creates values for customers. It accomplishes this with value-added services, and seeks to enrich the content and enhance its capabilities to achieve a win-win development with its customers. Sinochem HK attaches great importance to its cooperation with 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 fulfill social responsibility and pursue a win-win and sustainable development.

Sinochem HK’s sustainable development principles

ESG Governance Structure

Sinochem HK has established an ESG governance structure to ensure the development and implementation of the Company’s long-term sustainable development strategies. With reference to Sinochem Holdings’ ESG management regulations and measures, we have established a top-down and multi-tiered ESG governance structure. In this structure, the Board of Directors acts as the main leading body, Sinochem HK’s ESG working group is the core, and functional departments make the main force for execution and implementation. The structure systematically facilitates the progress and implementation of ESG work.



Sinochem HK’s ESG governance structure

Communication with Stakeholders

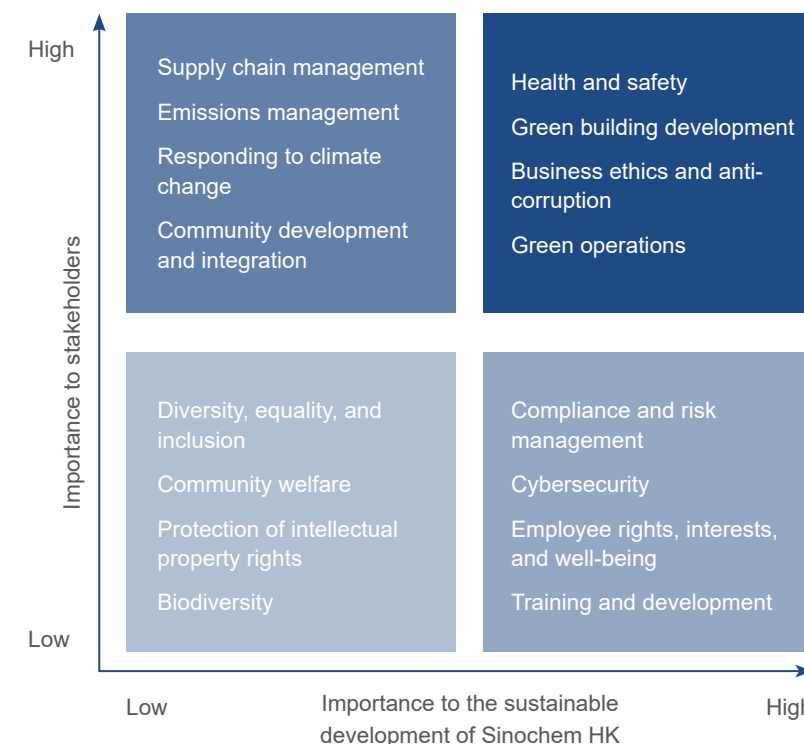
Effective communication is the key to building trust and consensus. Sinochem HK values communication and interactions with stakeholders and maintains diversified communication channels to facilitate two-way flow of information. We accept supervision from stakeholders, promptly respond to their needs and opinions, and take those as important references for adjusting the Company's strategic direction. In this way, we achieve close cooperation and win-win development with our stakeholders.

Stakeholder	Expectations and Demands
 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
 Shareholders	<ul style="list-style-type: none">• Enhancing profitability• Improving organisational structure• Performing information disclosure
 Customers	<ul style="list-style-type: none">• Business integrity• Information disclosure• Premium quality
 Employees	<ul style="list-style-type: none">• Protecting rights and interests• Career development and training• Occupational health and safety• Employee care
 Environment	<ul style="list-style-type: none">• Reasonable use of resources• Ecological restoration• Energy conservation and emission reduction• Advocating a green lifestyle
 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
 Communities	<ul style="list-style-type: none">• Community engagement• Promoting employment• Minimizing environmental impacts• Community services and public welfare
 Media	<ul style="list-style-type: none">• Good cooperation• Compliance in promotion

Determination of Material Issues

Sinochem HK has developed a list of ESG issues for Sinochem HK based on extensive communication with stakeholders and the status of the Company and the industry. During the reporting period, we assessed the materiality of ESG issues from two perspectives: importance to stakeholders and the impact of our own sustainable operations. The results of the assessment have been drawn into a matrix of materiality.

During the reporting period, Sinochem HK identified a total of 16 ESG issues, of which four are of high importance. This report will focus on the four issues and elaborate on their relevant information.

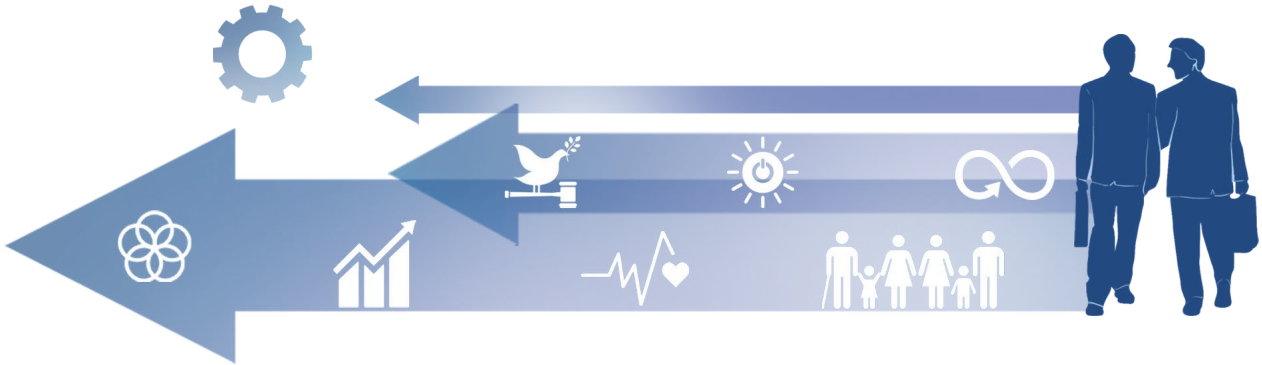


Importance	Category	Issue
High importance	Social issue	Health and safety
	Environmental issue	Green building development
	Governance issue	Business ethics and anti-corruption
	Environmental issue	Green operations
Medium importance	Governance issue	Compliance and risk management
	Governance issue	Cybersecurity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

Responding to UN SDGs

Sinochem HK actively responds to the UN 2030 SDGs and integrates sustainable development strategies into its corporate strategic deployment, thus contributing to social sustainability.

Chapter	ESG Issues	Corresponding SDGs
Business Compliance: Consolidating the Development Foundation	Business ethics and anti-corruption Compliance and risk management Cybersecurity Supply chain management Protection of intellectual property rights	 
Environmental Friendliness: Sharing a Green Future	Green building development Green operations Emissions management Responding to climate change Biodiversity conservation	  
Employee Development: Drawing a Win-Win Blueprint	Health and safety Employee rights, interests, and well-being Training and development Diversity, equality, and inclusion	   
Community Collaboration: Creating a Better Life	Community development and integration Community welfare	   



ESG Performance Highlights

Sustainalytics ESG risk rating:⁵ **12.9 (low risk)**

Governance



Total assets⁶

RMB **488,349,882,700**



Total operating revenue

RMB **83,857,793,700**



Net profit⁷

RMB **5,376,152,900**



Number of major complaint cases investigated and validated

0



Number of concluded corruption lawsuits

0



Coverage of compliance responsibility statement signing

100 %



Coverage of personal cybersecurity commitment signing

100 %



⁵ On 8 March 2023, Sinochem HK received its first ESG risk rating from Sustainalytics, an internationally leading ESG research, rating, and data company. The Company was scored 12.9 at the low risk level. 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.

⁶ An end-of-period exchange rate of RMB 0.8933/HKD is used. The exchange rate is calculated based on the SAFE's RMB central parity rate.

⁷ An average exchange rate of RMB 0.8593/HKD is used. The exchange rate is calculated based on the SAFE's RMB central parity rate.

Environmental

China Jinmao



Green building certifications and labels newly obtained by China Jinmao

35



Newly added green-building-certified area

3,763,000 m²



Accumulated green building certifications and labels

297



Accumulated green-building-certified project floor area (GFA)

29,639,000 m²

Social



Percentage of female employees

77.8 %



Percentage of female employees in senior management

80 %



Cases of work-related injuries

0



Lost working hours due to work-related injuries

0



Work-related death cases among suppliers

0



Coverage of employee training

100 %



Attendance to the FORUS System training

100 %



Awareness of the core values and management elements of the FORUS System

100 %



Average safety training hours

> 13

Sinochem HK and China Jinmao



Total public welfare and philanthropic investment by Sinochem HK and China Jinmao

RMB **4.76** million



Total hours of volunteering

20,268 hours



**Awarded the Bronze Award for Volunteer Service (Groups)
2022 of The Hong Kong Chinese Enterprises Association**

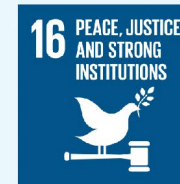




01 Business Compliance: Consolidating the Development Foundation

Sinochem HK firmly believes that good corporate governance is crucial for the Company to create sustainable value. To that end, we continuously strengthen our governance capabilities and incorporate Sinochem Holdings' governance philosophy into our management and operations. We have established a clear system of authority, accountability, and governance. We are constantly improving our business ethics and risk management capabilities, as well as our cybersecurity assurance and supply chain sustainability. In this way, we promote the Company's consistent and high-quality development.

- Corporate Governance
- Anti-corruption and Promoting Integrity
- Internal Control and Compliance
- Cybersecurity
- Supply Chain Management

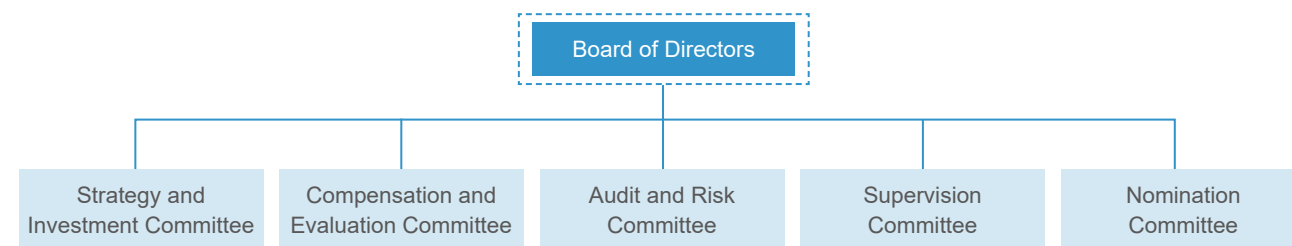


Corporate Governance

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 has established a governance system of compliance and efficiency, with powers and responsibilities clearly assigned, and has set up a corporate governance structure with the Board of Directors as the core of leadership.

The Board of Directors of Sinochem Holdings has long provided comprehensive oversight and direction to Sinochem HK, as well as steadfast support for Sinochem HK's decision-making and growth. The Board of Directors of Sinochem Holdings has defined the responsibilities of its own and its committees in accordance with the Articles of Association, the Rules of Procedure of the Board of Directors, and other corporate governance system documents. The implementation of governance principles from the top down effectively standardises the corporate governance model.

The Board of Directors of Sinochem Holdings is comprised of the Strategy and Investment Committee, the Compensation and Evaluation Committee, the Audit and Risk Committee, the Supervision Committee, and the Nomination Committee. They provide professional review advice for the decision-making of the Board of Directors of Sinochem Holdings. As Sinochem Holdings' offshore financing platform and key investment and holding platform, Sinochem HK is subject to the oversight and guidance of the specialised committees of Sinochem Holdings' Board of Directors in matters including corporate strategic planning, investment decision-making, audit, and risk management. In addition, we actively cooperate with the governance of Sinochem Holdings' Board of Directors in order to contribute to the execution of strategies, development of the risk management system, and sustainable development of Sinochem Holdings.

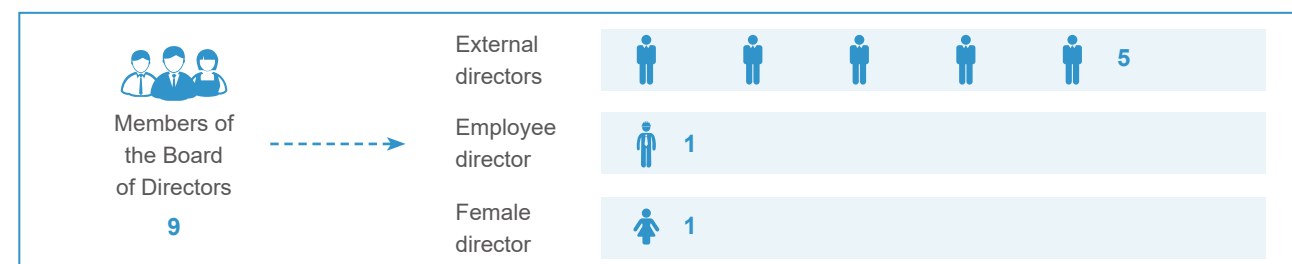


Sinochem Holdings' corporate governance structure



When selecting candidates for the Board of Directors, Sinochem Holdings takes into account various factors such as gender and cultural background. It also strengthens the Board of Directors in terms of professional skills and industry experience and continues to pursue a diversified composition. As at 31 March 2023, Sinochem Holdings' Board of Directors had a total of nine members⁸, including five external directors and one employee director. This composition ensures the independence of the Board of Directors and the rationality of its decisions.

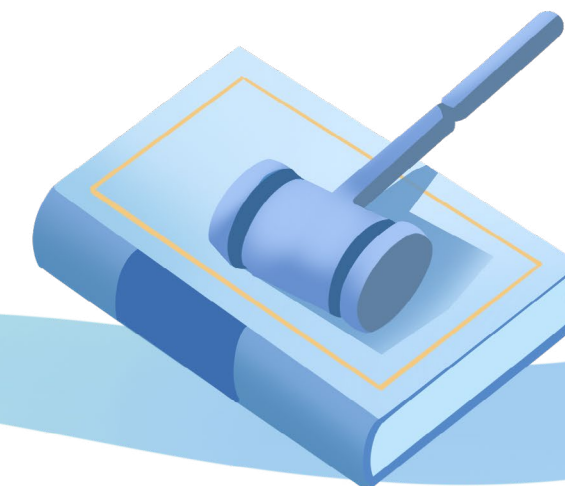
Composition of the Board of Directors



⁸ Information about the members of Sinochem Holdings' Board of Directors can be found on <https://www.sinochem.com/newen/17219.html>

Anti-corruption and Promoting Integrity

Sinochem HK is dedicated to fostering an ethical and accountable business environment. Adhering to the fundamental principle of honesty and dependability, we have established a robust business ethics management system and continuously promote a culture of integrity in order to establish a healthy corporate ecosystem.



Business Ethics and Anti-corruption Management

Sinochem HK highly values business ethics and strictly adheres to all applicable anti-commercial bribery laws and regulations of the Chinese mainland and Hong Kong. We also strictly adhere to Sinochem Holdings' anti-commercial bribery requirements in our business operations. We identify business ethics and anti-corruption risk areas and regulate our business practices using the *Sinochem Holdings Integrity and Compliance Manual* and the *Sinochem HK Anti-commercial Bribery and Compliance Manual*. Simultaneously, we have created business ethics and anti-corruption management policies, such as the *Sinochem HK Code of Business Ethics*⁹ and the *Sinochem HK Anti-bribery and Corruption Policy*¹⁰, with reference to advanced laws, regulations, and standards worldwide. These policies apply to all directors and employees (informal employees such as contractors, interns, and rehired retirees) and strictly prohibit any form of commercial bribery and corruption.

Sinochem HK has a "zero tolerance" policy for commercial bribery and corruption. We defined all corrupt and bribery behaviours and potential behaviours, including but not limited to offering or accepting bribes, embezzlement, encroachment, extortion, fraud and money laundering, and implemented appropriate management measures. We conduct regular audits and oversight, such as self-inspection for professional ethics and comprehensive inspections. Every year, we conduct business ethics and anti-corruption inspections as part of our internal audit to effectively reduce and avoid business ethics risks in the Company. We have established a business ethics management system consisting of the Board of Directors, the Office, and the Legal and Compliance Department, with the Board of Directors overseeing and conducting regular audits of anti-corruption and business ethics management. In addition, we have explicitly stated that the Office and the Legal and Compliance Department are accountable for the day-to-day execution of anti-corruption and anti-bribery measures, including but not limited to preventing and controlling bribery and corruption risks, constructing business ethics-related mechanisms, and fostering an integrity culture.

Sinochem HK provides integrity training and education to all employees, including management, in order to continuously increase the Company's awareness of business ethics and anti-corruption. Our ESG Working Group provides anti-bribery and anti-corruption training for all employees, including regular communication and training, training for new hires, and case-based warning education.

Sinochem HK is also committed to establishing a fair and honest cooperation environment with its suppliers and other business partners and an open and trustworthy cooperation mechanism. We actively implement Sinochem Holdings' compliance requirements for business partners. In addition, we have developed and issued the *Sinochem HK Supplier Code of Conduct*¹¹, requiring our partners to comply with the Company's anti-bribery and anti-corruption policies and regulations to avoid doing business with suppliers and their personnel who are convicted or suspected of having engaged in corrupt practices. In this way, we effectively prevent and manage corruption and bribery risks associated with our supply chain.

⁹ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117254104.pdf>

¹⁰ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117252729.pdf>

¹¹ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117240302.pdf>

Whistleblowing and Whistleblower Protection

Sinochem HK prioritises the management of complaints and reports and the protection of whistleblowers. We have developed the *Sinochem HK Whistleblower Policy*¹² to regulate whistleblowing channels. In addition, we have defined the authority and responsibilities for complaining and whistleblowing and improved the handling and management process for whistleblowing to ensure that complaints and reports are dealt with expeditiously and effectively. We have established various whistleblowing channels, such as email, phone, and written letters, and we encourage employees, users, partners, and other stakeholders to monitor the Company's handling of reports and complaints. Complaints we receive will be investigated by the Legal and Compliance Department based on their content and reported to the Company's management or the competent compliance and disciplinary bodies case by case. In the event of any unlawful conduct, we will refer it to law enforcement agencies for investigation and handling in accordance with the law.

Sinochem HK works hard to protect the rights and interests of whistleblowers. To provide solid protection and support for whistleblowers, we have implemented a number of whistleblower protection measures. We keep whistleblowers' personal information and the content of their reports strictly confidential, establish access rights to whistleblowers' information, and prohibit the disclosure of relevant information to the reported and unrelated personnel. We also prohibit any form of threat, combat, or retaliation against whistleblowers and will provide legal support and protection to whistleblowers if necessary. Suppose a whistleblower is treated unfairly as a result of a complaint or report, he or she will have the right to report it to the Legal and Compliance Department of the Company. We will strictly protect the rights and interests of whistleblowers from being violated.

Performance of Anti-corruption and Promoting Integrity



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

¹² Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117245939.pdf>

Internal Control and Compliance







Sinochem HK, as a wholly-owned subsidiary of Sinochem Holdings, strictly observes the internal risk control and compliance management policies and systems of Sinochem Holdings and actively implements its risk and compliance requirements. We ensure the implementation of internal risk control and compliance management and continue strengthening the Company's risk resilience.

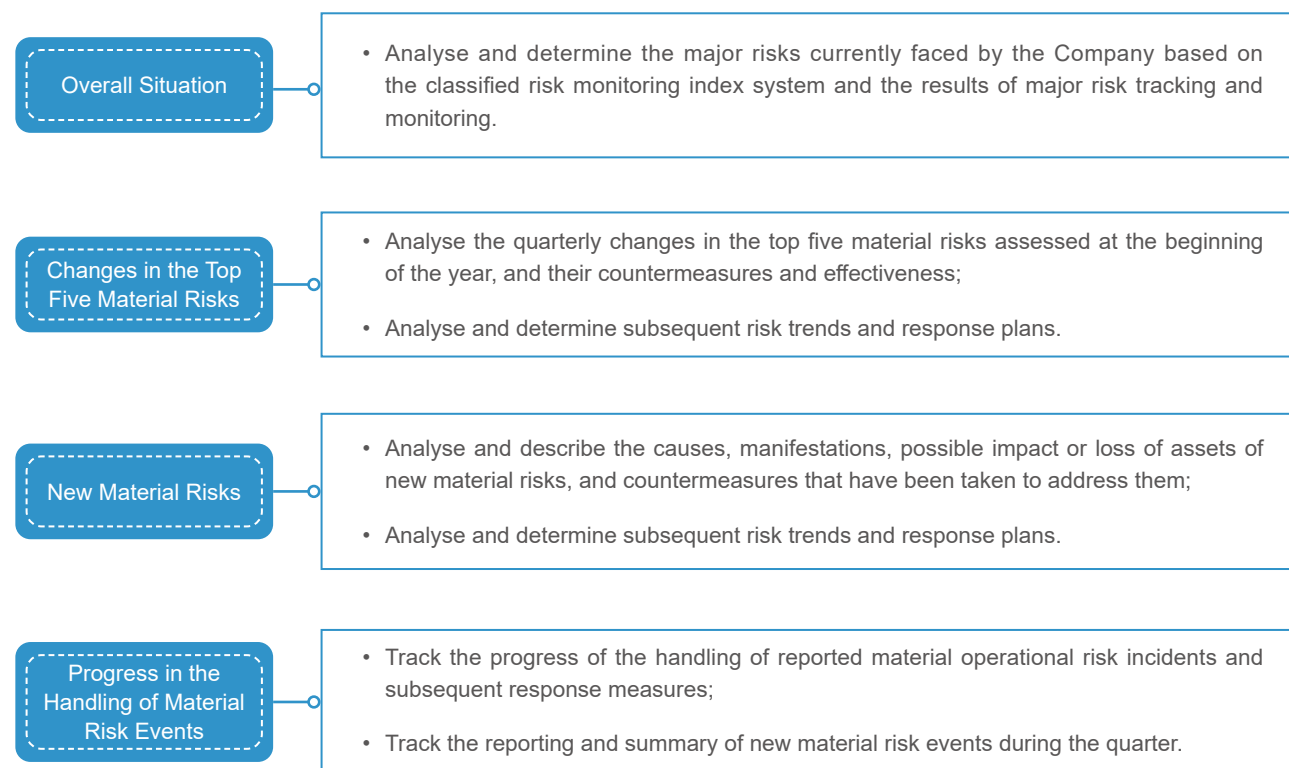
Risk Management System

Sinochem HK places significant emphasis on risk management and internal control. The *Sinochem Holdings Risk Management Measures* and the operational incident work system are fully implemented. Furthermore, we continue to improve our risk management framework in accordance with the Company's actual situation in order to effectively ensure risk management implementation.

The risk management and internal control systems of Sinochem HK continue to be enhanced. The General Manager is primarily responsible for the risk management of the Company. The Board of Directors, as the Company's highest leadership and decision-making body for risk management and internal control, deliberates annually on material risk matters. We identified and evaluated our strategic, market, operational, financial, and legal risks during the reporting period. We report operational risks monthly, track and monitor material risks, and assign responsibilities. Referring to the risk assessment standards of Sinochem Holdings, we identify the material risks we face and determine their causes and countermeasures. Additionally, we attach great importance to ESG risk management. We incorporate ESG risks (such as work safety risks, environmental protection risks, natural disaster risks, and public opinion risks) into our risk management system and develop and implement risk management strategies and response plans.

Control of Major Risks in 2022

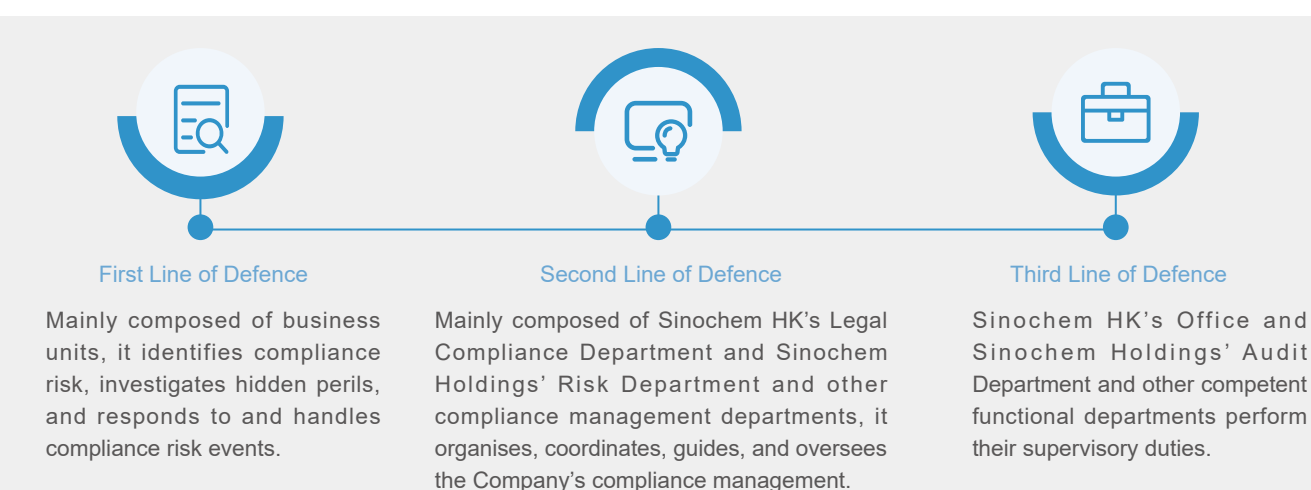
Primary Risk	Secondary Risk
 Strategic risks	Macroeconomic risk Policy risk Science, technology, and innovation risk Reform and business transformation risk
 Market risks	Market competition risk Customer credit risk
 Operational risks	Operational efficiency risk Investment risk Production risk Procurement and supply chain management risk
 Financial risks	Financial and financial derivative business risk Debt risk Cash flow risk
 Legal risks	Compliance risk Litigation risk Intellectual property rights risk Contract risk
 ESG risks	Work safety risk Natural disaster risk Environmental protection risk Public opinion risk



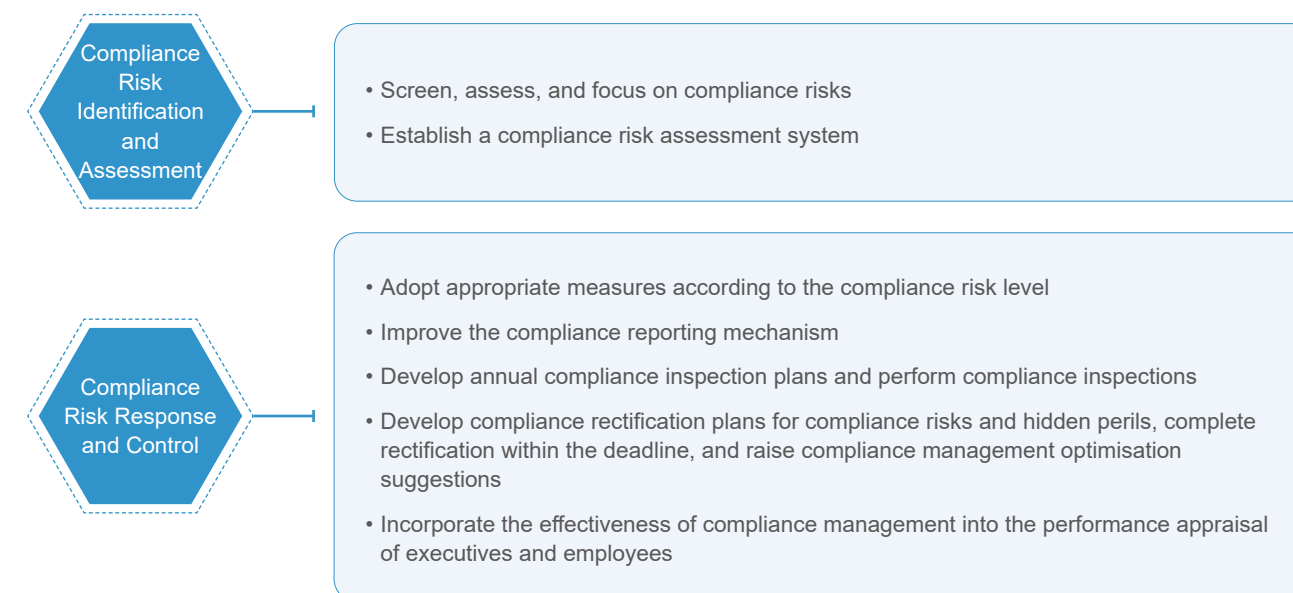
Quarterly Tracking and Monitoring Mechanism for Material Risks

Compliance Management System

As a wholly-owned subsidiary of Sinochem Holdings, Sinochem HK strictly adheres to all rules of Sinochem Holdings' compliance system and implements Sinochem Holdings' compliance-related management regulations. Annually, all Company employees, including the General Manager and department heads, must sign the *Sinochem Holdings Compliance Responsibility Statement*. Based on Sinochem Holdings' compliance management mechanism, we have also established a compliance management system consisting of a compliance management policy system, a compliance management organisation system, a compliance risk management mechanism, and a compliance culture building mechanism, thereby ensuring legal compliance.



"Three Lines of Defence" of the Compliance Management Organisational System



Compliance Risk Management Mechanism



Case: The "Business Legal Compliance" General Inspection

In 2022, Sinochem HK was actively engaged in the "Business Legal Compliance" general inspection. In the compliance review, we dissected our internal control and compliance management processes, adjusted and optimised our organisational structure, and improved our compliance rules and regulations. Moreover, we had no major audit issues in Sinochem Holdings' special audit for offshore fund regulation in the current year.

Compliance Culture Building

Sinochem HK strives to increase employees' risk compliance awareness. To achieve this, we promote a compliance culture in all areas, foster an environment conducive to compliance and risk management, and integrate the concepts of risk management and compliance culture into the entire process of corporate culture development. All employees receive training on the fundamental knowledge and skills of risk management, and key positions receive training on the fundamentals of the risk management culture. In 2022, the Year of Compliance Enhancement for Sinochem Holdings, we hosted four employee training sessions, totalling 20 hours of compliance training. Furthermore, we had all employees sign the *Sinochem Holdings Compliance Responsibility Statement*. In addition, we provide new compliance personnel with guidance on the compliance management system in order to clarify compliance concepts and increase legal compliance awareness to its fullest extent.



Case: Enhancing Compliance Training to Ensure the Company's Sustainable Operations

Sinochem HK is committed to sustained and sound operations. We continuously strengthen compliance training and education to enhance our employees' compliance awareness. In June 2022, the Company's Office and legal and compliance employees attended an online seminar entitled "Mid-Year Review of Employment Compliance in Hong Kong: Noteworthy legislation amendments and recent judicial precedents in the employment law and related areas" to deepen the Company's understanding of employment compliance. In July of the same year, the Company conducted systematic training for new compliance employees on the current status of compliance in the Company's management and departments, the targets of each phase, and the implementation plan, so as to deepen their understanding of compliance. In November 2022, the General Manager and members of the Board of Directors, the head of the Office, and employees at the Legal and Compliance Department attended the training on "Anti-trust Legislation and Enforcement Trends and Compliance" and the first training session on compliance management for state-owned enterprises hosted by Sinochem Holding. Such top-down enhancement of compliance awareness laid a solid foundation of legal compliance for the Company's sustainable development.

Cybersecurity

Sinochem HK places a high priority on cybersecurity. Supported by a robust cybersecurity management system, we are constantly enhancing the cybersecurity of our information systems and digitalising the business. We abide by the *Data Security Law of the People's Republic of China* as well as all other applicable laws and regulations. With reference to Sinochem Holdings' cybersecurity and cybersecurity incident emergency plans and other relevant systems and policies, we have developed and improved the *Sinochem HK Cybersecurity Management Regulations* and other internal systems. In addition, we have developed an information security mechanism and an effective emergency response mechanism for cybersecurity. We perform cybersecurity oversight and audits to ensure the safety, dependability, and stability of the Company's digital infrastructure and information systems.



Cybersecurity Management System

Sinochem HK has established and implemented a comprehensive cybersecurity management structure and accountability system. The Company's General Manager, who bears primary responsibility for the Company's cybersecurity, coordinates the progress and planning of cyber and information security work, as well as reviews and directs cybersecurity management. The Office is the governing body of the Company's cybersecurity efforts. The head of the Office is directly accountable for cybersecurity, and is responsible for developing and implementing the Company's cybersecurity plans, policy system, and work standards, and monitoring the Company's overall information security, and implementing the investigation and reporting of information security incidents. We have created the *Sinochem HK Overall Emergency Plan* and established a scientific and effective response mechanism for cybersecurity emergency incidents. According to the severity of cybersecurity incidents, we have developed a variety of incident reporting and response procedures. This action enhances the effectiveness of cybersecurity incident management and ensures a prompt and effective response to cybersecurity incidents. Once a cybersecurity incident is identified, the Company's Office will immediately analyse and judge the level of the incident and report it to the Emergency Management Leadership Group. The group will determine the level of the incident and coordinate the on-site emergency command to deal with the incident.

Cybersecurity Supervision

The cybersecurity management system at Sinochem HK is subject to regular monitoring and inspection to ensure its effectiveness and dependability. The supervision and inspection of cybersecurity consists of internal self-inspection and external audit. Depending on the status of the Company, we undergo Sinochem Holdings' annual centralised cybersecurity audit. In order to achieve a closed loop of risk and hidden peril management, we implement rectification for the information system's vulnerabilities.

Cybersecurity Promotion

We have participated in Sinochem Holdings' cybersecurity drills, cybersecurity communication and education, and other information security training campaigns in an effort to increase employees' information security awareness and risk-avoidance abilities. In addition, we have signed personal cybersecurity commitment letter with our employees in order to raise their awareness of data security responsibilities and cybersecurity risks. During the reporting period, 100% of our employees signed a personal cybersecurity commitment letter.



Our employees signed a personal cybersecurity commitment letter

100 %



Case: Sinochem HK Participating in Sinochem Holdings' "Azure 2022" Cybersecurity Drill

In 2022, we participated in the "Azure 2022" cybersecurity drill organised by Sinochem Holdings. The drill was divided into four stages: risk clean-up, protection reinforcement, internal attack-and-defence exercise, and the formal drill. It was aimed at discovering and rectifying deep-seated cybersecurity risks, thus improving the security protection of the corporate network information system and the corporate ability to handle cybersecurity emergency incidents and strengthening the cybersecurity system.

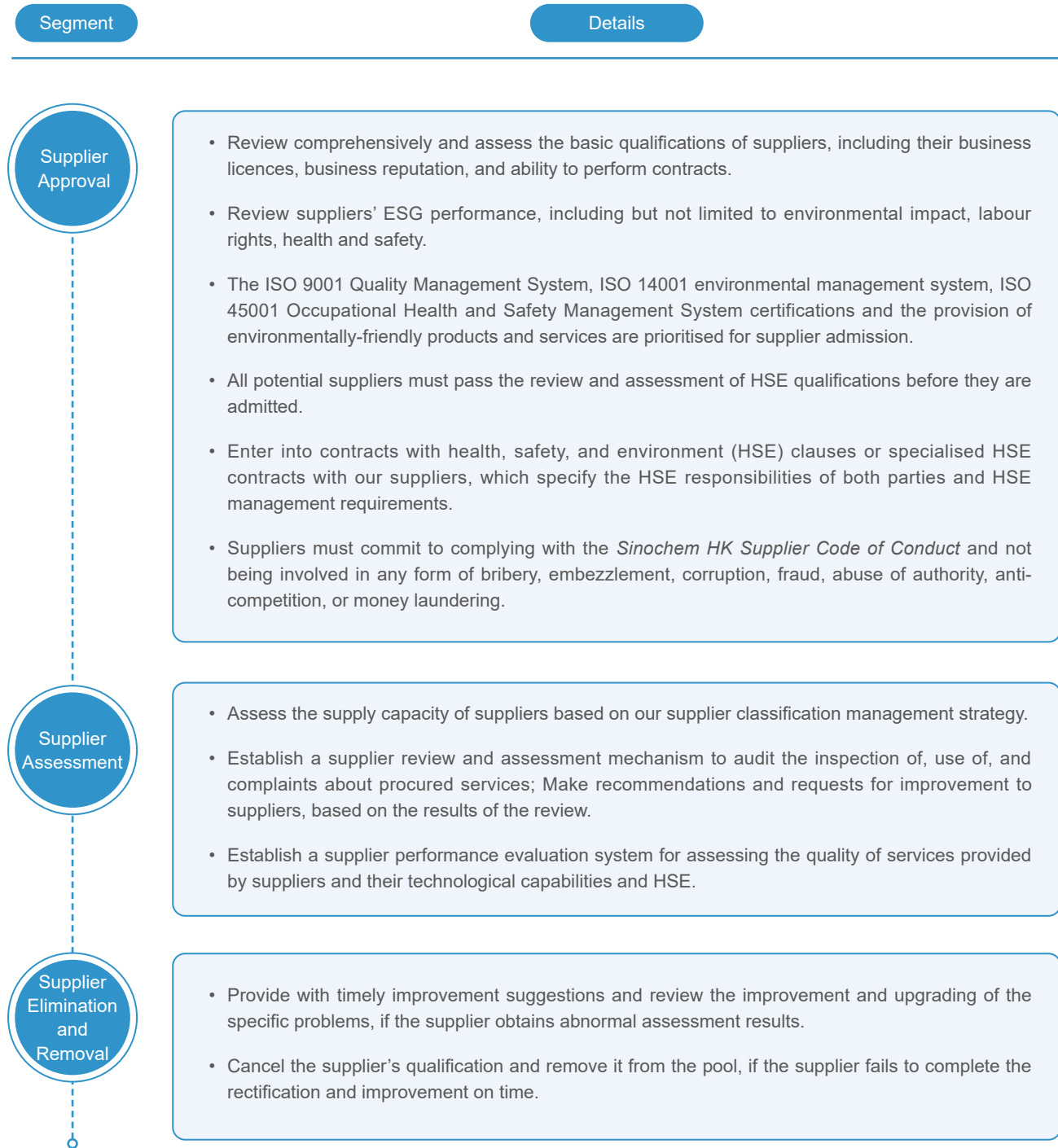
Prior to the formal drill, Sinochem Holdings took several measures to strengthen its protection, including converging exposure to cyberattacks, constructing defence in depth, and reinforcing key protection. It also organised internal attack-and-defence drills and simulated attack scenarios to test the response effectiveness of its internal defence forces. During the 10-day drill, we made every effort to implement security protection, monitoring and early warning, and emergency response in accordance as scheduled, and tested the results of the drill. Through the drill, we not only further enhanced our cybersecurity protection capabilities but also contributed to Sinochem Holdings' overall cybersecurity construction.

Supply Chain Management

Sinochem HK works hard to establish a long-term supply chain. We established a supply chain management system in a systematic and integrated manner. We have developed equal, long-term, and close cooperative relationships with our suppliers based on mutual trust. Our primary business is offshore investment, financing, asset management etc. Our value chain suppliers primarily provide professional services such as day-to-day office management and consultancy, and our major supply chain ESG risks are associated with our operating subsidiary China Jinmao's urban operations and property development business. As a result, we continue to monitor China Jinmao's supply chain ESG management performance. We help China Jinmao build a stable and sustainable supply chain by providing capital and financing, promoting the Company's long-term development stability.

	Sinochem HK	Sinochem HK and China Jinmao
Total suppliers	35	20,750
Suppliers from North China	6	4,546
Suppliers from East China	1	7,336
Suppliers from Central China	0	2,685
Suppliers from South China	1	3,904
Suppliers from Southwestern China	0	2,252
Suppliers from overseas, Hong Kong, Macao, and Taiwan	27	27

Sinochem HK strictly abides by bidding laws and regulations of the jurisdictions where it operates, as well as the *Sinochem Holdings Vendor Management Measures*, the *Sinochem Holdings Vendor Approval Management Guidelines*, and the *Guidelines of Sinochem Holdings for Vendor Review and Performance Evaluation*, and other policies and systems. In addition, we have developed 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 every aspect of our supplier screening, approval, and evaluation. 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, which reviews the selection of suppliers, oversees the Company's procurement process, and coordinates the resolution of problems arising from that process, thereby ensuring the sound operations of the Company.



Sinochem HK's Whole-Lifecycle Management System for Suppliers

Furthermore, China Jinmao has enhanced its supply chain management system by establishing effective management and review processes for supplier admission, evaluation, communication, and removal. It applies the same quality, environment, health and safety, employment, and compliance management standards as China Jinmao to its suppliers, contractors, and other partners, effectively avoiding and managing supply chain ESG risks. All of China Jinmao's general contractors were certified with the environmental management system, the quality management system, and the occupational health management system by 2022.



02 Environmental Friendliness: Sharing a Green Future

Sinochem HK is adamant about incorporating Sinochem Holdings' Sustainable Development Philosophy into its operations and development. We take green buildings and ecological environmental management as breakthrough points in our operations based on green operations. In this way, we continue to enhance the environmental management performance of our own and operating subsidiaries and steadily advance the Company's green and low-carbon transformation and development. As a primary investment and holding platform of Sinochem Holdings, we actively fulfilled the function of investment management. Through our directly controlled operating subsidiary, China Jinmao, we execute Sinochem Holdings' guiding strategy for urban operations and perform our investment management and oversight responsibilities in green building target setting and implementation, climate change response, eco-environment protection etc. As a result, we bolster green and high-quality development as the basis of Sinochem Holdings.

- Green Buildings
- Green Operations
- Environment Management



Green Buildings

Sinochem HK firmly grasps the green building opportunity. By providing investment management and financing support and other means, we facilitate our operating subsidiary, China Jinmao's engagement in green building development and help it build an environmentally-friendly model for urban operations, together implementing Sinochem Holdings' real estate development strategy. We work closely with China Jinmao to practise the concept of "green health and smart technology" throughout the whole lifecycle of planning and design, construction, operation, maintenance, and management. Together, we empower Sinochem Holdings to achieve green and low-carbon development in its urban operations business.

Green Building Targets

In 2022, Sinochem HK set green building investment targets, actively fulfilled investment management responsibilities, and guided its operating subsidiary, China Jinmao, to release the revised *Green Strategic Management Standards of China Jinmao*, setting green building targets for property development and self-owned properties. In this way, we steadily increased the proportion of green-building-certified projects and joined forces to lead Sinochem Holdings' evolution of green living.

Green Building Targets



100% of its new residential and office buildings shall meet the basic requirements of Green Buildings of China (or equivalent internationally-recognised standards such as the LEED/ BREEAM certification).



From 2023 to 2025, it shall obtain no less than 15 high-star-level green building certifications and labels.¹³



Among its 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-recognised 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 2022



100% of its new projects met green building standards, achieving energy efficiency review for all architectural designs;



It had 35 newly added green building certifications and labels, 77.1% among which were at a high star level;



The newly added green-building-certified area was 3,763,000 m².

By the end of 2022



It had cumulatively obtained 297 green building certifications and labels;



A total green-building-certified project gross floor area (GFA) of 29,639,000 m².



• China Green Building labels: 181



• BREEAM certifications: 59



• LEED certifications: 36



• WELL Gold certifications: 11

• China Health Building certifications: 4

• HQE (France) Five-Star: 1

• Other provincial green building certifications and labels: 2

• Passive low-energy building design certifications: 2

• Net-Zero Building: 1

China Jinmao has obtained 9 domestic and international green certifications and labels



Case: Near-Zero Energy Building Benchmark Created to Boost High-Quality Development in Xiong'an New Area

The project of Sinochem Holdings Xiong'an Headquarters Tower, developed by China Jinmao, is super-high-rise building with its whole process certified by the highest level of China Green Building and LEED. It has been rated as a Near-Zero Energy Demonstration Building in Xiong'an New Area and the Green Building Demonstration Project of Xiong'an New Area 2022. The project applies passive energy-efficiency design and active energy system technology, with a comprehensive building energy-saving rate of 71.57% and a relative building energy-saving rate of 50.26%. The project uses green and health-certified paints, coatings, flooring, and sound and heat insulation materials to ensure indoor air quality from the source. It also uses recyclable and reusable materials to effectively reduce carbon emissions throughout the project's lifecycle, which has reduced embodied carbon emissions from building materials by 30%. Additionally, the project sees the largest application of Building integrated photovoltaics (BIPV) technology for super-high-rise curtain walls in China, with over 3,700 m² of curtain wall BIPV. Nearly 4,500 m² of photovoltaic power generation products have been laid in the park, with a total annual power generation capacity of 450,000 kWh, reducing carbon dioxide emissions by 2.6 million tonnes.



Design drawing of Sinochem Holdings Xiong'an Headquarters Tower

¹³ 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.

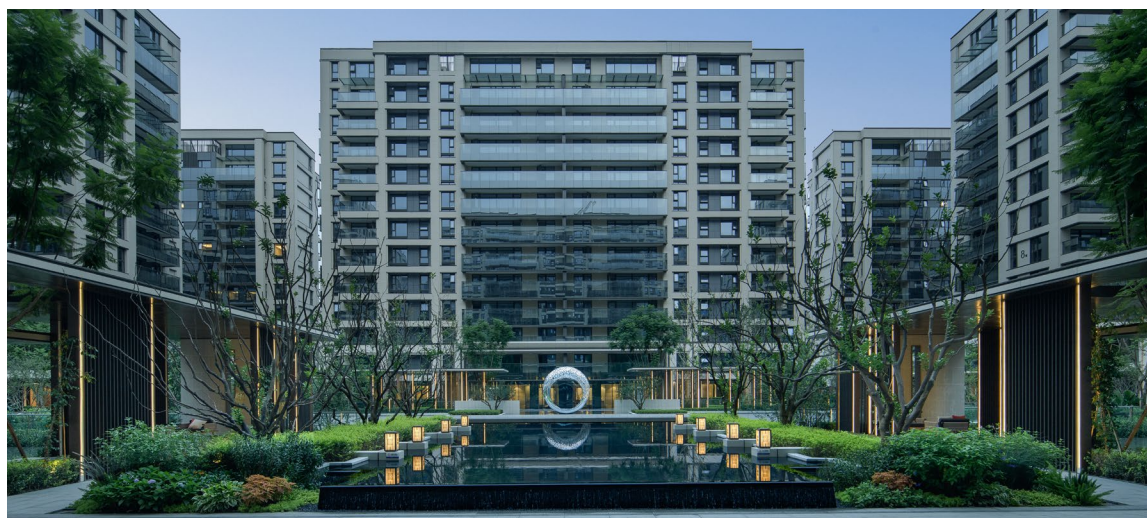
Green Building Design

Sinochem HK advocates the concept of green and low-carbon design for buildings and promotes green building design in an orderly manner, leading the construction of eco-cities. In investment management, we actively played the key role of strategic directing and guided our operating subsidiary, China Jinmao, to integrate green design and technology into the entire lifecycle of project development. From building material selection, envelope design, and passive and active technology application to renewable energy use, it minimises the energy demand for building operations. This move has provided strong support for the green transition of Sinochem Holdings' urban operations segment.



Case: Chengdu Wuhou Jinmao Palace Empowering a High-Quality Green-Building Ecological Community

Chengdu Wuhou Jinmao Palace is the only green technology-enabled project in Chengdu that has passed the three-star certifications of BREEAM and China Green Building. It uses materials with a low heat transfer coefficient, a low heat gain coefficient, and a high transmittance ratio, as well as an energy-efficient elevator system, lighting, and air-conditioning equipment. Building energy simulations show that the annual comprehensive energy savings of the project's buildings can be more than 18%. In 2022, Chengdu Wuhou Jinmao Palace was awarded the 10th (2021-2022) Guangsha Prize, a national award issued by the China Real Estate Association.



The site of Chengdu Wuhou Jinmao Palace



Case: China Jinmao's Collaboration on Zero-Energy Radiant Cooling Metamaterial Technology

Jinmao Green Building, a subsidiary of China Jinmao, has launched joint research with Huazhong University of Science and Technology on disruptive zero-energy radiant cooling metamaterials and conducted a pilot verification in the Yazhou Bay project in Sanya. Simulation calculation shows that the annual cumulative cooling load of the building is 14.05% more energy efficient than traditional insulation measures, and its annual maximum cooling load is 3.9% more energy efficient, effectively contributing to building energy conservation and efficiency.

China Jinmao is promoting ecological design concepts and strategies, such as the ecology-oriented development (EOD) model, sponge city design, and the low-impact development (LID) design. By the end of 2022, it had practised the sponge city concept in 116 projects to promote green urban development.



Case: China Jinmao Setting an Example for the Environmental Ecology for Human Settlements

The Nanchang Jinmao Ruixiang International Eco-City is planned and designed according to the ecological base of the project, preserving most old and valuable trees and landscape patterns. The project fully prioritises ecological conservation by making river planning based on the original water system and building a park in the area with a good ecological base. In December 2022, the design plan of the Nanchang Jinmao Ruixiang International Eco-City won the Global Human Settlements Planning & Design Award for its design concepts and comprehensive elements that meet the characteristics and trends of future urban development, such as prioritising environmental protection, ecological coordination, and intelligent integration.



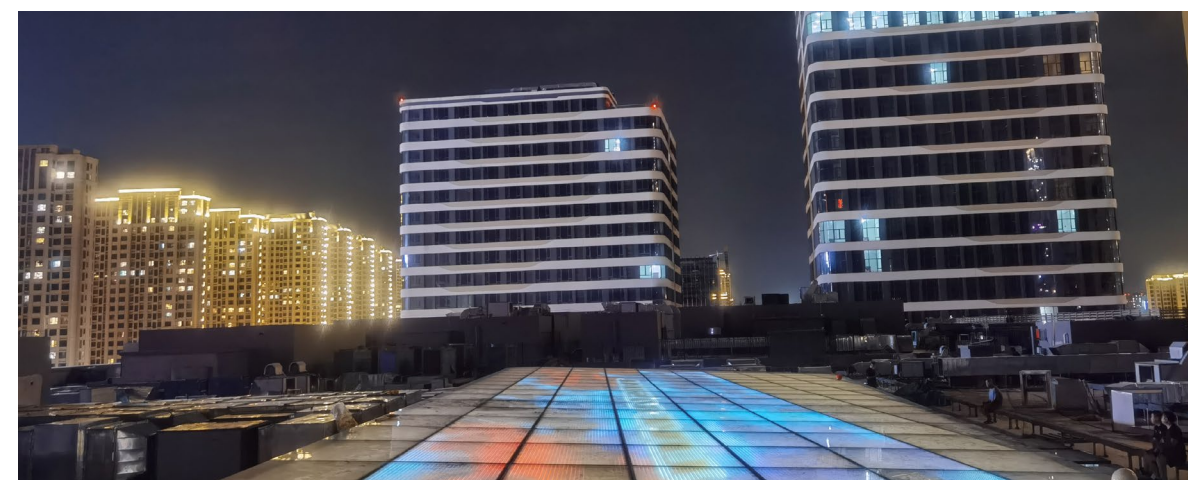
Design drawing of the Nanchang Jinmao Ruixiang International Eco-City

China Jinmao is also progressing the development and application of the building-integrated photovoltaics (BIPV) technology. It creates "power-generating buildings" using core technologies and products such as next-generation PV walls and PV roofs developed by its subsidiary, Jinmao Green Building. In 2022, the installed photovoltaics (PV) capacity of China Jinmao's self-owned projects was 1,919.76 kW, and the annual power generation was 1,991.36 MWh. By the end of 2022, the BIPV technology application covered a total area of 7,881.55 m², and the total installed BIPV capacity was 1,212.63 kW.



Case: First Application of the PV-LED Skylight Roof Technology in China

In 2022, China Jinmao built China's first PV-LED skylight roof project in the north atrium of Qingdao Jinmao Mall of Splendor. It used self-developed PV building materials, including the video PV-LED, the basic PV skylight roof, and shaped PV glass. These materials can be adjusted to different shapes, colours, and transparency according to the demand, effectively solving the painful points of sun shading and light transmission of the skylight roof to meet the operational needs of commercial buildings. The total installation area of the project is 287.7 m², with a total installed capacity of 22.46 kW. Its average annual PV power generation capacity is 30,800 kWh, reducing carbon dioxide emissions by 23.25 tonnes in a year.



The PV-LED skylight roof project in the north atrium of Qingdao Jinmao Mall of Splendor

Green Building Construction

Sinochem HK adheres to the idea of “lucid waters and lush mountains are invaluable assets”. Together with our operating subsidiary, China Jinmao, we continue to develop new technologies and models of green construction to reduce the ecological impact of buildings throughout their lifecycle. China Jinmao prioritises the use of energy-saving, healthy, and recyclable building material products to reduce resource consumption and ecological impact throughout the building’s lifecycle. It released the *Review and Quality Evaluation Standards for Construction Drawings of China Jinmao*. By comprehensively optimising the structural design of third-party reviewed drawings, it reduces the amount of building materials used and avoid wasting resources. In addition, it has created a “new technology + new wisdom” construction system, deepened BIM technology and smart site technology, and promoted construction methods that aim to mitigate the environmental impact and conserve natural resources.



Case: Changsha Jinmao Tower Setting a Green Construction Example

The Changsha Jinmao Tower project covers an area of 18,500 m² and has a gross floor area of 210,000 m². It consists of a 318-metre-high super Grade A office building and four-storey commercial podium buildings. It is a construction management benchmark project built with all China Jinmao’s strength.

The project adopted a lean construction approach. Environmentally friendly and recyclable materials were utilised as much as possible, with recyclable materials accounting for up to 19.24% of the total building materials. At the same time, safe, stable, and environmentally friendly steel structures were applied for the design of the project. Civil engineering and finishing-integrated design and construction were applied for public spaces such as the main functional areas (offices), foyers, corridors, toilets, and lobbies to avoid unnecessary consumption of resources. In addition, the project used prefabricated components produced industrially. In a BIM + Prefabricated M&E model, deepened design was on the digital modelling platform (the DBIM platform), eliminating the need for on-site welding and reducing the environmental impact and resource consumption during construction.



Construction site of Changsha Jinmao Tower

China Jinmao is exploring prefabricated construction methods. Based on the practice of technological innovation in the prefabricated building industry chain, it uses new materials, technologies, systems, and processes in diverse ways, and are building an integrated prefabrication service system and ecosystem to support projects in reducing costs and increasing operational efficiency. In 2022, China Jinmao launched 32 prefabricated building projects, with a total area of prefabricated buildings of over 4 million m². By the end of 2022, its prefabrication business covering over 100 projects had been launched in more than 40 core cities, with a total area of 11 million m².



Case: Prefabricated Ultra-Low-Energy-Consumption Buildings

Shanghai Jing’an Tianyue, as an ultra-low-energy-consumption demonstration project, adopts a prefabricated monolithic shear wall structure. Its major prefabricated components include prefabricated shear walls, silicene insulation pre-installation prefabricated external wall panels and projecting windows, prefabricated staircases, and prefabricated balcony panels. This practice has greatly improved the quality of the project and construction efficiency and effectively reduced the waste of construction resources, achieving the effect of energy conservation and emission reduction. The project has an implementation area of 134,160 m² of prefabricated buildings, and the prefabrication rate of each single unit has reached over 40%.



Rendering of the Shanghai Jing’an Tianyue Project

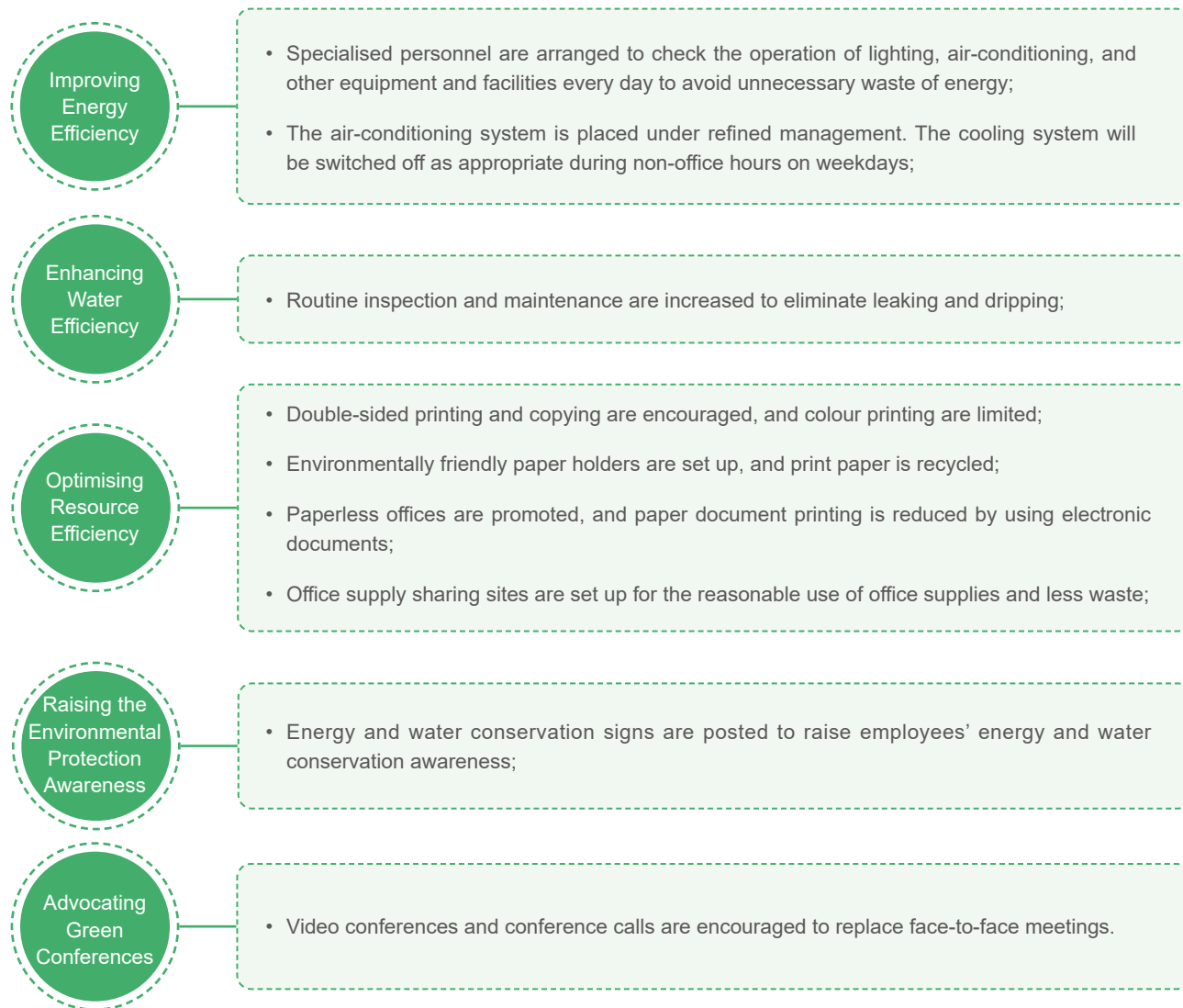
Green Operations

Sinochem HK supports China’s strategic goals of carbon peaking and carbon neutrality by adhering to the Green Outlook on Development. Our primary business operations are office administration and property leasing. We are committed to green offices and promote green leasing to fulfil our commitment to green operations. We also fully implement the concept of green, low-carbon, and circular development in investment management and fulfil our investment management and supervision responsibilities. Furthermore, we engage in and guide the green transition and upgrading of our operating subsidiary, China Jinmao, to continuously deepen Sinochem Holdings’ guiding principle to implement China’s green development strategic goal and set an example of sustainable corporate development.

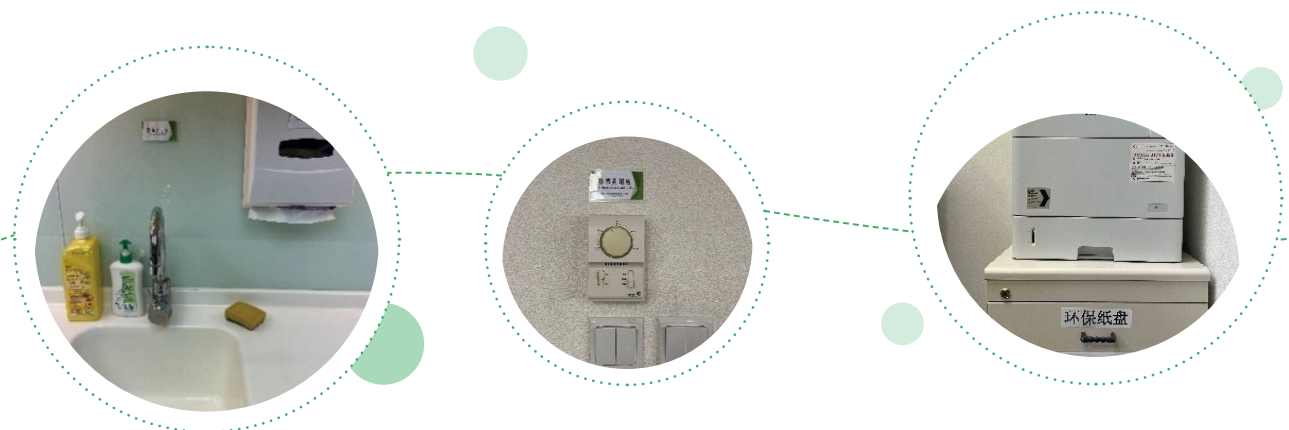
Green Offices

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*¹⁴, and other systems and policies. We actively promote our energy conservation and carbon reduction policies and regulate our management practices for energy conservation and emission reduction in order to build a resource-conserving and environmentally-friendly enterprise. We implement the FORUS system of Sinochem Holdings in office work and operations and conduct assessments for environmental protection, energy conservation, and low-carbon every year. We have defined the energy efficiency and low carbon emissions responsibilities and assigned tasks at various levels. With the energy-conservation and low-carbon responsibilities effectively carried out, we promote the continuous improvement of energy-conservation and low-carbon management performance.

¹⁴ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117243563.pdf>



Sinochem HK's Green Office Measures



Energy and water conservation signs in the office

Environmentally friendly paper holders are set up

Green Leasing

Sinochem HK adheres to the green leasing principle. Together with our lessees, we fulfil our environmental responsibility to promote the green development of the leasing industry through concrete actions at every level. We adhere to the "recycling" concept of green leasing. Our commercial property leasing contracts clearly state that the lessee shall return the leased space at the end of the lease term in the current condition provided that the leased space is clean and in order. The return of property assets in their original condition facilitates the reuse of resources, in contrast to the conventional practice of Hong Kong's leasing market, which requires a return to the roughcast condition. This practice conserves as many resources as possible, including existing decorations, equipment, and furniture, and avoids the construction waste generated by large-scale demolition and renovation. We have implemented the independent energy billing leasing model, separating property management fees from energy bills, to offer our clients more environmentally friendly and cost-effective leasing solutions. In addition, we work closely with our lessees to strictly enforce the buildings' energy efficiency, water efficiency, and resource conservation standards. To improve the environmental sustainability of our properties, we also recycle paper, plastics, and other wastes and encourage the use of energy-saving LED lighting. By the end of 2022, all of our leased properties signed green leasing terms, and 100% of all signed agreements include green leasing terms.

In investment management, Sinochem HK practises the idea of environmentally friendly leasing, and in the strategic dimension, directs and oversees its operating subsidiary, Chin Jinmao, to continuously promote the concept and practice of green leasing, working hand in hand with lessees and merchants to embrace sustainability. That way, green and sustainable development can be ensured for Sinochem Holdings' urban operations business. Besides formulating and promoting the *Lessee Decoration Handbook*, it includes requirements for environmentally-friendly decoration materials, energy management, water resource management, resource conservation, and waste classification in the *Property Service Agreement* and the *Decoration Service Agreement*. In addition, to encourage lessees to use energy-saving equipment and technology, China Jinmao is also promoting the leasing model of independent energy billing. It has been implemented in the office building in the South Tower of Xuanwu Lake Jinmao Plaza in Nanjing. In the property service agreement, China Jinmao clearly stipulates that lessees pay for energy usage based on actual consumption to encourage lessees to seek energy conservation and emission reduction.



Case: China Jinmao Launching Environmental Protection Education and Communication among Lessees

China Jinmao puts efforts in launching energy conservation and emission reduction education and initiatives among stakeholders and regularly communicate with lessees and merchants to enhance their energy conservation awareness in work and life. In 2022, China Jinmao organised sustainability events such as "Earth Hour" and "Green Low-carbon Travel" to raise lessees and merchants' sustainability awareness. It also launched energy conservation and emission reduction education and initiatives among stakeholders such as lessees to enhance their energy conservation awareness in work and life.

Responding to Climate Change

Climate change is a huge challenge for all humanity. As the flagship overseas investment and holding platform of the central enterprise Sinochem Holdings, 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 Environmental Monitoring System Operation Management Standards*, and the *Sinochem Holdings Eco-environmental Protection Responsibility System*. A management structure has been established in which the General Manager leads the Company's low-carbon work. We regularly receive supervision, inspection, guidance, and assessment from Sinochem Holdings for greenhouse gas emissions. Furthermore, we strictly control the total amount and intensity of energy consumption and steadily progress the implementation of energy-saving and low-carbon systems and measures.

Sinochem HK actively fulfils the responsibilities of investment management and oversight. We guide China Jinmao, our operating subsidiary and Sinochem Holdings' urban operations platform, to act in response to climate change. We also provide it with funding support for sustainable development and green operations, thus joining forces for Sinochem Holdings' goals of carbon peaking and carbon neutrality. China Jinmao has continuously improved climate risk management system. It has also established the China Jinmao carbon neutral "1235"¹⁵ urban operations model and integrates the concept of green and low-carbon urban operations into the entire system of its urban operations projects. In its operations, China Jinmao practices lean energy management, promotes the efficient and economical use of energy, and continuously enhances its green competitiveness. Moreover, China Jinmao capitalised on the opportunities of green buildings and public offering of REITs and issued China's first carbon-neutral office REITs and largest carbon-neutral CMBS in 2022, providing a solid financial foundation for creating a more environmentally-friendly and sustainable building environment.

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%¹⁶ in 2025 from the base year of 2019.



¹⁵ "1235" urban operations model refers to the carbon-neutral and people-centric city operation model comprised of "people-centric, two driving forces, three dimensions, and five spaces".
¹⁶ 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.

Indicator	Sinochem HK	Sinochem HK and China Jinmao ¹⁷
Comprehensive energy consumption (10,000 TCE) ¹⁸	0.00079	6.96
Comprehensive energy consumption per unit area (TCE/m ²)	0.01003	0.00463
Total GHG emissions (tonne of CO ₂ equivalents) ¹⁹	33.41	269,404.02
GHG emission intensity (kg of CO ₂ equivalents/m ²)	42.45	17.91



¹⁷ 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.
¹⁸ The comprehensive energy consumption conversion factor refers to the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020)*.
¹⁹ 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)*.
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 2022 released by HK Electric, which is 0.68 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.

Case: China Jinmao Creating an IP for Carbon Neutral Urban Operations

The Jinhua Dongmei Future Community project creates near-zero energy and ultra-low energy buildings. It works in conjunction with the surrounding Dongmei and Lvgu Park as offsite carbon sink to achieve carbon neutrality in the demonstration zone through green carbon fixation and solar carbon reduction. By the end of 2022, Dongmei Park had been completed and Lvgu Park had been partly completed, which are estimated to bring greenery carbon sink of about 296 tonnes/year. In addition, China Jinmao has established a digital management platform for carbon neutrality in the Jinhua Dongmei Future Community. The platform tracks the goals of carbon peaking and carbon neutrality, traces carbon emissions, surveys action paths, and senses the effectiveness of carbon reduction. It manages carbon activity data in all scenarios, including energy, buildings, and ecology, and provides an important data support and digital focus for the construction and operation of the Carbon Neutrality Demonstration Zone by the Dongmei Future Community.

In October 2022, the Dongmei Future Community Kindergarten of China Jinmao was awarded the Net Zero Carbon Building certificate by TÜV Rheinland Greater China and the British Building Research Establishment (BRE), becoming the first project receiving the "Net Zero Carbon Building (School) Certification" in China. In December of the year, China Jinmao's Dongmei Future Community project won the Global Zero Carbon City Innovation Pioneer Award - Gold Award for Creative Solutions at the Global Science & Technology Innovation Conference hosted by the United Nations Industrial Development Organisation. The Company's professional strength and value in exemplary and leading carbon neutrality IPs were fully recognised.



The Global Zero Carbon City Innovation Pioneer Award - Gold Award for Creative Solutions



The Net Zero Carbon Building Certificate



The Jinhua Dongmei Future Community Kindergarten

We have provided strong support for China Jinmao's development in the field of intelligent energy, such as integrated energy stations, low-carbon data centres, and power exchange services for new energy heavy-duty trucks.

China Jinmao's Performance in the Smart Energy Business in 2022

Integrated Energy Stations

By the end of 2022, China Jinmao had invested in, built, and operated 79 city-, region-, and project-level energy station projects, with a total energy supply area of about 43.8 million m², estimated carbon emission reduction of over 423,000 tonnes, a clean energy utilisation rate of 100%, and a renewable energy utilisation rate of nearly 80%.

Low-Carbon Data Centres

In 2022, China Jinmao's wholly-owned subsidiary, Jinmao Green Building's data centre business entered partnerships with key accounts such as China Unicom and Ali Cloud, with over 450 cabinets onboarded. Its business extended to Nanjing, Hangzhou, Chengdu, Langfang, and other cities. With an average PUE ≤ 1.25, it can meet a cumulative cabinet demand of 160 MW. In this way, it continues to enhance its green impact.

Power Exchange Services for New Energy Heavy-Duty Trucks

In 2022, China Jinmao expanded its market by completing or setting up 15 power exchange stations in Tianjin, Zhengzhou, Yancheng, and Panzhihua. By the end of 2022, China Jinmao had applied 61 utility model patents, 42 invention patents, 8 software copyrights, and 7 design patents in power exchange technology.

Environment Management

Adhering to the "environment priority" principle of Sinochem Holdings, Sinochem HK fully integrates environmental management into the Company's development strategies and business decisions, with a focus on enhancing modernised ecological and environmental governance. We do not engage in any production, processing, manufacturing, or other operations that directly harm the ecological environment. As an investment and holding platform of Sinochem Holdings, we attach great importance to the potential impact of China Jinmao's urban operations and property development on the ecological environment. We fully play the role of strategic guidance for China Jinmao and incentivise it through investment management and oversight to implement environmentally friendly concepts and exercise corporate environmental responsibility during project development. Together, we promote Sinochem Holdings' green, low-carbon, and high-quality development.

We strictly comply with environment management laws and regulations of the Chinese mainland and Hong Kong and carry out the *Sinochem Holdings Eco-environmental Protection Responsibility System*, the *Sinochem Holdings Environmental Protection Management Measures*, the *Sinochem Holdings Environmental Monitoring System Operation Management Standards*, and the *Sinochem HK Environmental Protection Policy*. We continue to improve the ecological environment for our operating subsidiaries' project development to solidly guarantee green and sustainable development.

In 2022, no environmental impact incidents of the general level or above occurred in Sinochem HK or China Jinmao.



By 2022, China Jinmao had invested a total of RMB 153 million in environmental protection and obtained three ISO 14001 environmental management system certifications.

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.



Case: Guiyang Jinmao Crystal Smart Eco-City Empowers Eco-City Construction

Guiyang Jinmao Crystal Smart Eco-City is a benchmark project for China Jinmao to practice brownfield treatment and reuse. The project progresses the integrated ecological treatment of the soil in the chemical factory area on the original site of the old industrial area with modern soil restoration technology. In 2022, it completed the restoration of about 700 mu (46.67 ha) of land in Phase I, setting a model for the local ecological management and the transition of chemistry enterprises.

At the same time, the project takes the introduction of quality public service resources as the starting point to reshape the ecological value of the area. A 140,000-m² city park has been basically completed. The largest non-powered park in Guiyang is about to open to citizens. The vibrant and modern city living room will become a new landmark in Guiyang. While renewing the urban interface, the project preserves part of industrial site, preserving memories of the struggles for local residents.



The site of Crystal Chemical Factory after the Phase-I treatment



The urban exhibition hall



Case: Oriental Eden Creates an Ecological Icon for the City

Qingdao Oriental Eden is located on a saline-alkali site on the shores of Jiaozhou Bay. The project's soil used to be so saline and alkaline that almost no grass grew on it. Over the past eight years, China Jinmao has used physical and ecological means to improve the project's soil, including earth replacement, soil improvement techniques, and water and soil conservation measures. That way, it is setting a model in urban ecology on a 4,000-mu (266.67-ha) saline-alkali site. The soil in Oriental Eden has been adapted to a wide range of landscape plants. The project will protect the habitat of endangered migratory birds and marine life and progress the eco-city construction with conservation and management measures such as strong monitoring of biodiversity, biodiversity conservation, and rebuilding the ecological base of the coastal zone.

In October 2022, the structure of Oriental Eden was successfully topped out. While accelerating the construction, the project has hosted a wide range of educational, promotional, exchange, and experiential events themed by environmental protection, education, plants, and sustainability. These events have raised people's awareness of biodiversity conservation and sustainable development and encouraged more people to engage in the ecological conservation and environmental protection initiatives.

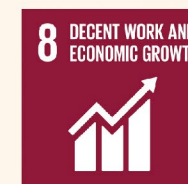


Rendering of the Oriental Eden project

03 Employee Development: Drawing a Win-Win Blueprint

Talent is the driving force behind innovation and business growth, as well as a key component in shaping corporate culture and increasing competitiveness. Sinochem HK is committed to the principles of “Integrity, Professionalism, Innovation, and Teamwork” and is deeply concerned with employees’ rights and interests, career development, health, and safety. We strive for our employees’ well-being, happiness, and sense of belonging through comprehensive policies, sound systems, and a variety of measures.


- Employee Rights and Interests
- Employee Development
- Employee Care
- Occupational Health and Safety



Employee Rights and Interests


Sinochem HK strictly adheres to the International Labour Organisation's labour standards and employment practices and complies with the labour laws and regulations of the jurisdictions where it operates to fully safeguard its employees' basic rights and interests, such as remuneration, working hours, and leave. In employee management, we strictly abide by the *Measures of Sinochem Holdings for Labour Employment Management* and other corporate employment rules and have developed and released the *Sinochem HK Human Rights Policy*²⁰. We oppose all forms of discrimination, harassment, and abuse and respect our employees' rights to free association and collective bargaining in order to create a fair and inclusive workplace.

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




Legal Employment

- We ensure that the treatment of all employees is consistent with internationally recognised labour and social standards;
- Firmly prohibit the employment and use of child labour and resist all forms of forced and compulsory labour.




Equal Employment

- 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

- 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 Office 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

- 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.

A diverse team is at the core of organisational creativity and innovation. Sinochem HK adheres to the concept of employee diversity and equality and strives to create a diverse and inclusive workplace. We attract talented individuals from diverse backgrounds, cultures, and fields of expertise in order to bring sustained vigour to business growth and innovation.

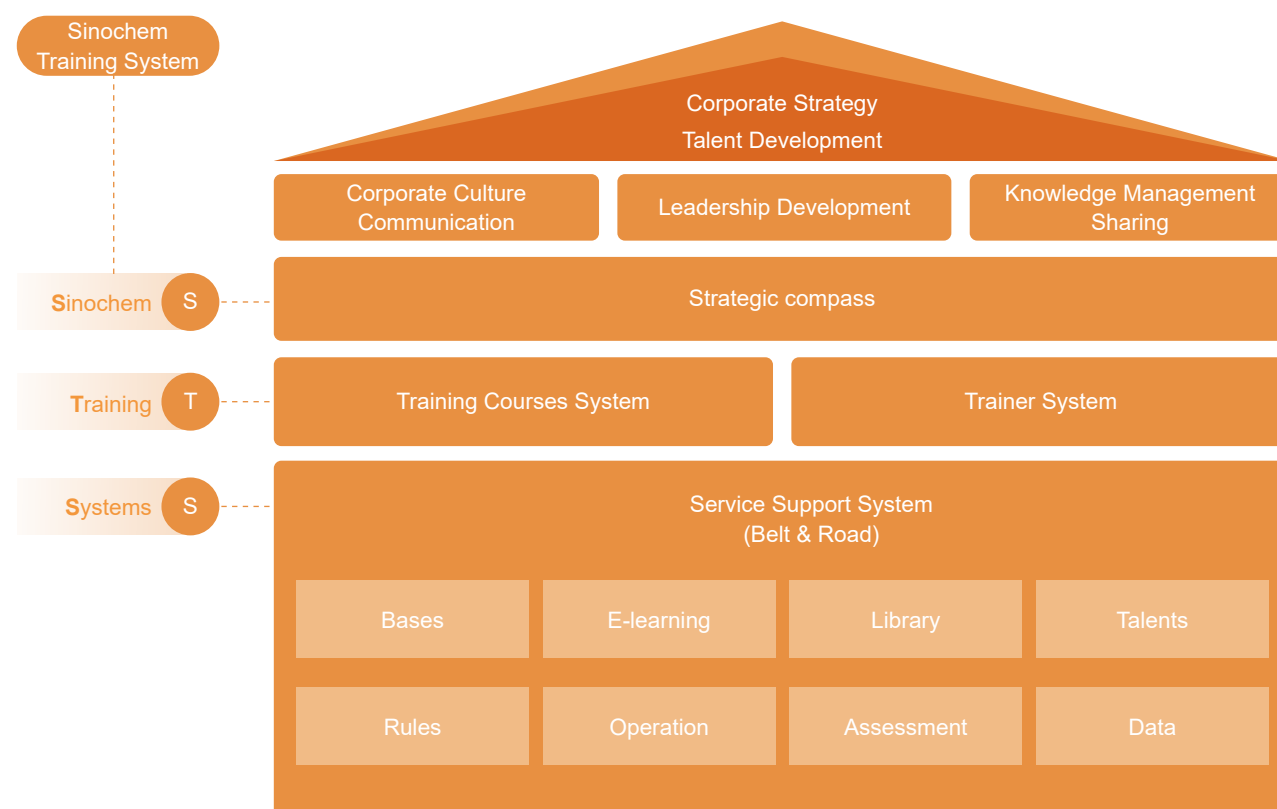
Performance in Employment Diversity and Equality



²⁰ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117251524.pdf>

Employee Development

Sinochem HK places a premium on expanding and improving its talent team. To achieve common progress for employees and the Company, we integrate Sinochem Holdings' sustainable development strategy and planning of employees into our employee career development management system. We use Sinochem Holdings' training system and offer a variety of training sessions to our employees in order to continuously improve their overall quality and meet the needs of business development and personal growth. Furthermore, we are constantly developing our incentive and promotion mechanisms to fully unleash our employees' potential and effectively stimulate their enthusiasm and creativity. We also encourage our employees to advance their professional credentials by reimbursing annual membership fees for certified professional qualifications such as the HKICPA certified public accountants and the ACCA international certified public accountants.



Performance in Employee Training in 2022



Coverage rate of employee training

100%



Training hours per employee

16.67 hours



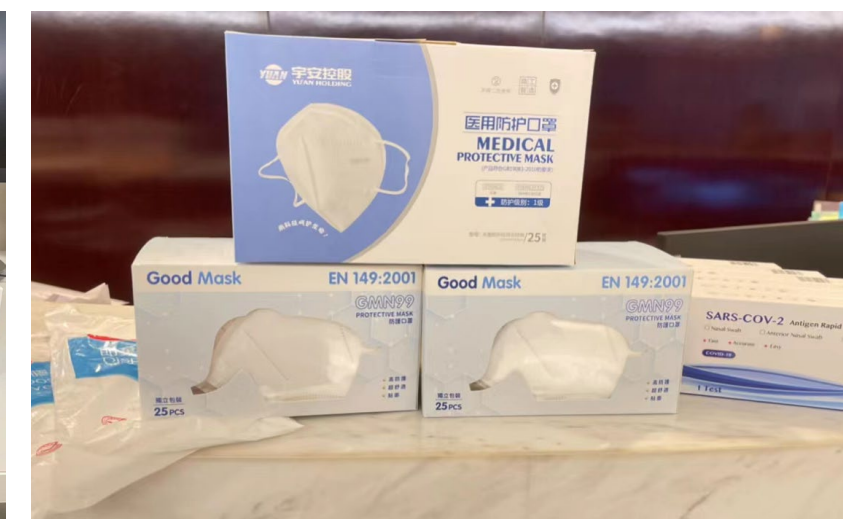
Case: Sinochem HK Hosting Career Development Training for New Employees

In August 2022, Sinochem HK arranged a three-day onboarding training session for new employees. It was aimed to enhance new employees' understanding of the Company's history and business so that they could integrate faster and build up a sense of identity and belonging to the Company's business and culture. The training was organised and arranged by Sinochem Holding and covered a number of topics, including Sinochem Holdings' human resources management and employee development, corporate strategy and business presence, scientific and technological innovation and industrial development, and legal governance and compliance. These courses helped new employees fully understand the framework of corporate development.

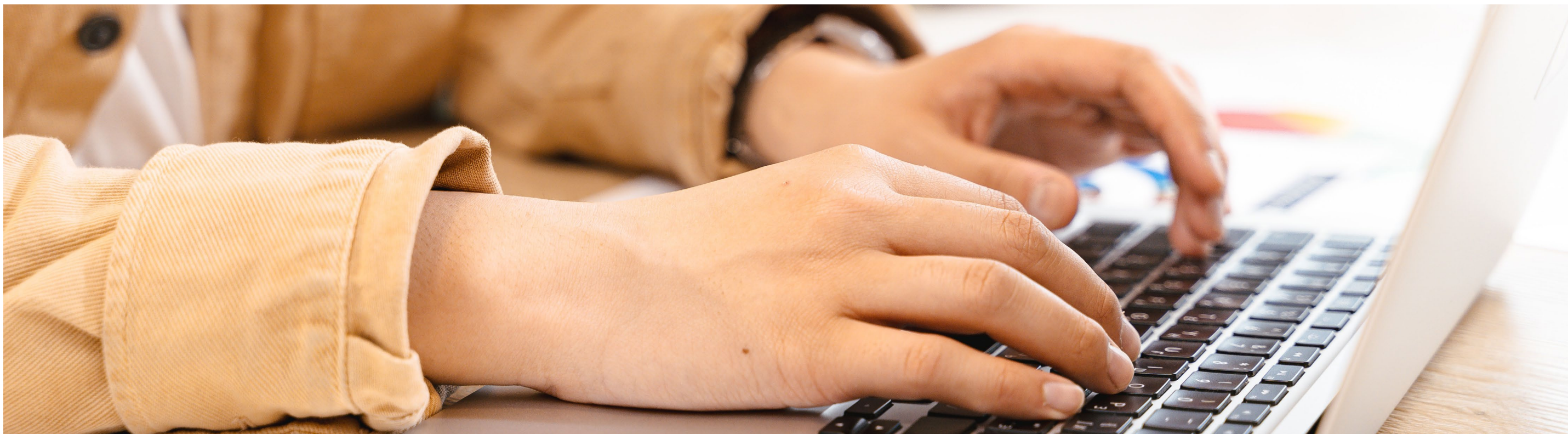
Employee Care

Sinochem HK values the well-being of employees. We have built a comprehensive benefit system covering basic protection such as medical and personal accident insurance. We comply with the working hours and overtime requirements stipulated by local laws and regulations, implement the statutory paid annual leave system, and ensure that our employees enjoy their legitimate rights and interests, such as annual, sick, marriage, and bereavement leave. In addition, we have launched many employee benefit programmes, including paid leaves and allowances for female employees on Women's Day. Through practical actions, we care for our employees and enhance corporate cohesion.

Sinochem HK always cares about employees' physical and mental health. In addition to providing health benefits for our employees, we listen to them and monitor their mental health in an effort to build a diversified and inclusive corporate culture. During the COVID-19 pandemic, we distributed anti-pandemic supplies such as masks, gloves, and essential medicines, and we encouraged all employees to get vaccinated. We established chat groups for health information reporting and disseminate pandemic prevention information. To ensure a safe workplace, we also disinfected our office premises on a regular basis and managed visitors using temperature measurements and the LeaveHomeSafe QR venue code programme of the Government of the Hong Kong Special Administration Region of the People's Republic of China. Under the people-oriented principle, flexible measures such as extended annual leaves, flexible work schedules, and working from home were implemented to meet the needs of our employees as well as local pandemic prevention requirements.



Anti-pandemic supplies provided for employees during the pandemic

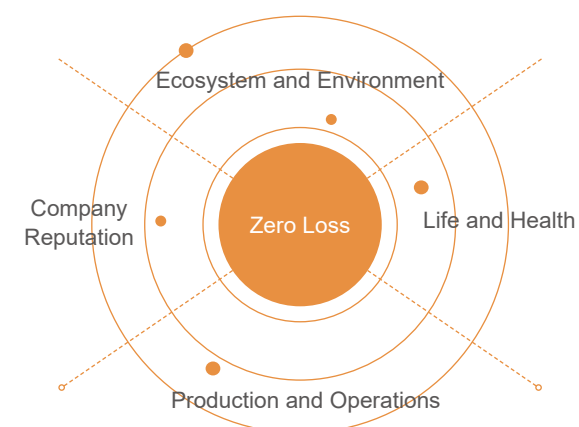


Occupational Health and Safety

Sinochem HK is committed to ensuring the safety of its employees. Under the direction of Sinochem Holdings' policy of "life first, environmental priority, loss control, and continuous improvement", we continue to improve our HSE system. We are putting the concept of safe development into practice by assigning management responsibilities at various levels and promoting HSE training for businesses.

Health and Safety Strategy

Sinochem HK implements Sinochem Holdings' HSE leader strategy and FORUS²¹ system for the Company to develop in a healthy, safe, environmentally friendly, and sustainable way.



- Zero harm
- ▶ • Zero occupational diseases
- ▶ • Zero pollution
- ▶ • Zero waste
- ▶ • Zero negative public opinions
- Zero failures
- ...



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

²¹ 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 the society, and to achieve sustainable business development. FORUS also refers to the Fore Runner, aiming at promoting 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>

Management elements of Sinochem Holdings' FORUS system²²

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.

LEARNING FROM EVENTS

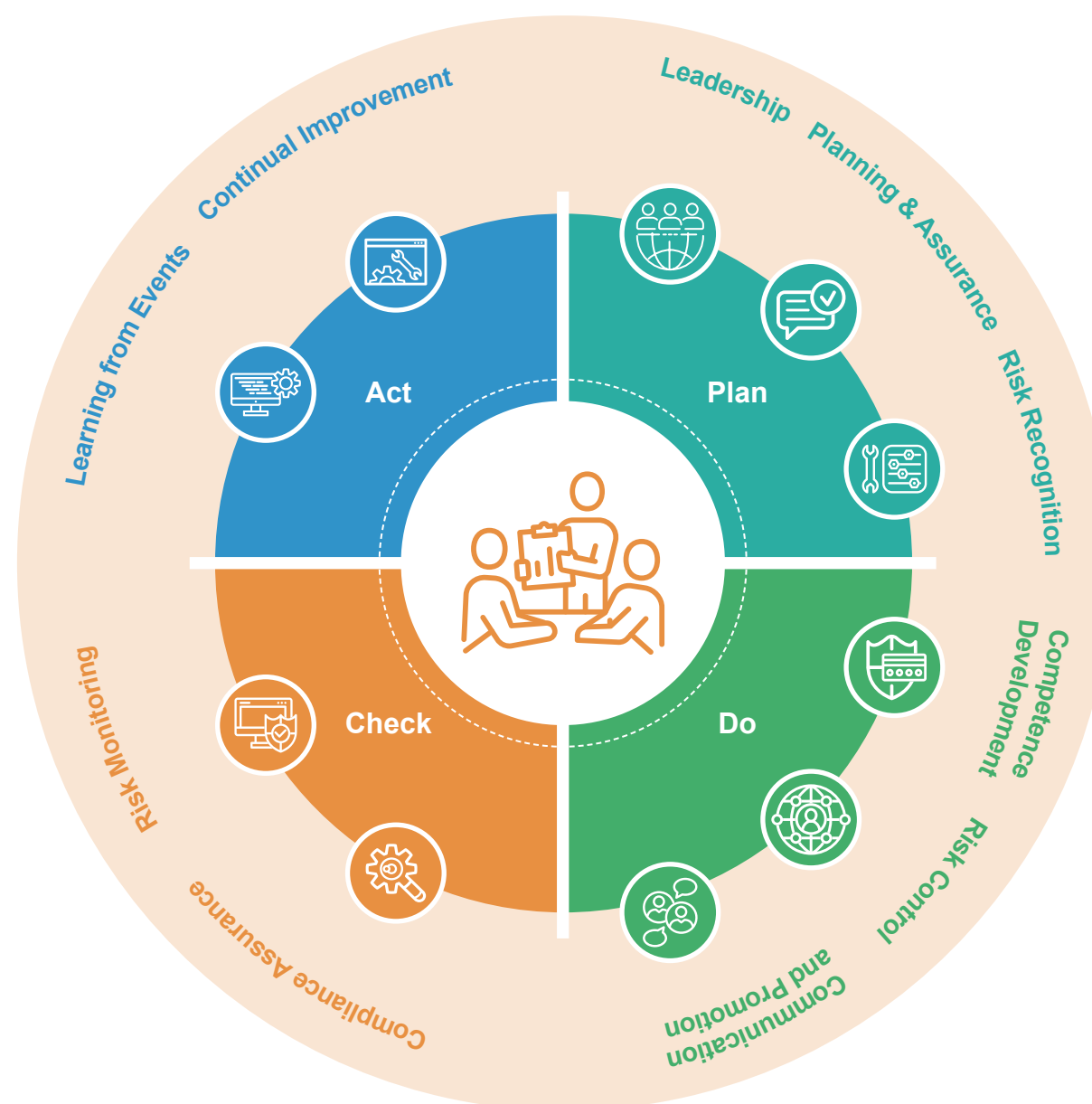
Effective learning from event can convert undesired events into improvement opportunities. The Company should build a No Blame Culture, encourage employees to report incidents, conduct incident investigations, analyse root causes to take tailored corrective and preventive measures, and conduct statistical analysis and management of incidents regularly to strengthen employees' HSE practices.

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.

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 as basic principle and conscious behaviour of the Company.



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.

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

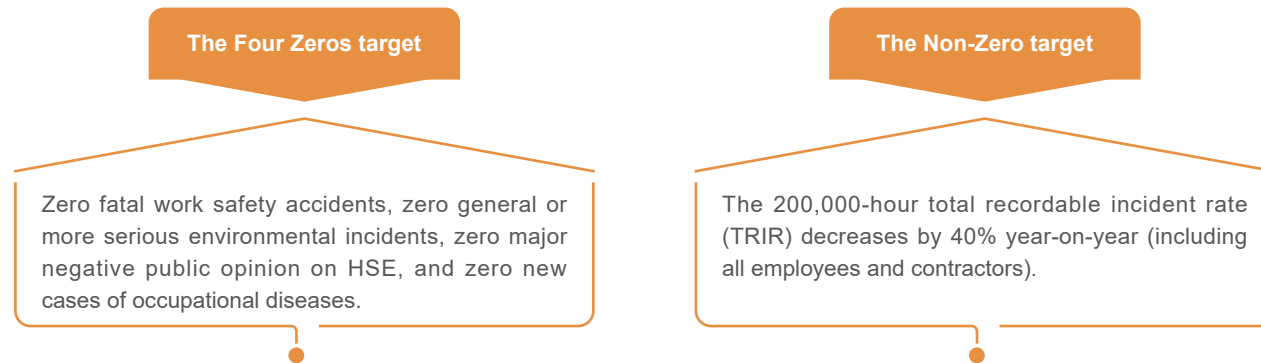
Risk control is the core of HSE management. The Company shall take reasonable and feasible controls according to the priority of risk control to keep the risks of all business activities and processes at an acceptable level. The Company should essentially achieve health, safety, and environmental protection 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.

²² More details about the FORUS system can be found on <http://hk.sinochem.com/hken/31171.html>

Sinochem HK and China Jinmao's Health and Safety Targets



Employee Health and Safety

Improving the health and safety management system and structure is an essential part of Sinochem HK's HSE work. We strictly follow the safety regulations of the jurisdictions where we operate and fully implement the *Sinochem Holdings HSE Management Regulations*, the *Sinochem Holdings Safety Production Management Measures*, and the *Sinochem Holdings Life Assurance Rules Management Measures*. Moreover, we have established the *Sinochem HK Position Safety Performance Checklist* and the *Sinochem HK Health and Safety Policy* for the Company.

We have established a safety and health management system for all employees and contractors and a three-tier HSE management structure. The Company's General Manager coordinates, directs, and oversees its overall HSE management; the ESG Working Group hosts HSE training and prepares contingency plans; and the departments practice work safety in their daily work.



Sinochem HK's HSE management structure

Sinochem HK incorporates employee health and safety into the management appraisal system through the FORUS system. The Company's General Manager signs an *HSE responsibility statement* with Sinochem Holdings every year and incorporates the health and safety performance into the Company's annual performance appraisal. The HSE performance appraisal accounts for 20% and is linked to the management's remuneration. This practice aims to ensure our HSE management in place and fulfil the health, safety, and environmental protection responsibilities.



Key elements of Sinochem HK's HSE performance appraisal

Sinochem HK conducts an annual review of its HSE management and organises department heads to collaborate on departmental HSE work plans. In investment management, we practically play the role of safety guidance. We direct and oversee our operating subsidiary, China Jinmao's occupational health and safety management. Together, we promote the progress and implementation of Sinochem Holdings' FORUS system. China Jinmao conducts comprehensive internal audits on the HSE management of its subsidiaries and evaluates and assesses the effectiveness and alignment of their HSE management system. Furthermore, we oversee our operating subsidiary, China Jinmao, for the ISO 45001 occupational health and safety management system certification. In 2022, all of China Jinmao's subsidiaries received HSE 3-star certification, and four of them received work safety standardization certification. Four of its sites received national 3A certification, while 17 received provincial standardization certification.

Sinochem HK makes every effort to avoid work-related fatalities and has a record of "zero work-related fatalities" and "zero serious work-related injuries". China Jinmao has maintained a record of zero work-related fatalities for three consecutive years.

- 4** companies received work safety standardization certification
- 4** sites received national 3A certification
- 17** sites received provincial standardization certification

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

Contractor Safety Management

Constantly prioritising suppliers' health and safety, Sinochem HK and China Jinmao strive to reduce health and safety risks in business operations and to provide a healthy and secure environment for suppliers and contractors. We have developed and issued the *Sinochem HK Health and Safety Policy*²³, which applies to contractors, suppliers, and other partners of the Company and its subsidiaries, in accordance with the health and safety laws and regulations of the jurisdictions in which we operate. We review and monitor the health and safety risks in our suppliers' and contractors' operations on a regular basis to ensure compliance with the Company's health and safety standards.

Sinochem HK fulfils investment management responsibilities and guides its operating subsidiary, China Jinmao, to continuously improve the safety management over contractors, joining forces to promote Sinochem Holdings' essential safety. China Jinmao has established a sound HSE assessment and evaluation system for the contractor development business. In supplier bidding business activities, it conducts health, safety, and environmental due diligence on potential contractors and acquisitions, and rigorously review the contractor's documents such as health and safety qualification certificates, commitments, and internal management policies, as well as its health and safety performance in the past three years. When entering into construction and service contracts with China Jinmao, contractors and other partners are required to sign a statement on health, safety, and environmental protection responsibilities. This document sets out health and safety requirements of the same standard as China Jinmao's internal management and communicates to the contractors a health and safety policy that is consistent with that for China Jinmao's employees. Additionally, China Jinmao conducts regular safety inspections and audits on contractors and sets HSE assessment criteria for them. It conducts quarterly full-coverage inspections of all project contractors. It also engages third-party agencies to conduct regular assessments and unannounced inspections to ensure that contractors implement health and safety management measures. In 2022, China Jinmao organised 272 third-party safety assessment inspections, covering 100% of its projects under construction.

	Sinochem HK	Sinochem HK and China Jinmao
Work-related death case	0	0
Lost working days due to work-related injuries	0	30.5

Occupational Health and Safety Training

Sinochem HK regularly hosts HSE training on occupational disease prevention and control, occupational safety and labour insurance, and fire safety. We follow Sinochem Holdings closely and investigate the FORUS system's content, including its introduction history, methodology, understanding methods, essence, and implementation requirements. We implement the HSE deployment from the headquarter and strengthen the HSE management capacity. In 2022, our occupational health and safety training hours per employee surpassed 13, and our employees' coverage rate for occupational health and safety training reached 100%.



²³ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117233283.pdf>



Case: HSE Specialised Training to Continuously Strengthen Safety Leadership

From 20 August to 20 September 2022, Sinochem HK's General Manager and the responsible department lead of HSE attended Sinochem Holdings' internal HSE certification training in order to further strengthen the Company's HSE leadership and promote Sinochem Holdings' FORUS system. The training covered Sinochem Holdings' FORUS system, safety leadership, HSE specialised planning, the work safety responsibility system for all, and the STOP behavioural safety observation and communication. To consolidate the practical skills in safety leadership, after completing the 40-hour theoretical training, the Company's General Manager and the responsible department lead of HSE were required to take a certification assessment for the courses, the *Work Safety Law*, and the FORUS system. They had to obtain a score of 90 or above to prove their mastery of the training content and its application and transformation. Through this training, we effectively consolidated the safety leadership of the Company's senior management, further promote the performance of duties and responsibilities of the management, and continuously improve the Company's safety management.



Case: Sinochem HK Participating in the Promotion of and Training on the Prevention and Control Occupational Diseases

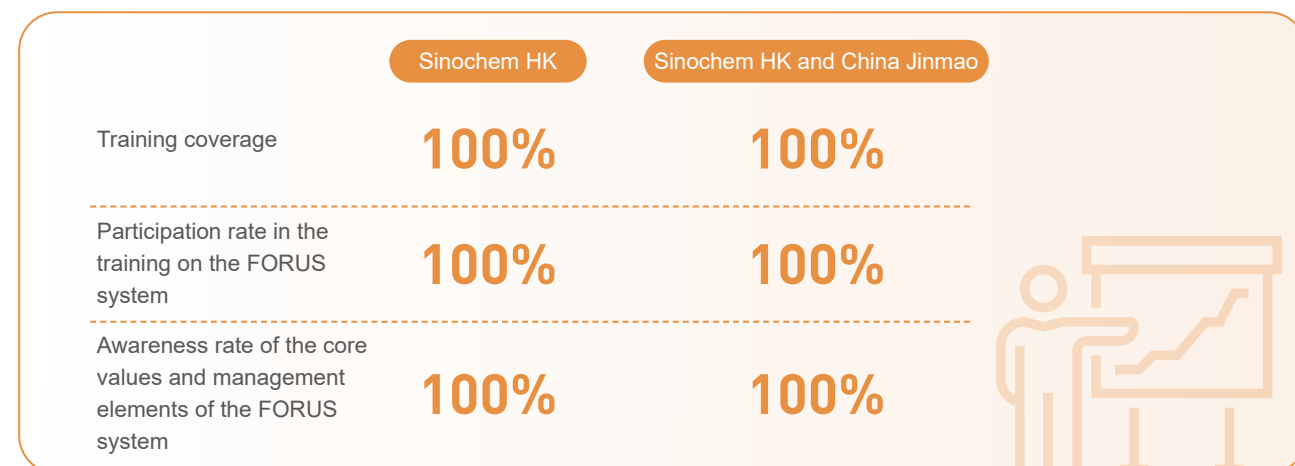
On 24 April 2023, Sinochem HK responded to the promotion week for the *Law on the Prevention and Control of Occupational Diseases* and participated in a five-day training on the prevention and control of occupational diseases organised by Sinochem Holdings. The training was aimed to strengthen the occupational health awareness, enhance employees' understanding of the *Law on the Prevention and Control of Occupational Diseases*, and improve occupational health management capabilities. It covered the current situation and trend of occupational health, an overview of the *Law on the Prevention and Control of Occupational Diseases*, content and implementation of occupational health management, and occupational health priorities. Through the promotion and training, all of our employees further enhanced their awareness of occupational disease prevention, and the Company's occupational health management was effectively promoted.

FORUS



Content of Sinochem HK's training on the prevention and control of occupational diseases

China Jinmao also implements the requirements of Sinochem Holdings' FORUS system and hosts training on occupational health and safety and work safety to raise the safety awareness of all employees. In 2022, China Jinmao hosted 535 lectures on occupational health, 127 occupational health training sessions, and achieved a 100% occupational health and safety training coverage. In terms of work safety, China Jinmao provides systematic training on safety regulations and core elements of the safety management system for its employees and contractors' work safety personnel. Additionally, it supervises labour subcontractors to provide three-level safety education and practical assessment for special positions. In 2022, China Jinmao's training coverage rate was 100%, the investment in work safety training was RMB 9.04 million, and the number of training hours per employee was 92.7 hours. All these efforts have improved its safety management capabilities.



Emergency Management

Sinochem HK is committed to aiming the emergency management capability enhancement to standardising the management of contingency plans for work safety accidents and swiftly and effectively responding to work safety accidents. Based on the *Emergency Response Law of the People's Republic of China*, the *Regulation on Emergency Responses to Work Safety Accidents*, and other laws and administrative regulations, we have developed the *Sinochem HK Overall Contingency Plan*, which plays a coordinating and directing role in the organisational system, the operational mechanism, emergency response assurance, and plan management. In addition, we have developed the *Sinochem HK Specialised Contingency Plan* for different production stages in different segments. This practice further strengthens Sinochem HK's emergency management, improves our ability to prevent and respond to all kinds of emergencies, protects the lives of employees, and ensures the Company's stable, healthy, and sustainable development.

Case: Sinochem HK Releasing the *Sinochem HK Contingency Plan for COVID-19 Prevention and Control*

During the COVID-19 pandemic, Sinochem HK wasted no time to take action. We developed the specialised *Sinochem HK Contingency Plan for COVID-19 Prevention and Control* in response to the spreading trend of the pandemic. In addition, we quickly set up an emergency response team, assigned responsibilities at all levels, and issued specific pandemic prevention measures to fully protect our employees' health and safety.



Case: Sinochem HK Hosting a Fire Safety Drill

In August 2022, Sinochem HK invited relevant professional agencies to host fire safety and emergency safety education and training at the our site. The training was hosted twice in three sessions, lasting for six hours. The trainees were all employees, including those working at Sinochem HK and China Jinmao Hong Kong Office. This targeted fire safety and emergency safety education and training greatly enhanced the emergency response capability of all employees and strengthened their safety awareness.



Sinochem HK's fire safety training



04 Community Collaboration: Creating a Better Life

Sinochem HK, a wholly-owned and directly managed subsidiary of the key state-owned enterprise Sinochem Holdings, upholds the values of contributing to society and focuses on urban green development and social and economic issues. We help our operating subsidiary, China Jinmao, continue to play a role in urban operation and development, community building, public welfare, and charity by providing financial support. Thus, we strengthen sustainable urban development and contribute to a harmonious society based on common prosperity.

- Urban Renewal
- Community Engagement



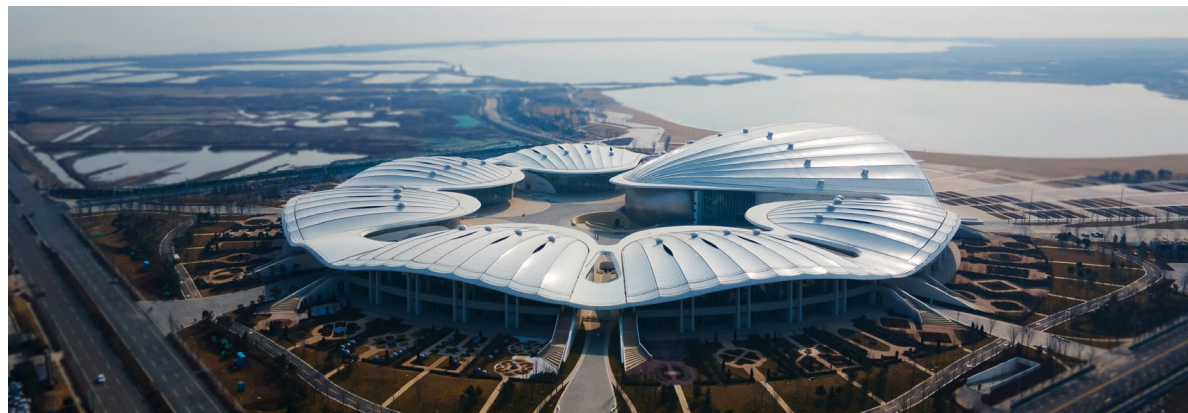
Urban Renewal

Sinochem HK actively practises corporate social responsibility as well as investment management and oversight responsibilities. Through our investment and financing business, we support China Jinmao in empowering urban operations and directing capital to sustainable urban renewal and development projects, thus stimulating urban vitality. Together, we promote Sinochem Holdings' real estate segment towards sustainable and high-quality development. Upholding the vision of "Unleashing the Future Vitality of the City", China Jinmao implements city renewal in depth and keeps up the momentum of urban development. It promotes the transformation of urban development and construction towards intensive quality-based development with a focus on the inheritance of urban history and the continuation of culture and contributed to the construction of liveable human-oriented cultural cities that are safe, sustainable, and efficient. In 2022, China Jinmao launched 1 new urban operations project. It has a total of 34 urban operations projects.



Case: Qingdao SCO International Expo Centre Boosting Fast Growth in the Local Region

China Jinmao undertook the responsibility for China's opening-up and cooperation by implementing the Qingdao SCO Intelligent Ecological City Project, the only demonstration zone in China for carrying out local economic and trade cooperation with member countries of Shanghai Cooperation Organisation and countries along the "Belt and Road". As an important platform for showcasing the achievements of the SCO, the Qingdao SCO International Expo Centre is the first new complex that integrates convention, exhibition, tourism, and cultural exchanges in China. The centre will promote the high-speed development of the SCO demonstration zone on diverse dimensions, including politics, economy, education, and culture.



Qingdao SCO International Expo Centre



Trade show of SCO countries



Cultural lecture



Case: Tianjin Jinmao Place Preservation of Urban Cultural Legacy

The Tianjin First Thermal Power Plant, established in 1937, was one of the main power grids in the Beijing-Tianjin-Tangshan region. However, the plant sank into oblivion after its tall chimneys were dismantled. In line with the concept of "continuing to warm the city" for this redevelopment project, China Jinmao found a balance between protection and development in terms of the architectural structure, spatial texture, and floor plan of the legacy buildings and gave a new life to the red bricks, workshops, coal buckets, and chimneys from the past in the form of the new Tianjin Jinmao Place, taking the urban memories of the thermal power plant into the future.



Site of the Tianjin first thermal power plant before redevelopment



Tianjin Jinmao Place

As China Jinmao's first commercial heritage preservation project, Tianjin Jinmao Place was designed with the idea of "repairing the old as it was and juxtaposing the old and the new" to create a unique architectural structure that blends old and new buildings and interweaves time and space. In the transition between the old and new buildings, the project uses modern and highly transparent glass boxes to minimise the obscuring of old architectures, allowing for the red brick texture, coal buckets, and spatial structure of the buildings to be fully appreciated. Based on the original spatial form and characteristics of the plant, industrial components with memories such as coal buckets, steel frames, and brick walls are kept to strengthen the display and preservation of industrial heritage features.

The riverside square of Tianjin Jinmao Place, which spans nearly 10,000 square metres, runs through the 165-metre-long Ginkgo Avenue. It features an "aura art square", children's activity spaces, interactive music virtual fountains, and other outdoor installations, all aimed at providing a pleasant living experience with a humanistic touch. The space serves as a relaxing leisure and entertainment destination for nearby residents. The square features several iconic giants "solar umbrellas" that not only provide shade for visitors but also generate clean electricity for the all-new commercial complex behind them.

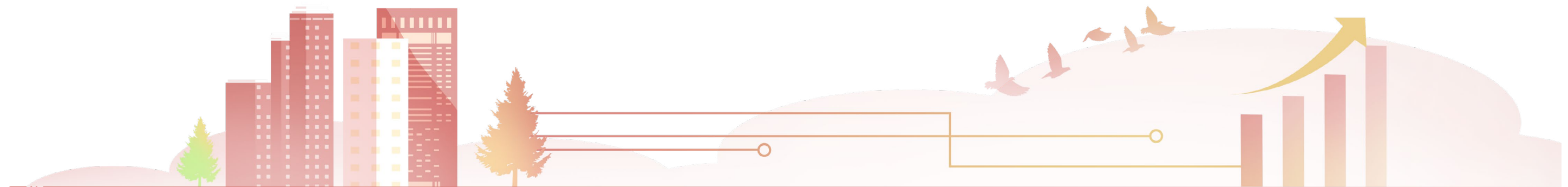


Solar umbrellas at the Riverside Plaza



Coal buckets in the old plant site after redevelopment

China Jinmao revitalises the light and heat of the former thermal power plant with the vision of an urban operator and empowers urban living experiences through the harmonious coexistence of new and old buildings. Tianjin Jinmao Place was granted the "2022 Typical Case of City Renewal and Existing Building Renovation" award.



Case: Jinhua Dongmei Future Community Promote Organic City Renewal

Communities are the fundamental functional units of cities, and they also serve as significant spaces for carrying the urban culture and experiencing the quality of life. With “Future Community” being included in the *Zhejiang Provincial Government’s Work Report* for the first time in 2019, in 2020, Jinhua Jinmao Future Science City - Dongmei Future Community Project was selected for the second batch of pilot projects for future community development in the province. China Jinmao undertook the task of redeveloping the Dongmei area which was characterised by predominantly “low, small, and scattered” industrial land and outdated infrastructure, and implemented a series of organic renewal and comprehensive renovation works. The old industrial zone along the river was demolished, new structures such as Dongmei Park, Urban Reception Hall, Jinmao Science and Technology Innovation Park, and Elf Bird Paradise were built, and a total of 190,000 square metres of landscape area was added, which have greatly improved the urban environment and promoted the organic renewal of Jinhua City.

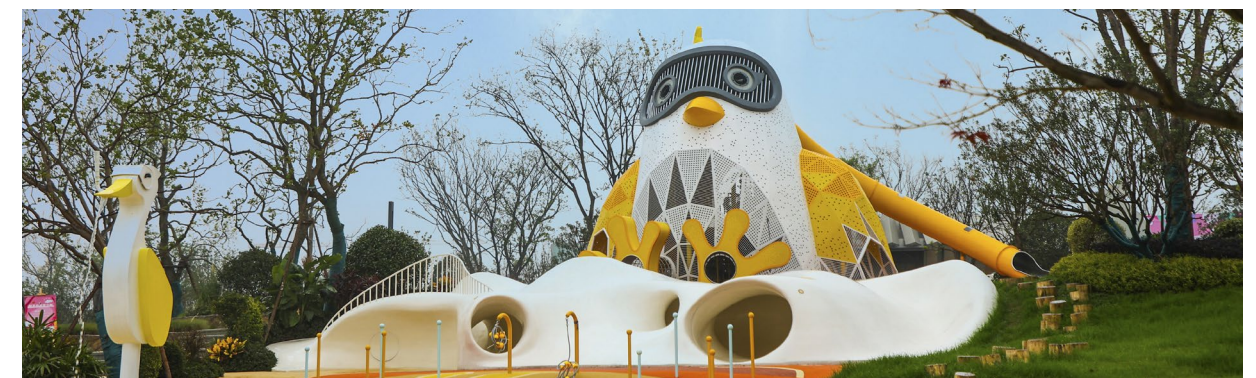
Inspired by Jinhua’s unique karst landscape and the commonly seen egrets along the Wuyi River, China Jinmao built a 3,200-square-meter Elf Bird Paradise in Dongmei Park and made it freely accessible to the public. The paradise integrates enjoyable slides, cave exploration, hillside climbing, natural science education, physical fitness activities, and cloud trampolines, creating a kid-friendly urban nature haven. It also fosters children’s awareness of egret conservation. Dongmei Park and Central Green Valley Park offer outstanding recreational spaces for community members while enhancing the ecological environment for the egrets residing along the riverbanks.



Dongmei area before redevelopment



Dongmei area after redevelopment



Elf Bird Paradise



Egrets inhabiting the riverside Dongmei Park

At the same time, there is the Jinhua Jinmao Future Science City, which focuses on the digital technology industry and is comprised of several digital innovation parks, including the Smart Mansion and Jinhua Jinmao Science and Technology Innovation Park, to host a leading industrial cluster. At present, Jinmao Science and Technology Innovation Park has hosted many well-known companies such as iFLYTEK, Tiger Industrial Cloud, and Zhongfei Technology. This regional industrial innovation centre will inject new energy into local economic growth.

In addition, the Jinhua Jinmao Future Science City Project constructed high-quality affordable housing units with a total area of 739,000 square metres, including 1,033 residential units and 2,146 apartments for high-level professionals and 1,537 relocation units, all complete with community services for a great living experience.



In 2022, Sinochem HK's operating subsidiary, China Jinmao, achieved new progress, with

370,200 square metres

of newly started floor areas for government-subsidised housing projects, including relocation housing, low-rent housing, affordable housing, and talent apartments

270,399 square metres

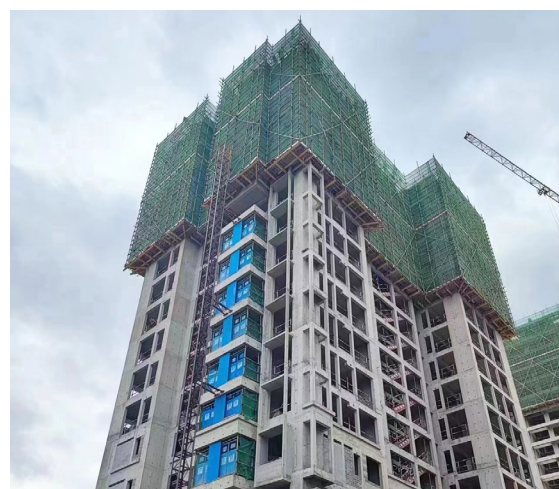
of floor area completed

Developing a housing security system is also an important part of urban renewal. China Jinmao is dedicated to supporting and responding to the national call for promoting housing security. It actively contributes to the progress of urbanisation by ensuring the housing rights and improving living conditions for the original residents and low-income groups through continued participation in the development of the country's housing security system, thereby meeting the housing needs of different urban resident groups and promoting social governance in the urban renewal process. In 2022, Sinochem HK's operating subsidiary, China Jinmao, achieved new progress, with 370,200 square metres of newly started floor areas for government-subsidised housing projects, including relocation housing, low-rent housing, affordable housing, and talent apartments, and 270,399 square metres of floor area completed.



Case: Relocation Housing Construction of Guiyang Jinmao Crystal Smart Eco City Project

In 2022, Guiyang Jinmao Crystal Smart Eco City Project topped off its first relocation housing buildings, which passed the acceptance inspections for Guizhou provincial "High-Quality Structural Engineering" and "Exemplary Construction Site". The buildings have a gross floor area of 115,806 square metres, providing high-quality housing for 944 relocated households.



Relocation housing of the Guiyang Jinmao Crystal Smart Eco City Project



Community Engagement

Sinochem HK has always regarded itself as a member of the community and integrated its corporate development into the overall social development. With deep concern about our financing operations' social, economic, and environmental impacts on neighbouring communities, we have developed and published the *Sinochem HK Community Management Policy*²⁴. We have improved our collaboration with the community in terms of community impact monitoring, assessment and mitigation, community communication, and community integration. Together, we investigate the means of achieving sustainable community development.

Sinochem HK participates actively in social welfare and fulfils its corporate citizenship responsibility. We engage in volunteering activities and participate in social support programmes, such as COVID-19 prevention and control, to promote community development continuously. In addition, we encourage our employees and those at our wholly-owned subsidiaries to engage in volunteer services to pass on positive energy, foster community cohesion, and create a better future for our communities' residents. In 2022, we and our operating subsidiary, China Jinmao, invested RMB 4.76 million in charity and a total of 20,268 hours in public welfare volunteer activities.

Sinochem HK's volunteer team has long been engaged in various kinds of volunteer services, such as caring for the community, caring for the elderly, and assisting in the fight against COVID-19, thus fully demonstrating the Company's firm determination to fulfil its social responsibility. In 2022, the volunteer team was recognised by the Hong Kong Chinese Enterprises Association (HKCEA) for its actions. The team received the Bronze Award for Volunteer Service (Groups) 2022 of the association. Four volunteers received the Bronze Award for Volunteer, the Bronze Award for Young Volunteer, and the Bronze Award for the Best Anti-pandemic Volunteer, respectively.



Sinochem HK and our operating subsidiary, China Jinmao,

invested RMB

4.76 million in charity

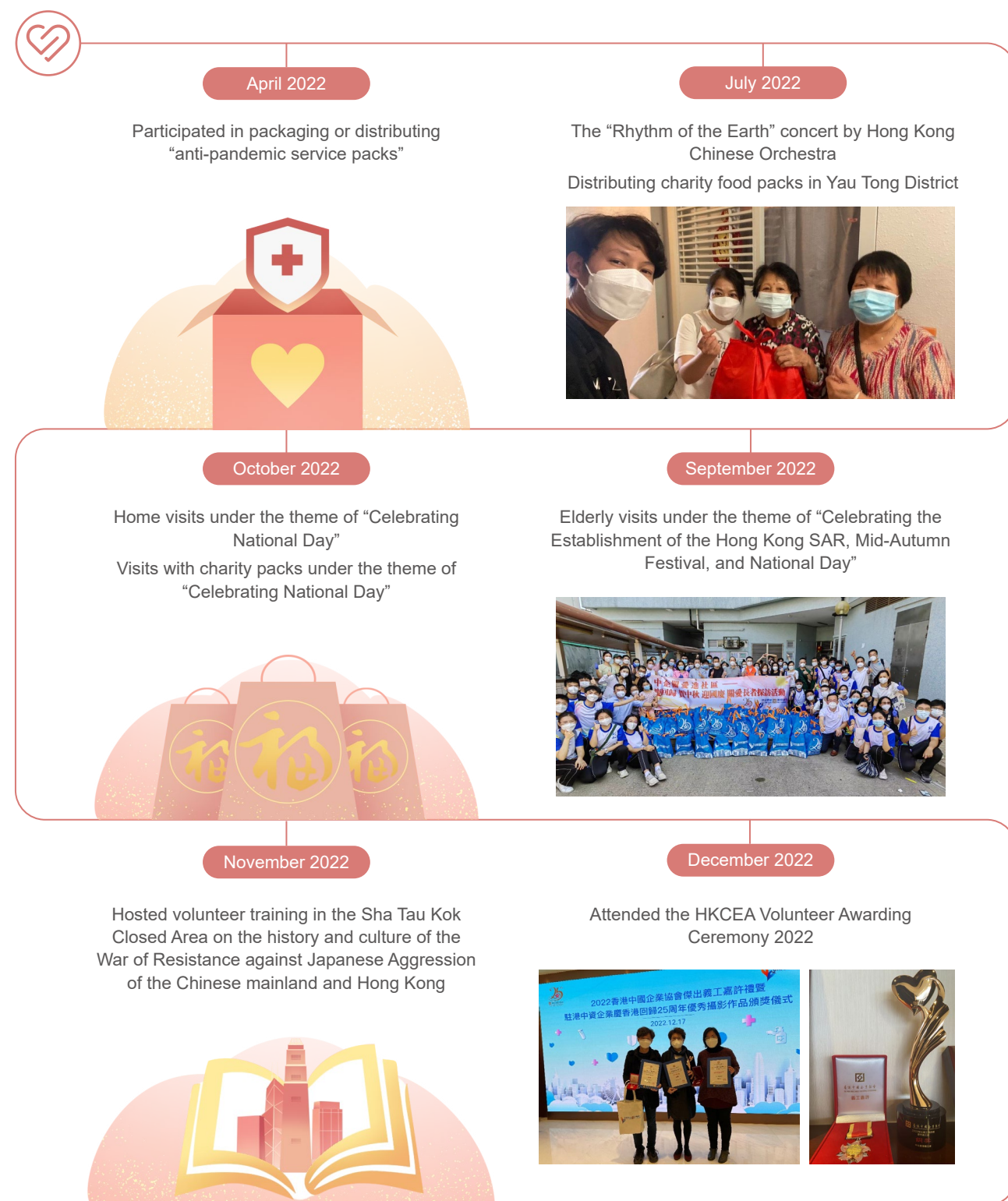
and a total of

20,268 hours

in public welfare volunteer activities



²⁴ Disclosure URL: <http://hk.sinochem.com/Portals/196/AttachUpload/pdf/2023091117255195.pdf>



Some of Sinochem HK's Community Public Welfare Activities in 2022



Case: Sinochem HK's Volunteer Team Participating in the "Care for the Community" Campaign

In 2022, Sinochem HK's volunteer team took an active part in the HKCEA's "Care for the Community" serial campaigns, providing volunteer services in practical actions and transferring public welfare energy to community residents. In the year, Sinochem HK's volunteer team participated in more than five "Care for the Community" campaigns, with a total of more than 50 participants. The "Care for the Community" serial campaigns allowed Hong Kong residents to feel the warmth and care of Chinese-funded enterprises, further strengthened the relationship between the enterprises and the local residents, and promoted the common progress of the community and the Company.



Sinochem HK's volunteer team participating in the "Care for the Community" campaign



Case: Sinochem HK Donating for the Fight Against COVID-19

Guided by Sinochem Holdings' pandemic prevention and control team and local authorities of the Hong Kong Special Administrative Region (HKSAR), Sinochem HK strictly implemented the SASAC's overseas pandemic prevention and control strategy and the HKSAR Government's pandemic prevention and control measures. We strengthened our daily pandemic prevention and management, increased our investment in manpower and anti-pandemic supplies, and did our best to reduce the risk of infection among our employees. In addition, we actively responded to the HKSAR Government's call to prevent and combat the pandemic by donating anti-pandemic supplies to the community under the unified organisation of SASAC. Our efforts were recognised and appreciated by the local community and the HKCEA.



The HKCEA's gratitude letter to Sinochem HK

Appendices

GRI Content Index

Statement of Use	Sinochem HK has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Disclosure Issue/Item	Disclosure Title	Chapter
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	Sustainability Management
2-7	Employees	Employee Development: Drawing a Win-Win Blueprint
2-8	Workers who are not employees	Employee Development: Drawing a Win-Win Blueprint
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
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Sustainability Management
2-23	Policy commitments	Sustainability Management
2-24	Embedding policy commitments	Sustainability Management
2-25	Processes to remediate negative impacts	Sustainability Management

Disclosure Issue/Item	Disclosure Title	Chapter
2-27	Compliance with laws and regulations	List of ESG Policies and Systems
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Sustainability Management
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Management
3-2	List of material topics	Sustainability Management
3-3	Management of material topics	Sustainability Management
Economic		
GRI 201: Economic Performance		
201-2	Financial implications and other risks and opportunities due to climate change	Green Operations
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
Environmental		
GRI 302: Energy		
302-1	Energy consumption within the organisation	Green Operations
302-3	Energy intensity	Green Operations
302-4	Reduction of energy consumption	Green Operations
302-5	Reductions in energy requirements of products and services	Green Operations
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	Green Operations
305-2	Energy indirect (Scope 2) GHG emissions	Green Operations

Disclosure Issue/Item	Disclosure Title	Chapter
305-4	GHG emissions intensity	Green Operations
305-5	Reduction of GHG emissions	Green Operations
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	Employee Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Employee Health and Safety
403-3	Occupational health services	Employee Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety
403-5	Worker training on occupational health and safety	Employee Health and Safety
403-6	Promotion of worker health	Employee Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Health and Safety
403-8	Workers covered by an occupational health and safety management system	Employee Health and Safety
403-9	Work-related injuries	Employee Health and Safety
403-10	Work-related ill health	Employee 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	Employee Rights and Interests
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Employee Rights and Interests
GRI 413: Local Communities		
413-1	Operations with significant actual and potential negative impacts on local communities	Public Welfare and Charity
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
Environment and Climate Change		<i>Environmental Protection Law of the People's Republic of China</i> <i>Law of the People's Republic of China on Environmental Impact Assessment</i> <i>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</i> <i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i> <i>Water Pollution Prevention and Control Law of the People's Republic of China</i> <i>Marine Environment Protection Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</i> <i>Regulations of the People's Republic of China Concerning the Prevention and Cure of Pollution Damage of Marine Environment by Pollutants from Land</i> <i>Chinese Programme for Natural Protection</i> <i>Opinions of the CPC Central Committee and the State Council on Comprehensively Strengthening Ecological and Environmental Protection and Resolutely Winning the battle Against Pollution</i> <i>National Catalogue of Hazardous Wastes</i> <i>Assessment Standard for Green Building</i> <i>Management Measures for Duplicate Forms for Transfer of Hazardous Waste</i> <i>Environmental Impact Assessment Ordinance</i> <i>Waste Disposal Ordinance</i>
	<i>Sinochem Holdings Energy Conservation and Low Carbon Management Measures</i> <i>Sinochem Holdings Eco-environmental Protection Responsibility System</i> <i>Sinochem Holdings Environmental Protection Management Measures</i> <i>Sinochem Holdings Carbon Emission Monitoring, Statistics and Reporting Management Standards</i> <i>Sinochem Holdings Environmental Monitoring System Operation Management Standards</i> <i>Sinochem HK Environmental Protection Policy</i>	
Employment	<i>Measures of Sinochem Holdings for Labour Employment Management</i> <i>Integrity and Compliance Manual</i> <i>Sinochem HK Human Rights Policy</i>	<i>Labour Law of the People's Republic of China</i> <i>Company Law of the People's Republic of China</i> <i>Labour Contract Law of the People's Republic of China</i> <i>Employment Promotion Law of the People's Republic of China</i> <i>Social Insurance Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Protection of Minors</i> <i>Universal Declaration of Human Rights</i> <i>Provisions on the Prohibition of Using Child Labour</i> <i>Employment Ordinance</i> <i>Employees' Compensation Ordinance</i> <i>Minimum Wage Ordinance</i> <i>Occupational Safety and Health Ordinance</i>

ESG Issue	Internal Policies	External Policies
Health and Safety	<i>Sinochem Holdings HSE Management Regulations</i> <i>Sinochem Holdings Safety Production Management Measures</i> <i>Sinochem Holdings Life Assurance Rules Management Measures</i> <i>Sinochem HK HSE Responsibility System</i> <i>Sinochem HK Specialised Contingency Plan</i> <i>Sinochem HK Contingency Plan for COVID-19 Prevention and Control</i> <i>Sinochem HK Position Safety Performance Checklist</i> <i>Sinochem HK Health and Safety Policy</i> <i>Sinochem HK Overall Contingency Plan</i>	<i>Labour Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i> <i>Work Safety Law of the People's Republic of China</i> <i>Fire Protection Law of the People's Republic of China</i> <i>Emergency Response Law of the People's Republic of China</i> <i>Regulations on the Safety Management of Hazardous Chemicals</i> <i>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</i> <i>Interim Provisions on the Investigation and Control of Safety Accident Hidden Perils</i> <i>Regulation of the People's Republic of China on Work-Related Injury Insurance</i> <i>Provisions on the Supervision and Administration of Occupational Health at Work Sites</i> <i>Categories and Catalogue of Occupational Diseases</i> <i>Occupational Safety and Health Ordinance</i>
Supply Chain Management	<i>Sinochem HK Sustainable Procurement Policy</i> <i>Sinochem HK Procurement Management Measures</i> <i>Sinochem HK Supplier Code of Conduct</i>	<i>Construction Law of the People's Republic of China</i> <i>Bidding Law of the People's Republic of China</i> <i>Government Procurement Law of the People's Republic of China</i> <i>Regulation on the Implementation of the Bidding Law of the People's Republic of China</i> <i>Provisions on Engineering Projects Which Must Be Subject to Bidding</i> <i>Prevention of Bribery Ordinance</i>
Business Ethics and Anti-corruption	<i>Sinochem HK Code of Business Ethics</i> <i>Sinochem HK Anti-commercial Bribery and Compliance Manual</i> <i>Integrity and Compliance Manual</i> <i>Sinochem HK Anti-corruption Policy</i> <i>Sinochem HK Supplier Code of Conduct</i> <i>Sinochem HK Whistleblower Policy</i>	<i>Criminal Law of the People's Republic of China</i> <i>Oversight Law of the People's Republic of China</i> <i>Company Law of the People's Republic of China</i> <i>Anti-Money Laundering Law of the People's Republic of China</i> <i>Anti-Unfair Competition Law of the People's Republic of China</i> <i>Anti-monopoly Law of the People's Republic of China</i> <i>Bidding Law of the People's Republic of China</i> <i>Prevention of Bribery Ordinance</i> <i>Competition Ordinance</i>
Public Welfare	<i>Sinochem HK Community Management Policy</i>	<i>Charity Law of the People's Republic of China</i>

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: _____



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