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Sinochem Holdings

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Environmental, Social and Governance Report

2024 | Sinochem Holdings

Table of Contents

About this Report

Reporting Boundaries

This report covers Sinochem Holdings Corporation Ltd. (hereinafter referred to as "Sinochem Holdings", "the Company", or "We" for short), its subordinate units and its wholly-owned and majority-owned subsidiaries.

Reporting Period

The reporting period is from January 1, 2024 to December 31, 2024. To ensure the completeness of the narrative and the continuity of the information, there may be items in the report that exceed this time frame.

Report Contents

Sinochem Holdings' environmental, social and governance (ESG) philosophy and commitments, as well as the Company's specific ESG practices and major achievements.

References

The State-owned Assets Supervision and Administration Commission of the State Council (SASAC): *Work Plan for Improving the Quality of Listed Companies Controlled by Central SOEs*

The State-owned Assets Supervision and Administration Commission of the State Council (SASAC): *Research Project on the Preparation of ESG Report on Listed Companies Controlled by Central SOEs (Reference Index System for ESG Special Report of Listed Companies Controlled by Central SOEs)*

China Enterprise Reform and Development Society: *China Enterprise Sustainability Reporting Guide CASS-ESG 6.0*

The Stock Exchange of Hong Kong Ltd.'s *Environmental, Social and Governance Reporting Guidelines*

Disclosure Principles

The disclosure of the report adheres to the following principles:

Importance:

The report adopts the materiality assessment method. According to the basis of materiality judgment, it selects and displays the materiality matrix through the judgment process, ultimately ensuring the accurate and comprehensive disclosure of ESG information.

Quantification:

The report conducts quantitative performance management on substantive ESG issues, covering various aspects of environment, social and governance. Specific ESG quantification data and objectives are detailed in each chapter.

Balance:

The report follows the principle of balance and fairly and objectively reflects the current ESG situation of the Company.

Consistency:

Unless otherwise specified, the statistical methods for information collection and disclosure in this report are consistent with previous years to ensure comparability of information.

Data Sources

The data sources used in the report include but are not limited to the raw data of the Company's actual operations, the Company's internal statistical data, as well as public data from government departments and third-party institutions, etc. The financial data in this report are presented in RMB. The data in this report are true, valid, and accurate.

Get Access to the Report

The report is published in both Simplified Chinese and English. In case of any ambiguity, the Simplified Chinese version shall prevail. You can log in to the Company's website https: //www.sinochem.com/ to browse or download the electronic text of the report to learn more about the Company's ESG efforts.

Message from the Chairman

As time flies like stars streaking across the sky and rivers rushing onward, the year 2024 drew to a close. Confronted with the daunting challenges of global warming and increasingly frequent weather extremes, we deeply integrated our corporate mission into the broader context of global development last year. With resolve, we fulfilled the mission and responsibility of an international enterprise through concrete actions. We actively responded to the United Nations Sustainable Development Goals (SDGs) and embraced the prevailing trend of green and low-carbon development. Guided by the global vision of "building a community with a shared future for mankind", we strive to pioneer a new landscape of high-quality development.

We focus on chemical business and strive to accelerate the green transformation of chemical industry.

As a world-leading chemical conglomerate, we deeply recognize our responsibility and mission in driving the green revolution of the industry. Through continuous technological innovation and management optimization, we have achieved efficient resource utilization and harmonious coexistence with the environment. We actively explore application scenarios of clean energy to provide stable and low-carbon energy guarantees for chemical production. We strive to develop green technologies and green products, and build intensive, efficient and ecologically friendly industrial clusters. We accelerate the construction of a green manufacturing system, fostering collaboration across the supply chain to achieve a collective green transformation, and supporting the sustainable and coordinated growth of the entire chemical industry.

We are committed to strengthening technological innovation and developing sustainable agriculture.

As a core participant in the global agricultural value chain, we take it as our responsibility to lead the global transformation of agricultural technologies, and regard promoting sustainable agricultural development as our strategic mission, striving to become a pioneer in offering global sustainable agricultural solutions. To realize the three goals of "Higher yields, lower impact, regenerate soil and nature, and improve rural prosperity", we take digital transformation and technological innovation as important driving forces for high-quality agricultural development. Through practices in providing responsible products, engaging in digital agriculture, regenerative agriculture, and farmer services, we safeguard the world's granaries with modern agricultural technologies. In key biotechnology field, we open up efficient gene editing and breeding patent technology licenses to global academic institutions. In saline-alkali lands, we use biological breeding technology to cultivate salt-tolerant sorghum and ensure food security.

We uphold an open mindset and foster values of diversity and inclusiveness.

As an international industrial group with global business operations, the values of openness and inclusiveness are the basic principles for Sinochem Holdings to maintain its Chinese roots while embracing a global perspective. An international management team and talents are important cornerstones for our company's development. To this end, we implement a global talent strategy, build a platform for diverse exchanges, and actively promote cross-cultural integration. We maintain close cooperations with scientific research institutions, universities, and innovative enterprises around the world. On our technological innovation journey, we champion open collaboration, share resources, and promote the transformation of scientific and technological achievements into practical productive forces. We pursue mutually beneficial and win-win partnerships with external stakeholders, implementing projects across global livelihood, agriculture, and infrastructure sectors to build practical pathways toward a community with a shared future for mankind. We uphold an open and inclusive attitude, share resources and jointly develop projects with our customers and suppliers while promoting high-quality and high-standard product exchanges through both "bringing in" and "going global" initiatives. We believe that through the continuous deepening of cooperation and inclusive practices, Sinochem Holdings will join hands with the world to create a new chapter of more prosperous, harmonious and sustainable global development.

We implement the carbon peaking and carbon neutrality strategy and are committed to fulfilling our environmental commitments.

To create a resource-saving, environmentally friendly, green and low-carbon sustainable development model, deliver an outstanding performance in the journey of addressing climate change, and become an important force in promoting global green transformation, we strengthen energy management and greenhouse gas emission reduction efforts, and continuously improve our resilience to climate change. We have enhanced environmental risk management and control capabilities, established an environmental management system and maintained continuous improvement. We have deepened energy efficiency compliance and benchmarking, gradually building a three-tier demonstration and leading system of "energy and water-saving enterprises - energy and water-saving benchmarks - energy and water efficiency leaders" to promote efficient resource utilization and recycling. We have actively pursued pilot projects for building a "zero-waste group" and steadily advanced our campaign to keep skies blue, waters clear and lands pollution-free.

We take bold responsibilities and actively create social value.

Faced with a world economy full of uncertainties, we tackle common frontier technologies, key core technologies, and industrial collaborative technologies, enabling more "Sinochem-made" products to shine on the technological stage. We have built high-performance organo-fluorine material projects and developed special rubber technologies for new energy vehicles to solve industry challenges. We have constructed an artificial intelligence basic capability platform to inject new momentum into the traditional chemical industry. We have also built China's first civil aviation tire production line. We pursue excellent product quality to meet customer needs and work hand in hand with partners for mutual progress and win-win results. We diversify talent training methods to support employee growth, engage in social welfare, contribute to rural revitalization, and pass on the strength of Sinochem Holdings.

We enhance governance effectiveness and continuously consolidate our development foundation.

We have improved the modern enterprise governance system, and forged ahead in team building with Sinochem Ethos. We spare no effort to "lay a solid foundation, prevent risks, and seek development", weave a tight risk control network, firmly establish the bottom line thinking of compliance, strengthen integrity and compliance management, enhance risk prevention and control over key sectors, and promote the construction of a "leading enterprise with excellent operations".

When the wind is favorable and the time is right, we shall forge ahead through the waves; with heavy responsibilities and a long journey ahead, we must press forward with greater resolve. The year 2025 marks the closing year of the 14th Five-Year Plan and the planning year of the 15th Five-Year Plan. We will confront challenges with the determination of "not returning until we achieve our goals", strive for innovation with the courage of "braving thousands of waves across rivers", and deepen reform with the perseverance of "seeing a blueprint through to the end". We will take new steps, seek new leaps, inspire new vitality, and strive to open up a new horizon for the reform and development of Sinochem Holdings.

About Sinochem Holdings

Company Profile

Sinochem Holdings Corporation Ltd. (Sinochem Holdings) was established through the joint restructuring of Sinochem Group Co., Ltd. and China National Chemical Corporation Ltd. on May 8, 2021. Sinochem Holdings is one of the leading state-owned enterprises under the supervision of the SASAC (State-owned Assets Supervision and Administration Commission of the State Council). It boasts over 202,000 employees globally.

Sinochem Holdings has eight major business sectors, including life sciences, materials science, petrochemicals, environmental science, rubber & tire, machinery & equipment, city operation, and industrial finance. The Company owns production bases and R&D facilities in more than 150 countries and regions around the world with a fully-developed marketing network. It has established 16 listed domestic and overseas companies, such as Yangnong Chemical (600486.SH), Adama (000553.SZ), Adisseo (600299.SH), Sinochem International (600500.SH), Luxi Chemical (000830.SZ), Haohua Technology (600378.SH), Elkem (ELK.OL), Pirelli (PIRC.MI), China Jinmao (00817.HK), etc.

Looking ahead, Sinochem Holdings will strive to develop itself into a world-leading chemical conglomerate and constantly improve its sustainable development capabilities to create maximum value for the society, its clients, shareholders and employees and to contribute to social progress as well as the development of the chemical industry.

Business Ecosystem

Life Sciences

Sinochem Holdings has the world's leading agrochemical and animal nutrition businesses. Its subsidiary Syngenta Group, as a main operating enterprise of agrochemical business, consists of four major businesses, namely seeds, crop protection, crop nutrition, grower services including modern agricultural platform and digital agriculture. As a world-leading agricultural science and technology innovation enterprise, its animal nutrition business includes methionine, vitamins and specialty products, etc., making it a comprehensive provider of animal feed additives and nutritional solutions.

Rubber Tires

Sinochem Holdings is a global leader in high-end and ultra-high-end passenger car tires and a strategic supplier of world-renowned industrial tires. It has won the trust of world-renowned automobile manufacturers with its excellent product quality.

Materials Science

The Company has developed a number of competitive industries, such as fluoro-silicone materials, engineering plastics, polymer additives, electronic chemicals, lithium battery materials, and specialty fibers, and provides material solutions for key areas of the national economy and people's livelihood such as electronic information, new energy, transportation, construction engineering, and medical health.

Mechanical Equipment

The Company owns businesses such as plastic machinery, chemical equipment, rubber machinery, etc., providing customers with full life cycle services and digital solutions, and is committed to becoming a world-class total solution provider of rubber and plastic equipment and chemical equipment.

Petrochemical

It has established an integrated development model covering upstream and downstream sectors such as oil trading, oil refining, warehousing and logistics, and oil/petrochemical product marketing, and is one of the most competitive petrochemical companies in China.

Urban Operations

Its subsidiary China Jinmao is a leading urban operator in China. It focuses on high-quality development of real estate, holding and operating high-quality commercial real estate projects and offering high-end services, as well as architectural technology innovation businesses, and its comprehensive strength ranks among the top in the industry.

Environmental Science

Focusing on industrial environmental protection in the fields of wastewater, solid waste, soil and waste gas, the Company has rapidly developed core technical capabilities in these areas to safeguard the green development of chemical industry.

Industrial Finance

Sinochem Holdings holds multiple financial business licenses, building a bridge between industry and finance, and driving industrial development with the dual engines of "Finance + Technology". As an industrial-financial service and investment platform, its subsidiary Sinochem Capital ranks among the top in the industry in terms of risk control capabilities and profitability, and is committed to becoming a leading and respected comprehensive industrial-financial service provider.

Enterprise Architecture

Sinochem Holdings

13 Specialized Enterprises

- Sinochem Energy
- Syngenta Group
- Chemicals Business Division
- China Bluestar
- China Haohua Chemical
- Luxi Chemical
- Cangzhou Dahua.
- Chlor-Alkali Business Division
- China National Tire & Rubber
- China National Chemical Equipment
- Sinochem Environment
- China Jinmao
- Sinochem Capital

7 Directly Managed Units

- Sinochem (Hong Kong)
- Shenyang Research Institute of Chemical Industry
- China Bluestar Chengrand Research Institute of Chemical Industry
- Sinochem Finance
- Sinochem Asset Management
- China National Chemical Information Center
- Sinochem Information Technology

Sinochem Holdings' organizational structure[1]

11 Domestic Listed Companies

Yangnong Chemical (600486.SH)	Adama(000553.SZ)
Luxi Chemical (000830.SZ)	Haohua Technology (600378.SH)
Sinochem International (600500.SH)	Aeolus Tyre (600469.SH)
Win-All High-Tech Seed (300087.SZ)	Adisseo (600299.SH)
Cangzhou Dahua (600230.SH)	Shenyang Chemical(000698.SZ)
Sinochem Equipment (600579.SH)	

5 Overseas Listed Companies

Sinofert (00297.HK)	Elkem (ELK.OL)
Jinmao Services(00816.HK)	Pirelli (PIRC.MI)
China Jinmao (00817.HK)	

[1] Note: As of June 2025.

Corporate Culture

Vision	Build a world-class chemical enterprise and create a beautiful world of harmonious coexistence.
Mission	Sinochem is committed to contributing to China's great rejuvenation. The Company will continue to develop innovative technologies and products and improve its operation and management, and achieve high-quality and international development. We aim to establish a first-class state-controlled enterprise group in the chemical industry to benefit the society, our customers and investors, and all employees.
Core Values	The "Sinochem Ethos" in the new era.
Special Cultures	Science and technology innovation culture, excellent operation culture, collaborative culture, FORUS[2] culture, compliance culture, and integrity culture.

[2] The FORUS system of Sinochem Holdings focuses on HSE (Health, Safety and Environment) risk management, implements comprehensive loss control, and makes systematic arrangements for the full lifecycle of business activities including projects, equipment, processes, and products. Covering safety, environmental protection, health, energy, carbon emissions, and security, the system unifies HSE management language and evaluation standards, providing fundamental guidance for HSE management and a systematic solution for achieving HSE leadership.

Development History

Year	Major Events
2021	• With the approval of the State Council, Sinochem Holdings Corporation Ltd. was established through the joint restructuring of Sinochem Group Co., Ltd. (Sinochem Group) and China National Chemical Corporation Ltd. (ChemChina) on May 8, 2021, with the State-owned Assets Supervision and Administration Commission of the State Council performing the duties of the investor on behalf of the State Council.
2017	• Sinochem Group completed its corporate system reform, transformed from a wholly state-owned enterprise to an enterprise solely funded by the state, and its name was officially changed to Sinochem Group Co., Ltd. In 2017. • ChemChina completed its corporate system reform, transformed from a wholly state-owned enterprise to an enterprise solely funded by the state, and its name was officially changed to China National Chemical Corporation Ltd. In 2017.
2004	• With the approval of the State Council, China Bluestar (Group) Corporation, China Haohua Chemical (Group) Corporation and a few other enterprises were reorganized into China National Chemical Corporation in 2004. The company was mainly specialized in new chemical materials and specialty chemicals sectors.
2003	• Since the original name can no longer express the company's connotation, positioning and market value, let alone the company's future development direction, China National Chemical Import & Export Corporation was approved by the State-owned Assets Supervision and Administration Commission of the State Council and the State Administration for Industry and Commerce to be renamed as China National Chemical Corporation in 2003.
1965	• In order to facilitate business contacts between foreign merchants and relevant domestic organizations, the Ministry of Foreign Trade of the People's Republic of China decided to unify the names of enterprises and institutions in the national foreign trade system. On July 16, 1965, China National Chemicals Import and Export Company was renamed China National Chemicals Import and Export Corporation.
1961	• The Ministry of Foreign Trade of the People's Republic of China merged and reorganized its enterprise units, and the China Import and Export Corporation was renamed China National Chemicals Import and Export Corporation.
1951	• On January 8, 1951, the preparatory group of China Import and Export Corporation was established, with personnel from the former China Import Corporation and its North China Branch as the basis. On February 13, China Import and Export Corporation accepted the commission of the Central Trade Ministry to lead the business of the Hong Kong organizations related to the import and export companies. On March 1, the company officially opened for business and started trade with capitalist countries.
1950	• In order to unify the national state-owned trade, complete the national import and export plan, lead the domestic market, regulate the national and local supply and demand of materials, and promote the rapid recovery and development of national production, the State Council of the Central People's Government decided to establish a national foreign trade professional general company under the leadership of the Ministry of Trade of the Central People's Government. China National Import and Export Corporation, the predecessor of Sinochem Group, was officially established in 1950.

Development Strategy

123 'Industrial Development' Strategy

1 Strategic Positioning

· A world-leading chemical conglomerate

2 Industrial Missions

· Promote the high-quality development of agriculture
· Accelerate the strengthening of areas of weakness in new chemical materials industry

3 Transformations and Upgrades

· Product layout: Upgrade from single products to a complete industrial chain
· Serve customers: Upgrade from providing products to providing comprehensive solutions
· Digital empowerment: Upgrade from a traditional enterprise to a digital and intelligent enterprise.

Brand Building

2024 "China's 500 Most Valuable Brands"

No.7

Brand value

475.906 billion yuan

On the list of the world's top 500 brands for

15 consecutive years

The Company's brand logo uses the peony as a creative starting point. The scientific blue highlights the power of science and innovation to jointly drive the Company's growth. The innovative blue represents the Company's concept of "friendly integration of chemistry and nature". Through the growing and blooming form and natural color, it reflects Sinochem Holdings' unremitting pursuit of harmonious coexistence with nature, promoting sustainable social development, and creating a better future for mankind. The brand logo has four petals, symbolizing that Sinochem Holdings continues to create value for the society, its customers, shareholders and employees. **In 2024, the "Sinochem" brand ranked seventh in the "China's 500 Most Valuable Brands" with a brand value of 475.906 billion yuan, and the "Sinochem" brand has been on the list of the world's top 500 brands for 15 consecutive years.**

Overview of the Company and its subsidiaries' brands

Material Topics Assessment

The Company actively communicates with various stakeholders and interacts with them through visits and surveys to fully understand the opinions and suggestions of stakeholders such as government and regulatory authorities, shareholders and investors, customers, employees, suppliers and partners, industry associations, media and communities. We transform the expectations of various stakeholders into requirements for self-management improvement, and accordingly formulate corrective measures to continuously promote the improvement of the Company's ESG work.

In 2024, the Company carried out the identification, assessment and management of material issues, gradually improved the effectiveness of ESG management and timely disclosed important progresses in fulfilling ESG responsibilities to convey the Company's value in a timely, effective and extensive manner.

Communication with Stakeholders

Stakeholders: Government and Regulatory Authorities

Expectations and Demands

Implement macroeconomic policies
Honest and law-abiding management
Pay taxes in accordance with the law
Promote employment
Drive local economic development

Communication Channels

Government affairs consultation and discussion
Government meetings
Supervision and inspection
Announcements and reports
News platforms

Our Actions

·Assisted in the infrastructure construction of Xiongan New Area and responded to the "Millennium Project" policy.
·Operated in compliance with laws and regulations and conducted 13 compliance training sessions, with a total of 8,883 participants.
·Paid taxes of about 46.59 billion yuan in accordance with the law.

Stakeholders: Shareholders and Investors

Expectations and Demands

Steady growth in performance
Compliance disclosure of information
Reduce business risks
Protection of shareholders' rights and interests

Communication Channels

Statutory information disclosure
Regular performance reports
Regular earnings briefings
Public email addresses, teleconferences, interviews, etc.

Our Actions

·Established an overseas "3S" management system and strengthened overseas corporate supervision.
·The "Investor Relations Management Measures for Sinochem Holdings' Listed Companies" was issued to expand the interactive channels with investors. Its subsidiary Yangnong Chemical won the "Golden Bull Most Valuable Investment Award"; the board secretaries of its subsidiaries Haohua Technology, Sinochem International, and WIN-ALL HI-TECH SEED received 5A ratings (the highest ratings) from the China Association for Public Companies; Adisseo was selected as a case study of the "2024 Best Practices for the Board Office of Listed Companies" by the China Association for Public Companies.
·The "Information Disclosure Management Measures for Listed Companies of Sinochem Holdings" was issued to disclose major corporate matters to all stakeholders in a timely manner.
Publish an ESG report annually to disclose the Company's non-financial information.

Stakeholders: Customers

Expectations and Demands

Product quality and safety
Provide quality services
Technology R&D and innovation
Customer privacy protection

Communication Channels

Customer service and guarantee mechanism
Public email

Our Actions

·A special signing event for the 7th CIIE was held, and procurement cooperation agreements were signed with more than 20 companies from more than 10 countries and regions including the United States, Germany, India, and Thailand.
·Established a three-level R&D structure of Frontier Common Research Institute-Core Advantageous Industry Research Institute-Professional Research Center to provide customers with high-tech products. In 2024, we won 3 national science and technology awards and 3 China Patent Excellence Awards.

Evaluation Process

Process	01 Issue Collection	02 Research and Evaluation	03 Materiality Assessment
Specific work	Sinochem Holdings collects key environmental, social and governance related issues by following its strategic focus, industry priorities as well as policy and regulatory requirements, referencing to domestic and foreign standards as well as the ESG content frameworks of advocacy organizations and associations, and benchmarking international excellent ESG practice cases.	Sinochem Holdings fully considers the opinions of various stakeholders, including government, clients, employees, suppliers, investors, regulatory agencies, communities, etc., and confirms through survey questionnaires, interviews, communication meetings and other forms that the material issues align with their concerns and expectations.	Based on the opinions of various stakeholders, Sinochem Holdings fully considers the impact of its business on environment, society and governance, and takes into account the future development trends, such as global warming, sustainable development goals as well as policy and regulatory changes, and then evaluates the importance of each material issue to Sinochem Holdings and various stakeholders.

Stakeholders: Employees

Expectations and Demands

Protect employees' rights and interests
Ensure health and safety
Smooth development channels
Improve salary and benefits system
Work-life balance
Strengthen management of overseas employees

Communication Channels

Trade Union Congress
Staff training and support
Employee reporting mechanism

Our Actions

·Regularly convene the trade union standing committee, trade union committee and trade union member congress to effectively safeguard the legitimate rights and interests of employees.
·The trade unions of the Company's subsidiaries, Zhonglan Chenguang Institute, the Carbon Black Institute of Sinochem Energy were awarded the title of "National Model Workers' Home".
·Establish the FORUS system to ensure the health and safety of employees.

Stakeholders: Suppliers and Partners

Expectations and Demands

Integrity and law-abidingness
Responsible procurement
Support for growth
Information confidentiality

Communication Channels

Supplier evaluation
Supplier communication meetings
Supplier investigation and audit

Our Actions

·Formulated documents such as *Sinochem Holdings' Supplier Management Measures, Sinochem Holdings Supplier Access Management Guidelines, Sinochem Holdings Supplier Review and Performance Evaluation Guidelines*, and *Sinochem Holdings Supplier Classification and Grading Management and Supplier Relationship Management Guidelines*, to regulatesupplier sourcing, assessment, evaluation, credit, grading, and penalties.
·Promote the green transformation of relevant suppliers in green procurement, green production, green logistics, etc.; realize online control of the entire process from demand to sourcing, contract signing to payment, and decentralization to collaboration through the supply chain digital management system, and improve the sustainability of the supply chain.

Stakeholders: Industry Associations

Expectations and Demands

Fair competition
Scientific and technological Innovation and R&D
Contribute to industry progress

Communication Channels

Large-scale conferences
Industry Forum
Industry Training

Our Actions

·Developed civil aviation tires with independent intellectual property rights.
·The Company joined hands with industry organizations and enterprises to release standards suchas "Greenhouse Gas - Carbon Footprint of Products - Quantification Methods and Requirements" to fill gaps in the industry; organized the "High-end Forum on Petrochemical Circular Economy"; launched the "Chemical Industry Practicing Green Circular Social Responsibility" initiative, and released the "Blue Paper on Petrochemical Industry Circular Economy Development"; released the "2024 Comprehensive Chemical Industry Development Report" to promote development of the industry.
·Held the 21st China International Chemical Industry Fair (ICIF China 2024) to showcase a series of new chemical materials, high-end equipment and digital solutions for the chemical industry, helping to boost the development of the industry.

Stakeholders: The public, Media and Community

Expectations and Demands

Transparent operation
Carry out cultural exchanges
Participate in community development
Support public welfare
Rural revitalization

Communication Channels

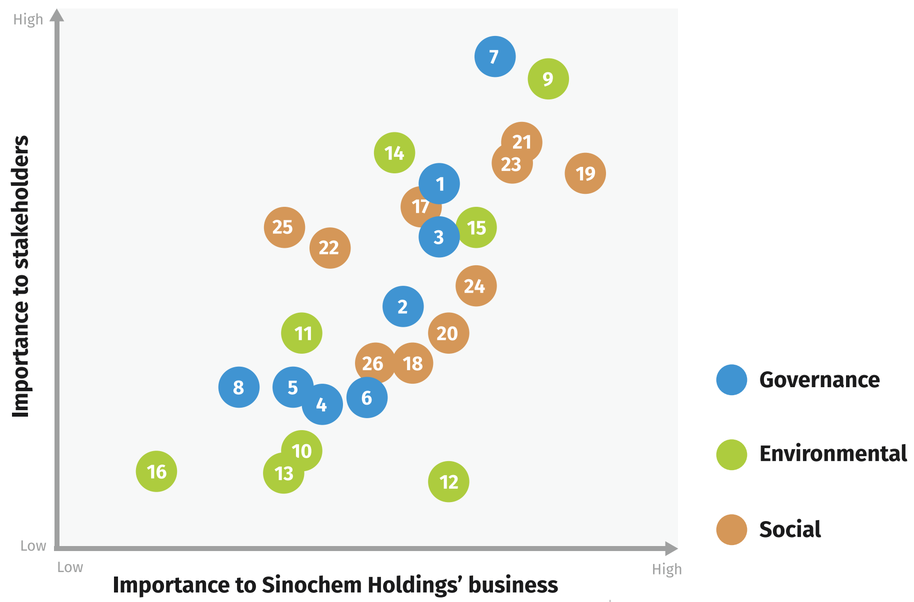
Community support and guidance
Community services
Instant communication
Community communication and promotion
Public welfare activities

Our Actions

·Actively carry out social welfare activities, with a total donation amount of 249.03 million yuan, and the number of participants in the "Dream-Fulfilling Action" student aid activity reached 29,016.
·62 science and technology commissioners went to 41 key counties for national rural revitalization to carry out empowerment work, and completed 1,365 days of on-site support in total; 21 special meetings on assistance work were held, and 45 assistance projects were implemented; the "Sinochem Holdings' Rural Revitalization Charity Trust" was established; about 93.28 million yuan was invested in free assistance for rural revitalization, and about 244.57 million yuan was introduced for assistance; 2 cases were selected into the "Blue Book on Central Enterprises Assisting Rural Revitalization (2023)" and won the award as excellent cases.

Evaluation results

After identification, evaluation and confirmation, the results of the Company's 2024 ESG materiality assessment are as follows:



Governance

1 ESG Governance
2 Stakeholder Communication
3 Anti-corruption and Integrity Management
4 Information Disclosure
5 Fair Competition and Business Ethics
6 Governance Strategy and Organizational Structure
7 Risk Control and Compliance
8 Shareholders' Equity

Environmental

9 Combating Climate Change
10 Water Resources Management
11 Waste Management
12 Environmental Management System
13 Green Operation
14 Pollutant Management
15 Energy Management
16 Biodiversity Conservation

Social

17 Employee Rights and Benefits
18 Customer Rights and Privacy Protection
19 Occupational Health and Safety
20 Supply Chain Management
21 Product Service and Quality
22 Digital Transformation
23 Innovative Development
24 Community Contributions
25 Social Contribution
26 Rural Revitalization

ESG Management

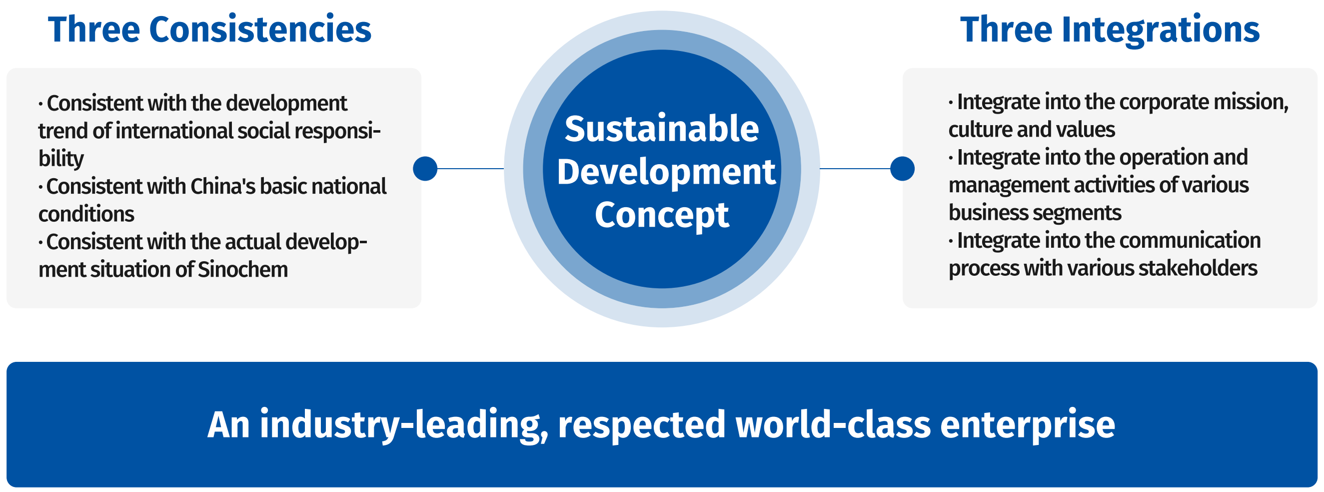
The Company firmly fulfills its social responsibilities and regards the ESG concept as an important driver of sustainable development. In the process of achieving its production and operation goals, it is committed to creating comprehensive value for the society, its customers, shareholders and employees.

ESG Governance

Based on its own ESG management status, the Company has established a top-down, multi-party collaborative ESG management structure. The Corporate Management Department is responsible for coordinating ESG-related work, and the ESG working group composed of ESG specialists from various departments and subordinate specialized companies is responsible for the specific implementation of ESG-related matters to ensure the accurate implementation of ESG policies.

ESG Strategy

The Company adheres to the vision of becoming a practitioner and innovator of sustainable development values. It actively integrates the ESG concept into its corporate strategic planning, operational management and risk prevention and control in an all-round way, forming a sustainable development concept featuring "three consistencies" and "three integrations". Through innovative development and excellent management, we provide the society with first-class products and services, and realizes the harmonious unity of corporate development, social progress and environmental protection.



The Company's strategic concept of sustainable development

Managing ESG Impacts, Risks and Opportunities

Sinochem Holdings has conducted a comprehensive assessment of ESG risks and opportunities, identifying trend changes in key areas such as innovative development, climate change, and energy transformation. The Company has comprehensively evaluated the external environment and industry development, as well as its business activities and commercial relationships, in an effort to actively develop new quality productive forces, penetrate into clean energy sector, promote digital transformation, and comprehensively reduce potential ESG risks.

ESG Practices

In 2024, Sinochem Holdings systematically incorporated ESG factors into its investment analysis and decision-making process to strengthen risk management capabilities. The Company regularly reviewed and followed up on the progress of ESG reports of its subsidiaries in accordance with the outline preparation, report design, online disclosure procedures, and communicated and provided feedback with key companies separately to smoothly promote the Company's overall ESG report disclosure work. Moreover, it actively held ESG work seminars, carried out training on the current status of ESG policies, future trends, and domestic ESG management requirements, and furthered promoted the implementation of the Company's ESG development goals.

In 2024, China Jinmao, a subsidiary of the Company, was listed in the "ESG Pioneers 100 Index of Central SOEs" for two consecutive years, awarded the title of "Highest Rated ESG Enterprise in the Asia-Pacific Region" by Morningstar Sustainalytics, received MSCI ESG rating of A for two consecutive years, and successfully obtained two sustainable development-linked loans totaling HK$2.38 billion that will provide strong support for the Company's green transformation. Another subsidiary, Bluestar Adisseo, held five "Sustainable Development Thursday" events, focusing on five themes, including "World Egg Day, Compliance Requirements for Sustainable Development Reports, Industrial Decarbonization Initiative, Carbon Emissions Life Cycle Assessment, and Diverse and Inclusive Work Environment", to enhance its employees' awareness of sustainable development reporting directives, climate action and social responsibility. The events have attracted more than 1,300 employees, and 92% of the participants said that their understanding of the concept of sustainable development has been significantly improved.

Special Topic

01

Sustainable Chemical Industry to Boost Future Development

The traditional chemical industry faces unprecedented opportunities and challenges amid the global wave of sustainable development. The Company gives full play to the advantages of its main businesses, focuses on improving the layout of the chemical industry, innovates the energy mix, develops green products with green technology, supports green industries with green products, and creates a global green chemical ecology with green industries, helping the chemical industry to reduce pollution, realize energy conservation and carbon emission reduction, and adding impetus to building a beautiful nation.

Our Strategy and Philosophy

As a global group devoted to sustainable development, Sinochem Holdings has built a carbon emission control system and green development pattern with sound standards, scientific management, advanced technologies and optimized layout.

The Company encourages its overseas enterprises to actively participate in international sustainable development work, follow regional low-carbon development and net zero emissions target requirements, actively participate in various international climate change organizations, and contribute to the global green and low-carbon transformation.

In China, the Company has incorporated the concept of green development into its strategic planning. In 2024, it formulated the *Implementation Plan for Sinochem Holdings to Accelerate Green Development and Promote the Construction of a Beautiful China* and the *Guiding Opinions on Sinochem Holdings' Energy Conservation and Carbon Emission Reduction Action in 2024-2025*, and revised the *Sinochem Holdings' Carbon Peaking Action Plan*, clarifying the key tasks of green transformation in energy structure, product supply, industrial structure and other areas, further optimizing the path of sustainable development, and providing top-down design and strategic support for the comprehensive promotion of green chemicals.

Sound Standards

Advanced Technologies

Carbon Emission Control System and Green Development Pattern

Scientific Management

Optimized Layout

Implementation Plan for Sinochem Holdings to Accelerate Green Development and Promote the Construction of a Beautiful China

·Optimize the energy consumption structure and increase the proportion of green electricity use.
·Cultivate the Company's green and low-carbon technology industrialization capabilities and support its industrial upgrading.
·Implement green transformation of industrial structure and increase the proportion of green and low-carbon industries.
·Strengthen the creation of benchmark green manufacturing enterprises, and cultivate an array of benchmark enterprises for green products, green factories, green industry parks and green supply chain management.

Sinochem Holdings' Carbon Peaking Action Plan

·Accelerate the green and low-carbon transformation of the energy structure.
·Promote the research and development of technologies for new quality productive forces and build an entire-chain green product supply system.
·Promote green and low-carbon upgrading of industrial structure and build low-carbon emission demonstration industry parks.
·Pilot construction of a green supply chain system.

Guiding Opinions on Sinochem Holdings' Energy Conservation and Carbon Emission Reduction Action in 2024-2025

·Optimize the green industrial structure, and newly-built and renovation and expansion of projects in key areas must reach benchmark energy efficiency standards and Level A environmental protection performance.
·Carry out actions to reduce and replace fossil energy consumption. By the end of 2025, the Company will basically eliminate 35t/h or lower coal-fired boilers and all types of coal-fired facilities.

Our Goals and Indicators

The Company has set clear indicators and goals related to green and low-carbon transformation of energy structure, green technology innovation and product research and development. Through quantitative management, it provides a clear path for practical actions, guides resource allocation to key areas of green transformation, and comprehensively promotes the green transformation of the Company's chemical business.

The Company's Setting of Green Transformation Goals

Green and low-carbon transformation of energy structure

Short-term Goal

The Company will continue to raise the proportion of production capacity of key products such as oil refining, ethylene, caustic soda, synthetic ammonia, and PVC with benchmark energy efficiency standards, and facilities below the energy efficiency benchmark level shall complete technical transformation or be phased out.

Mid-term Goal

By 2027, the Company's consumption of green electricity will continue to increase in 2027 compared to 2024.

Long-term Goal

By 2030, the Company's comprehensive energy consumption per 10,000 yuan of output value will further decrease, and it will be a leader in terms of the energy efficiency of key energy-consuming businesses.

Green technology innovation and product development

Mid-term Goal

Make positive progress in the research and development and promotion and application of green and low-carbon technologies.

Long-term Goal

By 2030, the Company will accelerate the construction of industrialization projects related to innovative technologies such as utilization of carbon dioxide in chemical industry.

Our Practices and Achievements

01 Seizing Opportunities in Clean Energy Sector

In 2024, Sinochem Holdings adopted diversified means to comprehensively promote the green transformation of energy structure, actively entered into clean energy sectors such as wind energy, solar energy, and hydrogen energy, built a number of large-scale renewable energy projects, which significantly increased the proportion of clean energy in its total energy consumption. Meanwhile, the Company also promoted the use of green electricity in its operations by orderly phasing out coal-fired boilers, increasing the proportion of green electricity purchases, and continuously optimizing the energy structure and raising the proportion of clean energy use.

Green Electricity Development

The Company vigorously developed clean energy projects and accelerated the greening process of energy supply in 2024 by building centralized photovoltaic power generation projects in industrial bases, constructing distributed photovoltaic power generation projects on idle roofs and ground, and building clean energy-based charging piles.

In 2024, the Company completed construction of Sinochem Lantian's 11 new energy projects, including the 11MW distributed photovoltaic power generation project at the Chenzhou base and the 1.5MW solar distributed power generation project at the Taicang base. **So far the Company's cumulative installed capacity of distributed photovoltaics totals 58 megawatts, and its cumulative power generation has reached 27 million kWh.**

New energy construction projects in 2024

11 projects

The path from "Energy Consumption" to "Production Capacity", unlocking new codes for energy utilization

In 2024, Sinochem Lantian's distributed photovoltaic power generation project at the Chenzhou base was officially put into operation, and was successfully integrated into the national power grid. The installed capacity of the project is 4.2 MW, which can reduce carbon dioxide emissions by about 320 tons every year.

Distributed photovoltaic power generation project at Chenzhou Base

Accelerate construction of "zero-carbon emission refueling stations" by solar power-energy storage-charging pile integration

Elkem Xinghuo Silicones, Sinochem Holdings' subsidiary, built a 7kW "photovoltaic power -energy storage - charging zero-carbon unit" charging station project to achieve the integration of photovoltaic power generation, energy storage scheduling and intelligent charging. The installed capacity of the proeject is approximately 1.37 MW, and it was equipped with 10 AC charging piles and energy storage systems, which are expected to reduce carbon dioxide emissions by 1,635 tons per year.


"Photovoltaic power-Energy storage-Battery charging zero-carbon emission unit" charging station

Utilization of Green Electricity

Purchased green electricity (including green certificates) in 2024

360 million kWh

Increased compared with 2023

53 %

Sinochem Holdings proactively uses green electricity and has carried out pilot projects in its key plants with high energy consumption. Through various means such as cooperative development and green electricity purchase, it gradually increases the proportion of green electricity application. Many of its subsidiaries are devoted to using green electricity. For example, the Spanish plant of Adisseo has been using green electricity completely since the supply contract was signed in 2020; ELIX Polymers has achieved 100% renewable energy certification; PTN's Brazilian plant has obtained the International Renewable Energy Certificate (I-REC), using renewable energy only; Elkem signed a long-term power supply agreement with Norway's second largest power producer (Hafslund), and will obtain approximately 400GWh of hydropower annually for Elkem's Thamshavn plant in central Norway. After the application, more than 90% of the electricity used in the plant's production and operation processes comes from renewable hydropower resources.


Trophy of "2023 China Green Electricity (Green Certificate) Consumption TOP 100 Enterprises"

In 2024, the Company purchased a total of 360 million kWh of green electricity (including green certificates), an increase of 53% over 2023; its subsidiary Elkem Silicones won the title of "Top 100 Chinese Green Electricity (Green Certificate) Consumption Enterprises in 2023".

02 Explore Green Cutting-edge Technologies

The Company adheres to promoting development through innovation, so it has established an independent R&D system, built technological advantages by using green technologies and processes to develop new quality productive forces. At the same time, it coordinates internal resources to quickly realize the industrialization of green technologies and enhance its capabilities to providing comprehensive green technology solutions.

Green Technology

Some of the Company's innovative green technologies in 2024

Key technologies for converting trifluoromethane (HFC-23) into a green resource, which is a greenhouse gas controlled by international conventions

Sinochem Lantian, a subsidiary of the Company, made major breakthroughs in developing key technologies to convert HFC-23 into a green resource, a greenhouse gas controlled by international conventions. The world's first engineering device was built, providing a demonstrative solution for the green and low-carbon transformation of China's fluoro-chemical industry. After the technology is promoted nationwide, it is expected to reduce carbon dioxide emissions by 220 million tons (CO_2e) annually[3], equivalent to the carbon dioxide emissions of 10 large thermal power plants each year. In August 2024, the technology was selected as one of the "Top Ten Scientific and Technological Innovations in China's Carbon Peaking and Carbon Neutrality in 2023".

[[3]Note: Calculated based on the conversion of 15,000 tons of trifluoromethane per year.]


Demonstration device for utilization of trifluoromethane (HFC-23)

Comprehensive Utilization Technology of Phosphate Ore Tailings Filling

The technology can convert phosphate tailings from Class II solid waste into Class I solid waste, and in 2024 it was included in the first batch of green and low-carbon engineering design cases, technical achievements, and standard specifications for petroleum and chemical engineering released by the China Petroleum & Chemical Engineering Survey and Design Association (CCESDA).


Certificate

Green Processes

Some of the Company's innovative green processes in 2024

High current density normal-pressure alkaline water electrolysis hydrogen production process

The "high current density normal-pressure alkaline water electrolysis hydrogen production" process jointly developed by Bluestar Beijing Chemical Machinery and Elkem Silicones has reached advanced standard internationally in terms of high current density and wide application range. It is in line with the national energy development strategy and industrial policy, and has broad application prospects and promotion value.

Production process of hydrogen peroxide-based ECH

This process produces only 0.55 to 0.65 tons of salt-free wastewater for the production of epichlorohydrin (ECH) per ton, which greatly reduces wastewater charge compared to the traditional chlorohydrin-based method (which produces several tons to dozens of tons of wastewater). It realizes the greening of ECH production from the source and has been selected into the "List of Green and Low-Carbon Processes in Petrochemical Industry (2024 Edition)" of the China Petroleum and Chemical Industry Federation (CPCIF).

This process produces only

0.55-0.65 tons of salt-free wastewater for the production of epichlorohydrin (ECH) per ton

Some of the Company's innovative green processes in 2024

Lignin enhanced polylactic acid process

KraussMaffei, a subsidiary of the Company, and Synergy Horizon Group (Cyprus) worked together to turn lignin into treasure. The laboratory extruder ZE BluePower 28 and the small-scale ZE BluePower 42 twin-screw extruder are used to add up to 30% lignin to the polylactic acid matrix, which can produce 100% bio-based reinforced thermoplastics-lignin-reinforced polylactic acid. The flexural and tensile properties of the modified lignin-reinforced material were improved by about 30%, and it had stronger biodegradability, with a biodegradation rate of more than 90% within 99 days.

Stronger biodegradability, with a biodegradation rate within 99 days exceeding

90%

Bio-based production process

Elkem, a subsidiary of the Company, develops bio-based production processes and is committed to increasing the proportion of bio-based reducing agents in the smelting process. By 2024, Elkem's use of biomass reducing agents in silicon production increased to 24%.

Extruder replacement process

PTN, a subsidiary of the Company, replaced the traditional mixing mills with extruders in the semi-finished product workshop, which is expected to save more than 12 million kWh of electricity and reduce greenhouse gas emissions by 3,500 tons of carbon dioxide equivalents (calculated based on the average emission factor of the regional power grid) annually.

Benzene-free terminator neoprene production process

The Company produced the first batch of SN244X benzene-free terminator in September 2024, and the VOC in the production process was reduced by nearly 50%.

VOC reduction rate is nearly

50%

Series continuous mixing production process

The process was developed by the Company's subsidiary Sinochem Rubber Machinery. Through improving the production process, continuous mixing is carried out in series, which has increased the mixing capacity by more than 40% and reduced energy consumption by more than 25%.

Improvement of Mixing Capacity

>40%

Energy consumption reduction

>25%

03 Create an Environmentally Friendly Product Matrix

The Company integrates green and low-carbon concept into the entire life cycle of its products, focusing on developing environmentally friendly materials and green manufacturing processes, and actively designing a wide range of green products. It also strives to keep reducing the carbon footprint of its products, and continuously improves the core competitiveness of the Company's green products by meeting green product standards, and obtaining logos and certifications.

The Company's innovative green products in 2024

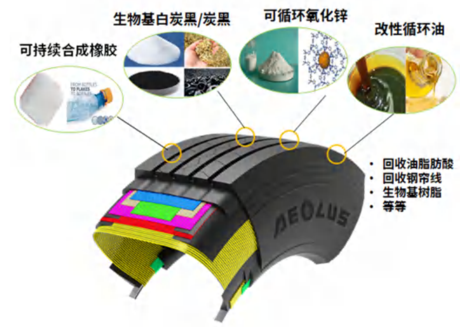
Castor oil series polyurethane (PU) products

When castor oil is used as raw material to produce PU, the bio-based content can reach 60%; the PU product has a high degradation rate and low VOC emissions, which can reduce the carbon footprint by 30%-50% compared to traditional PU products.

Polydicyclopentadiene resin

The carbon footprint of the product is about 0.8 kg of CO_2 per kg of product, which is much lower than the 2.5 kg of CO_2 per kg of traditional sheet molding compound materials; the waste and discarded products can be processed and recycled again.

All-steel radial tire



All-steel radial truck tire Product

The all-steel radial tire, a key product developed by the Company's subsidiary Aeolus Tyre, contain up to 82% sustainable materials.

Fuel-efficient tires

Developed by PTN, a subsidiary of the Company, the 315/70R22.5 FR88 ECO steering wheel tire and the 445/45R19.5 ST88 EVO trailer tire achieve a 23% reduction in rolling resistance through aerodynamic profile design and the use of nano-silicon materials. According to actual measurements by a third-party agency, the reduction in rolling resistance improves vehicle fuel efficiency by 2.3%. Take a 6-axle tractor with an annual mileage of 200,000 kilometers as an example, a single vehicle can reduce diesel consumption by about 40% per year, equivalent to reducing 10.5 tons of carbon dioxide emissions.

Equivalent to emission reduction by

10.5 tons

In 2024, the Company's polycarbonate (PC) products passed the Global Recycled Standard (GRS-v4.0) certification; epoxy resin products obtained the ISCC PLUS (International Sustainability and Carbon Certification) certificate, **making it the first domestic epoxy resin manufacturer with ISCC certification;** BLUESIL™ TCS 7538 LE coating products **won the internationally authoritative environmental protection award-the 2024 SEAL Sustainable Product Award;** 32% caustic soda (based on 100% purity) HL-II product was awarded the 2024 "Green Product" of the China Petrochemical and Chemical Industry Federation.

GRS-v4.0 Certification

ISCC PLUS Certification

2024 SEAL Sustainable Product Award

04 Become a Pioneer in Green Industry

The Company accelerated the construction of a green manufacturing system in 2024. Focusing on the industrial chain of polycarbonate, epoxy resin, silicone, organo- fluorine, modified plastics, and electronic chemicals, etc., the Company actively cultivated green industrial projects, created green benchmark factories, and built a green industrial cluster system to reduce pollution, cut carbon emissions, pursue green development, and boost growth in the entire industrial chain. **In 2024, Heilongjiang Haohua, a subsidiary of the Company, was rated as a national green factory, and Haohua Gas and Shenyang Chemical, Sinochem Dongda won the title of provincial green factories. By the end of 2024, a total of 50 subsidiaries of the Company have been awarded green titles such as national, provincial and ministerial green factories and green industry parks.**

Green Development of the Industry

The Company strived to promote the green transformation of the industrial chain by starting with the new chemical material sector, introducing low-carbon hydrogen-rich raw materials and developing carbon-consuming downstream products.

Empowering the green industrial chain, the polyether polyol project was successfully delivered

In December 2024, the Company's subsidiary Sinochem Dongda's 240kt/a polyether polyol project was successfully delivered. The project will supplement a 200kt/a propylene oxide unit in the industry park, extend the integrated refining and chemical green industrial chain, and accelerate the release of 'proximity effect' (refers to the phenomenon where adjacent enterprises, with complementary products or services, establish closer cooperation due to their geographical proximity). This enhances efficiency, reduces costs, and fosters synergies in supply chains or innovation.)

Green Clustering

The Company has built integrated industrial bases and parks in Quanzhou, Lianyungang, Liaocheng, etc., and has integrated the concept of green development into the industry park planning, industrial chain design, energy use optimization, process transformation, product structure upgrading, operation management and other processes. By leveraging the advantages of upstream and downstream integration, the Company has achieved the full utilization of materials and carbon resources, and promoted the green, low-carbon and sustainable development of industry parks.

Draw a blueprint for green development in industry parks

In 2024, the Company's subsidiary Sinochem Quanzhou Industry Park Development actively carried out technical transformation projects, with a reduction of energy consumption by more than 150,000 tons of standard coal. It also used the industry park's flood detention area and internal open space to build photovoltaic projects to reduce the proportion of fossil energy use. Moreover, it accelerated the improvement of sewage treatment standards and the reuse of recycled water to comprehensively reduce water consumption and developed information technologies such as the Internet of Things, cloud computing, and big data to comprehensively promote the green and intelligent upgrade of the park. The industry park won the title of the first national green chemical park in the province and was selected into the 2024 Top 100 National Chemical Park Comprehensive Competitiveness List (ranked 17th).

05 Follow Global Green Supply Trend

The Company continues to keep up with the green development trend of the global chemical industry and actively build a green supply chain. On the one hand, it tries to promote the green upgrade of the supply chain by strengthening product carbon footprint management; on the other hand, it is more demanding on the ESG management of its suppliers and encourages the use of raw materials with green certification. At the same time, to meet the needs of customers in new energy vehicles, photovoltaics, wind power and other industries, the Company provides them with green new chemical materials, and works with upstream and downstream partners to build a green and sustainable chemical value chain. In 2024, the Company's subsidiary Sinochem Commerce actively developed a digital supply chain management platform to help supply chain companies collect, calculate, analyze, optimize and manage carbon data, and provide data support for promoting carbon emission reduction throughout the supply chain. Another subsidiary China Jinmao has established a green supply chain enterprise database and green product database, and 36 of its centralized procurement suppliers across China have obtained green certification, accounting for 27.1% of the total; and 58 of its suppliers have got green product certification, green product or carbon footprint assessment certification, accounting for 43.6% of the total.

International Multinational Corporation Leaders Roundtable

In November 2024, Sinochem Holdings participated in the "Global Multinational Corporations Summit·14th International Multinational Corporation Leaders Roundtable" and delivered a keynote speech, proposing to work with companies from all over the world to enhance cooperation in research and development and sharing of R&D achievements, jointly create and share more dynamic, resilient, balanced and sustainable development opportunities, and promote green and low-carbon development of the global industrial chain and industry ecosystem.

Roundtable Meeting of MNC Leaders

Carry out value chain cooperation to help partners achieve sustainable transformation

The Company's subsidiary Adisseo follows the guidelines of FAO and EU and collaborates with multiple suppliers in the value chain to assist them in establishing Life Cycle Assessment (LCA) method, to calculate the environmental footprint of the products they provide to Adisseo. Moreover, Adisseo provides its customers with a full set of sustainable development support services to reduce environmental impact. LCA has covered products that generate 95% of Adisseo's revenue in 2024.

LCA has been covered

95 %

revenue-generating products

Industry chain research promotes green upgrading

In 2024, the Company entrusted its subsidiary China National Chemical Information Center (the Company's Low Carbon Development Research Center) to work with industry organizations and enterprises to compile and release group standards for 10 key industry chains *Greenhouse Gas-Product Carbon Footprint-Quantification Methods and Requirements*, covering silicone, fluoro-chemicals, chlor-alkali, tires, epoxy resins, lithium battery materials, electronic chemicals, engineering plastics, specialty fibers, polymer additives sectors, to support the construction of green supply chains in chemical industry's various segments and fill the gap in carbon footprint accounting standards for key products in chemical industry.

Special Topic

02

Technology Empowers Land and Circular Economy Nourishes Nature

"Agriculture is the foundation of the nation, and food is the primary need of the people." As the cornerstone of human survival, agriculture is also one of the most sensitive systems to climate change. To build a climate-resilient and sustainable agricultural ecosystem, the Company has taken digital transformation and technological innovation as key drivers for high-quality agricultural development. Through practices in seed industry revitalization, ecological collaboration, and farmer services, it is writing a contemporary answer to "ensuring food security through technology".

Our Strategy and Philosophy

The Company has formulated *Sinochem Holdings' Modern Agriculture Master Plan*. It has set three sustainability priorities: "higher yields, lower impact, regenerate soil and nature, improve rural prosperity". It continues to innovate in developing responsible products, and engaging in digital agriculture, regenerative agriculture, and farmer services, driving the agricultural system toward a more sustainable and efficient transformation to address the challenges of grain yield increase and climate change, benefiting farmers, the society, and the Earth.

Our Goals and Indicators

The Company has conducted a comprehensive assessment of the impact of its business, set clear transformation goals by integrating the expectations of stakeholders with its actual production and operation conditions, and is committed to creating long-term value for the sustainable development of global agriculture.

Strategic Path	Goal Setting
Higher yields, lower impact	· Train 18 million farmers per year on safe and responsible use of Syngenta products by 2030 · Cover 100 million hectares of farmland with CROPWISE® digital technology platforms by 2030 · Steer portfolio towards improved sustainability performance through continued implementation of Portfolio Sustainability Framework (PSF)
Regenerate soil and nature	· Enable the adoption of regenerative agriculture practices across 50 million hectares of farmland by the end of 2030 · 85% of seed production through regenerative agriculture practices by the end of 2030
Improve rural prosperity	· Expand farmer service centers to 1,000 by the end of 2028 and increase the income of served farmers versus non-served farmers by 8% · The launch of innovative new programs for vegetable farmers, increase profit by 10% for participating smallholder customers by the end of 2030 · Fair labor program implemented in all Syngenta seed production and processing countries by the end of 2025

Our Practices and Achievements

01 Higher yields, lower impact

The Company has been deeply engaged in seed breeding, integrating advanced plant breeding techniques such as precision genome editing, high-throughput phenotyping analysis, and rapid generation advancement with digital technologies like computational biology tools, precision agriculture, and remote monitoring to continuously develop sustainable seed products, enhance crop resilience and geographical adaptability, and while boosting crop yields, they can also reduce environmental impact. Furthermore, the Company is committed to benefiting the global planting chain. By delivering high-quality products and customized solutions, it boosts seed supply and global food security.

Seeds of Innovation

Syngenta Group, a subsidiary of Sinochem Holdings, has strengthened the R&D on improved seed varieties by establishing over 150 R&D centers worldwide, cultivating approximately 6,500 professional R&D talents, and building advanced breeding and testing systems. It has launched more than 2,500 varieties covering over 30 crop species, ranking first worldwide in Cruciferae, Cucurbitaceae, and sweet corn, and second in tomatoes and sweet peppers. **In 2024, the Company completed the construction of a "2+2+N" modern seed industry R&D system covering the entire seed industry chain in China, with 142 varieties passing national approval and 163 new varieties granted authorization.**

"2+2+N"
Modern seed industry R&D system

142
Seed varieties have passed national approval

163
New varieties have been granted authorization

Introduction to Some of the Company's Advanced Breeding Technologies

Rapid production of elite parent lines

The application of doubled haploid (DH) technology can shorten the breeding cycle significantly.

Superior gene editing detection

By applying a high-throughput molecular detection platform and using molecular marker screening technology to monitor plant and seedling traits, the desired genes can be quickly and accurately screened out from hundreds of thousands or even millions of materials.

Excellent traits to accelerate improvement

Build a bio-breeding trait rapid integration platform with leading domestic transgene throughput and speed, achieving an annual "iteration" capacity of 4 to 5 generations.

Introduction of Some of the Company's Superior Varieties

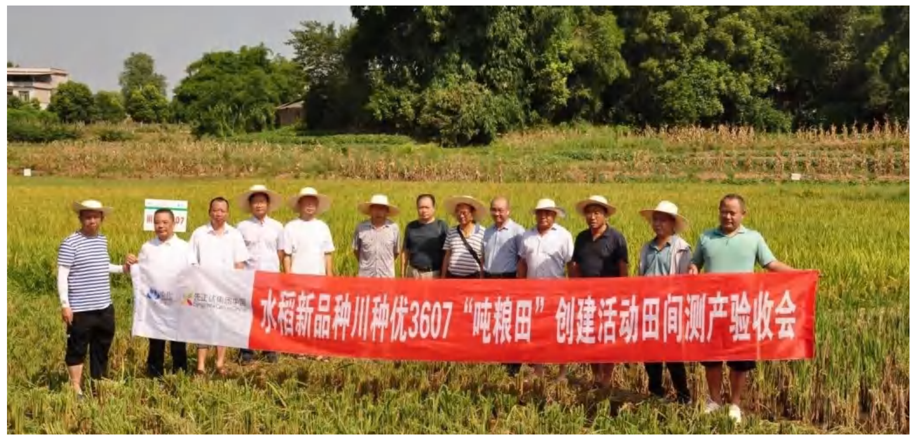
Brittle-stem rice

It boasts advantages of excellent composition, good crushing effect, high nutritional value, and superior feeding performance. While ensuring grain harvest, it can improve the palatability of straw for feed utilization, fundamentally addressing the environmental impact of returning all straw to the fields. This significantly reduces the emissions of methane, a greenhouse gas.

Introduction of Some of the Company's Superior Varieties

Chuanzhongyou 3607

It features high yield, premium quality, and strong disease resistance. As the only "ton grain field" variety in the upper reaches of the Yangtze River, it was awarded the title of "Super Rice Variety" in 2024.



Acceptance meeting for "Chuanzhongyou 3607"

ARTESIAN® corn seed

It has excellent drought resistance and can increase yield by up to 38.5% compared to ordinary varieties under extreme drought conditions, and can effectively cope with the challenges brought by climate change.

ARTESIAN® corn seeds

R&D Center Established to Engage in Corn Breeding

In August 2024, the Northwest Spring Corn R&D Center constructed by Syngenta Group China, a subsidiary of Sinochem Holdings, was officially put into use. Equipped with advanced agricultural research machinery at home and abroad, fully automatic seed production lines, high-throughput phenotypic data collection drones and other research equipment and facilities, the Center will be committed to germplasm creation in the mid-maturing and mid-late maturing corn areas in the Northwest and the breeding of new corn varieties with high yield, good quality, multiple resistances, density tolerance and suitable for mechanical harvesting.

Cooperation in Seed Breeding

The challenges in the agricultural sector need to be addressed through global cooperation. The Company adheres to the principle of giving equal importance to independent innovation and open cooperation. Its subsidiary Syngenta Group has established cooperative relationships with global partners such as InnerPlant, Maxygen, IBM Research Laboratory, Hainan Yazhou Bay Laboratory, Hubei Hongshan Laboratory, Huazhong Agricultural University, and 16 national seed-producing counties. They explore a new cooperation mechanism of "sharing achievements and benefits", jointly promoting breakthroughs in seed breeding technology and facilitating the prosperous development of the global seed industry.

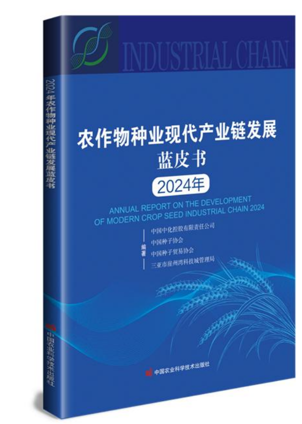
Open Bidding for Selecting the Best Candidates: Building a New Model of Deep Industry-Academia-Research Integration

In June 2024, China Seed, a subsidiary of the Company, and Hainan Seed Industry Laboratory released the second batch of joint "open bidding" lists for major technical needs (problems) to universities, research institutes, enterprises, and individuals nationwide. This initiative mobilizes social forces to carry out key technology research in the seed industry. By the end of 2024, the "open bidding" projects had applied for 13 patents, 11 PVP (Plant Variety Protection) applications, and 8 approved varieties.

Patent applications	PVP applications	Approved varieties
13	11	8

2024 Sinochem Seed Industry Modern Industrial Chain Construction Exchange Event Successfully Held

In December 2024, the "2024 Sinochem China Seed Industry Modern Industrial Chain Construction and Nanfan Silicon Valley Industrial Ecology Exchange Event" hosted by China Seed, a subsidiary of the Company, was successfully held in Yazhou Bay Science and Technology City, Sanya. The event included a salon on modern seed industry chain construction, the release of the 2024 Blue Book on Modern Seed Industry Chain, and the establishment of the Yazhou Bay Bio-breeding Innovation Industry Alliance, further promoting continuous innovation in bio-breeding.



2024 Blue Book on Modern Seed Industry Chain

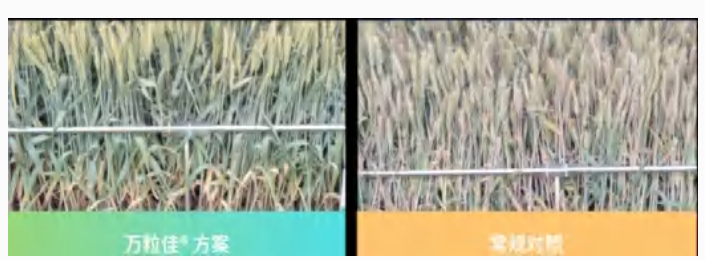
Safe Crop Protection

Sinochem Holdings incorporates the concepts of "safety" and "responsibility" throughout the entire lifecycle of crop protection product design, production, and use. By developing environmentally friendly patented technologies, the Company manufactures residue-free, low-residue, and biodegradable products. It also applies products precisely to reduce exposure risks and conducts farmer training to ensure safe and rational product use, thus it promotes the realization of crop protection products with less usage, better efficacy, and lower impact. In 2024, the Company's "Training on Safe and Responsible Use of Crop Protection and Crop Nutrition Products" reached a total of 14.1 million people.

Introduction to Some of the Company's Innovative Plant Protection Technologies And Products

Technology	Products using this technology	
ADEPIDYN® Patented Technology	Miravis® Miravis Duo®	Effectively prevent wheat fusarium head blight, peanut leaf spot, oilseed rape sclerotinia stem rot, rice false smut, corn northern leaf blight, and soybean leaf spot, with 15-20% yield increase in average, and 30-50 kg per mu (1 mu=666.67 m2) crop enhancement. Totally reduced more than 1,000 tons of pesticide consumptions. In November 2024, it was recognized as an eco-friendly and high-quality agricultural input by the Ministry of Agriculture and Rural Affairs.
TYMIRIUM® Patented Technology	Tymirium®	Achieved "0-day" root protection with yield and quality enhancement by apply Tymirium the same day with transplantation in the crop protection industry, which is the most sentific methods for Melodiogyne control.
	VICTRATO®	Adopt the world's best and most advanced technology for wheat corn stalk rot control, this new seed treatment product VICTRATO® provides long-acting fungi infection by seed coating, which increases the number of healthy wheat grains per mu, with 10% average yield increase.

TYMIRIUM® field trials comparations



VICTRATO® field trials comparations

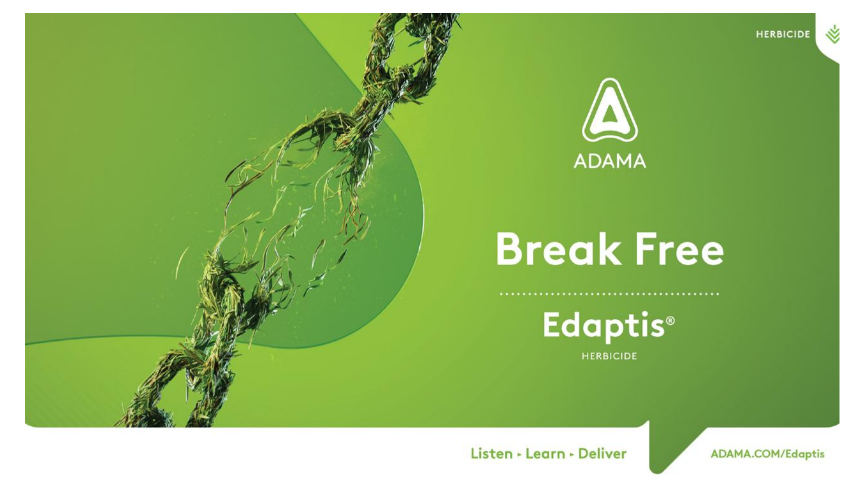
Collaboration with Intrinsyx Bio to Launch New Biotechnology Solutions

In July 2024, Syngenta Group, a subsidiary of the Company, announced a partnership with Silicon Valley biotech firm Intrinsyx Bio to launch a new biotechnology solution. The initiative aims to provide farmers with customized proprietary endophyte formulations from Intrinsyx Bio, reducing the environmental impact of farming and significantly enhancing crop nutrient utilization efficiency.


Biotechnological solutions

EDAPTIS® Launched in Europe

In May 2024, the Company's EDAPTIS® product was first registered in Poland. EDAPTIS® is a post-emergence herbicide combining the action mechanisms of dual-resistant weed foliar herbicides, formulated as an oil-dispersed agent with refined rapeseed oil. It features both high efficiency and environmental friendliness.



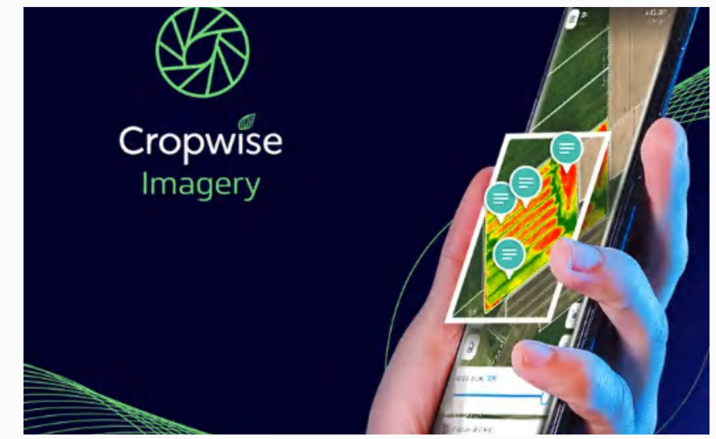
EDAPTIS® promotion image

Digital Empowerment

The Company keeps pace with the times, deeply integrating digital systems and AI technologies in multiple key areas such as breeding, plant protection and production operations, and constantly breaking through the boundaries of innovation. **In 2024, the Company's digital technologies were applied in 69.4 million hectares of farmland.**

Digital technologies were applied
69.4 million hectares of farmland

The Company's digital application scenarios for agricultural development		
Stage	**Application**	**Application examples in 2024**
Product development	Machine learning for identifying highly selective molecules	Syngenta Group, a subsidiary of the Company, partnered with TraitSeg, an AI pioneer enterprise, to integrate crop biological knowledge with AI technologies for identifying plant biomarkers and develop high-efficiency biostimulants to enhance crop stress resistance and nutrient use efficiency, thereby promoting the development of sustainable agriculture.  Demonstration of digital intelligence applications
		In January 2024, Syngenta Group partnered with Enko, an AI crop health company, to discover a novel chemical substance capable of effectively combating fungal diseases in cereal crops through machine learning model screening. This breakthrough not only significantly reduced the time required for discovering new molecules but also ensured compliance with relevant safety regulations and standards.
	Predictive models accelerate the study of multiple compounds	Syngenta Group entered into a collaboration with IBM Research in February 2024. The partnership will leverage Syngenta's proprietary data and IBM-RXN's natural language processing (NLP)-based modeling approach and reactivity prediction capabilities to encode, model, and predict chemical reactions of crop protection compounds. This initiative enables parallel research on multiple compounds and selects the most commercially valuable solutions, significantly accelerating the development and market launch of new crop protection products.
	Accelerate trait discovery and breeding processes	In June 2024, Syngenta Group partnered with AI firm InstaDeep to predict gene regulatory mechanisms from massive DNA sequences and genomic data, thereby enhancing trait control and crop performance. This technology has been successfully applied to trait design in corn and soybean.

The Company's digital application scenarios for agricultural development		
Stage	**Application**	**Application examples in 2024**
Field management	Provide full-cycle precision agronomic decision support	Syngenta Group has launched the CROPWISE® digital agriculture platform. Aimed at integrating advanced technologies such as artificial intelligence, remote sensing, and satellite image analysis, the platform delivers full-cycle precision agronomic support from planting to harvesting for farmers, helping optimize crop yields, enhance agricultural sustainability, and boost profitability.  Demonstration of CROPWISE® Digital Agriculture Platform
		China National Seed Group, a subsidiary of the Company, has released China's first "Maize Variety Advancement and Precision Positioning Decision-Making System". Compiling massive data of "multi-variety, multi-year, and multi-location", the system conducts comprehensive analyses of regional soil conditions, weather patterns, management practices, market dynamics, and multi-product comparisons. It can assist breeding units and enterprises in rapidly and accurately completing varietal strength-weakness assessments and precision positioning of suitable planting areas.
		In June 2024, MycoMan – a one-stop service platform for mycotoxin risk management independently developed by Adisseo, a subsidiary of the Company – was officially launched. MycoMan can provide customers with comprehensive services, including mycotoxin risk assessment, risk intervention strategies with customized recommendations, and global mycotoxin prevalence maps.
Supply chain management	Optimize logistics and improve efficiency	Syngenta Group, a subsidiary of the Company, has partnered with logistics provider Maersk to leverage AI technologies for predicting vessel estimated time of arrival (ETA), enabling optimization of subsequent logistics processes.

02 Regenerate soil and nature

Healthy soil serves as the "ballast stone" for sustainable agriculture. The Company maximizes soil health improvement through integrated technologies such as bio-fertilizer application, conservation tillage, and saline-alkali land management. Meanwhile, it collaborates with farmers across all continents to implement regenerative agricultural practices like reduced tillage, no-till farming, and precision fertilization, comprehensively enhancing soil fertility and carbon sequestration capacity.

“Bio+” Fertilizer

The Company has formulated the "Bio+" strategy, leveraging national and provincial/ministerial-level R&D platforms such as the National Engineering Research Center for Farmland Protection. It has established a "Bio+" R&D team led by three chief scientists to conduct technical breakthroughs and integrated development across three core domains: biotechnology, soil health, and nutrient efficiency. The Company has continuously launched bio-fertilizers and organic fertilizers that deliver comprehensive benefits, including soil improvement, nutrient efficiency enhancement, yield increase, and income growth, thereby reducing reliance on chemical pesticides. **In 2024, the R&D investment in the "Bio+" strategy reached 132.04 million yuan, with the commercialization of scientific achievements exceeding 1.2 million metric tons.**

Grain yield increased by **1.2 Mt** as a result of scientific achievements

Introduction to Some of the Company's "Bio+" Technologies and Products

New Streptomyces F9	Improve soil nitrogenase activity and reduce nitrogen fertilizer use by 20%.
Bacillus megaterium LD	Improve the utilization rate of phosphate fertilizer by 10% and simultaneously increase the beneficial rhizosphere bacteria.
"Weidefeng" potash fertilizer	Launched in May 2024 it has excellent performance in various field crop applications, increasing the utilization rate of potash fertilizer by 5%. It can also effectively alleviate low temperature stress of corn and rice, increase crop height by an average of 5-10 cm, and increase yield by 5%-10%.

Comparison of application effects between "Weidefeng" potash fertilizer and regular potash fertilizer

Introduction to Some of the Company's "Bio+" Technologies and Products

"Huanfeng" all-nutrient fertilizer	Based on X-PATec™ - a technology for quality enhancement in cash crops - this fertilizer has four core features: comprehensive nutrients, reduced fertilization amount with enhanced efficiency, soil improvement and stress resistance, and quality & yield improvement.
"Nutrivo" plant activator	Utilizing NUTRIVO™ - a technology for nutrient assimilation promotion - this product meets growers' needs for labor saving, efficiency enhancement, and yield increase.
"Weilizao" liquid fertilizer	It uses ALGigard™ - multi-factor stress-resistant coupling technology, is rich in seaweed polysaccharides, alginic acid, nitrogen, phosphorus, potassium and other nutrients, has a scientific ratio and wide applicability. Adopting ALGigard™ - a multi-stress resistance coupling technology - this product is rich in seaweed polysaccharides, alginic acid, nitrogen, phosphorus, potassium, and other nutrients, featuring a scientific formula and wide applications.
"YIELDON ®" biostimulant	The product focuses on enhancing field crop yields and production efficiency, playing a unique and important role in the field of reducing chemical fertilizer and pesticide use while increasing efficiency. In 2024, Syngenta Group China, a subsidiary of the Company, upgraded and established a more complete and systematic technical system and solutions for YIELDON®, helping field crops cope with various abiotic stresses. It won the title of "2023-2024 Innovative Product for Reducing Chemical Fertilizer and Pesticide Use while Increasing Efficiency".

Launch of Bio+ Brands: Unleashing Natural Power

In September 2024, Sinofert, a subsidiary of the Company, launched three technological brands: NUTRIVO™ (Nutritional Assimilation Promotion Technology), ALGigard™ (Multi-Stress Resistance Coupling Technology), and X-PATec™ (Cash Crop Quality Enhancement Technology). Developed using green carriers such as natural organic matter and synthetic biology products, these technologies achieve targeted correlation innovation between efficiency-enhancing carrier structures and crop functions, significantly regulating crop growth mechanisms.

Three major "Bio+" technology brands

Saline-Alkali Land Management

The Company integrates the comprehensive advantages of its environmental science, life science, and materials science business segments, proactively exploring new technologies and business models for comprehensive saline-alkali land renovation and utilization through multiple approaches, enabling more saline-alkali lands to produce grain.

The Company's Saline-alkali Land Management Measures

Biological Solutions	Crop breeding: Identified the alkali tolerance gene AT1 (*Alkali tolerance 1*), and cultivated alkali-tolerant sorghum and other varieties based on AT1 technology.
	R&D on soil improvement materials: Developed soda saline-alkali soil conditioner for soil amendment, the pH range decreases from 8.2-10.5 to 7.0-8.5, with microbial activity increasing by 3% to 5%. By the end of 2024, Shenyang Institute, a subsidiary of the Company, had used this soil conditioner to improve a total of 30.6 million mu (2.04 million hectares) of soil.
Integrated Solutions	Through the creation of "desalinated surface layers" and cultivation of "ameliorated plough layers", integrated application of soil amendments and fertility materials, cultivation rectification of undeveloped saline-alkali land can be achieved, and comprehensive technologies such as microbial fertilizer application, a technical system of "soil amendment for suitable cultivation" and "cultivation-adapted soil amendment" is established.

Deepening Saline-Alkali Land Management: Turning "Wasteland" into "Farmland"

Sinochem Environment, a subsidiary of the Company, has innovatively implemented comprehensive saline-alkali land management projects in key regions such as Jilin and Northwest China. Taking the "GREAT10+5 Saline-Alkali Land Special Project" as the carrier, it has established a "restoration + operation" model and constructed a technical system for paddy field management of soda saline-alkali land, focusing on the creation of "desalinated surface layers" and cultivation of "ameliorated plough layers". Through cultivation rectification of undeveloped saline-alkali land and comprehensive technologies such as microbial fertilizer application, the project effectively enhances farmland quality and agricultural productivity. By the end of 2024, Sinochem Environment had established saline-alkali land management demonstration bases in western Jilin, Bachu, etc., with a total management and service scale of 150,000 mu (10,000 hectares).

10,000 hectares
Comprehensive management and service scale

Saline-alkali land before and after treatment

Breaking the Alkalinity Barrier: Revitalizing Wasteland into Bountiful Farmland

In 2024, Syngenta Group, a subsidiary of the Company, tackled the low-yield challenge in moderate-to-light saline-alkali lands across northwest China by actively developing and demonstrating integrated saline-alkali land utilization technologies. By integrating subsurface drainage pipes for salt removal, salt-tolerant crop selection, and soil amendment technologies, along with the application of enhanced-efficiency phosphate fertilizers and acidic fertilizers, the project achieved remarkable results: salinity in demonstration fields was reduced by 20%, alkalinity decreased by 60%, corn emergence rate increased by 8%-15%, and grain yield improved by 10%. The 25,000 mu (1,666.67 hectares) of abandoned saline-alkali land was restored to productivity. Syngenta Group has established 11 demonstration zones in Inner Mongolia, Ningxia, Jilin, Hebei, Shandong, and Northwest China etc., with a cumulative saline-alkali land management scale exceeding 165,000 mu (11,000 hectares).

Regenerative Agriculture

Aiming to improve soil health, promote biodiversity, tackle climate change, protect water resources, and enhance economic and environmental benefits, the Company actively collaborates with international institutions such as the United Nations Development Programme (UNDP) and The Nature Conservancy (TNC) to promote adoption of regenerative agriculture models worldwide, and facilitate agricultural green transformation.

In 2024, 16.4 million hectares of farmland benefited from Syngenta Group regenerative practices. With Syngenta's support, farmers implemented regenerative agriculture practices on around 250 thousand hectares of farmland for seed production, driven through the implementation of crop rotation practices on 89% of the farmland. This progress was supplemented through the adoption of minimum or no till practices in 52% of that area.

The Company's Regenerative Agriculture Practice Projects

Promoting regenerative agriculture practices

RUNTIAN Project is implemented in Northeast and North China to address the soil degradation and yield fluctuations issues caused by traditional planting methods. In 2024, the Company launched "MAP MAIBAOFENG – A Conservation Tillage Solution for yield and efficiency enhancement", which increased wheat yields by ~4%. 2.6 million mu (173,333 hectares) of rice farmland used side-deep fertilization technology of roots technicles, reducing chemical fertilizer consumption 7.28 million mu (485,333 hectares) of farmland adopted foliar-fertilization by drones, enhancing fertilizer utilization efficiency.

Wheat production increased by about **4** %

The area of farmland adopted foliar-fertilization by drones: **485,333** hectares

HOPE Soil Health Platform

Driven by digital innovation technology, the Company has established a leading online-to-offline (O2O) "Soil Health Hospital" model, focusing on three core services "soil problem diagnosis, soil health enhancement, and sustainable soil health management", and providingintegrated soil health and crop nutrition solutions.

Relying on the "National Engineering Research Center for Cultivated Land Protection", HOPE soil health platform developed over 20 sets of soil health evaluation indicator systems and integrated solutions suitable for different scenarios. Its online digital and intelligent platform has taken initial shape, and over 100 offline soil health service centers have been built. HOPE soil health platform best practices gain multiple achievements, such as efficient utilization of moderately saline-alkali land, soil health of reclamation and re-tillage farmland and production cability enhancement collaborations, improve soil health for special cash crops, promote regentative agriculture practices, etc.

In April 2024, HOPE soil health platform was awarded the "Typical Case of Strengthening Agriculture through Science and Technology" under the Rural Revitalization Empowerment Program by the China Agriculture Film and Television Center of the Ministry of Agriculture and Rural Affairs. HOPE soil health platform also won the "Special Jury Prize" and "Leading Social Initiative" awards of 2024 Winners of EY Sustainability Excellence Awards in November 2024.

Regenerative agriculture cooperations

The Company has entered a strategic collaboration with PepsiCo, a global food and beverage leader, to jointly drive growers' transformation to regenerative and traceable agriculture. This cooperation creates additional economic benefits for farmers, offered 1%-2% premium compared with the domestic market price. Syngenta Group supplied 4,000 metric tons of sunflower oil to PepsiCo, which was planted by using regenerative agriculture practices, when this project was implemented for the first year in Argentina.

Sunflower oil which was planted by using regenerative agriculture practices

4,000 metric tons

Sunflower seed oil

03 Improve rural prosperity

The Company is deeply concerned about the well-being of the people, provides agricultural inputs, technical support, trainings, marketing and financial supports to farmers to comprehensively enhance farmers' walfware.

Farmers Services

MAP Won the award for the year 2023

Wen-Tsün Wu Artificial Intelligence Science and Technology Award - Science Progress Award

MAP[4], the Modern Agriculture Platform of the Company, has independently developed the "MAPFARM" APP, integrating core technologies such as GIS remote sensing, soil analysis, weather forecasting, and crop protection. Supplemented by intelligent algorithms, the APP can achieve precise decision-making support for crop cultivation, real-time monitoring and early warning during crop growth, and intelligent management of grain storage risks,etc.

The MAP "1+2+10" framework is established based on the large-scale agricultural model, targeting two main user types - farmers and agronomists, **10 application scenarios have been constructed to empower the resolution of actual agricultural production problems.**

In 2024, the Company implemented 10 practical application scenarios, with MAP awarded the "Science & Technological Advancement Prize" of "2023 Wen-Tsün Wu AI Science & Technology Award". By the end of 2024, MAP offline services covered about 35.65 million mu (2.38 million hectares) of farmland, online services covered 100 million mu (6.67 million hectares) of farmland, nearly 100,000 farmers were trained, increased 8%-15% yields per mu (in comparison with the local average yields). The grain production increased by nearly 1.25 billion kilograms, and the income of farmers who received MAP services was 16% higher than that of those who did not receive services.

Sinochem Holdings is a customer-centric company and pays attention to various groups of farmers with different characteristics. In 2024, Syngenta Group also established the Syngenta Vegetables Platform, bringing together a unique portfolio of vegetable brands with decades of experience in working with smallholder farmers in Africa, Asia-Pacific region and Latin America.

[4]MAP (Modern Agriculture Platform) is a modern agricultural technology service platform launched by Syngenta Group in China, providing farmers with online-offline integrated agricultural services (agricultural entrusted management services), including: precision seed selection, soil testing & fully automated fertilizer formulation and application, intelligent pesticide mixing, detection services for grain quality and soil nutrients, agricultural machinery services, farmer training and smart agriculture systems.

Compact planting with integration of water and fertilizer, unlock the secret to a bumper corn harvest

Sinochem Agriculture MAP, a subsidiary of the Company, has established full lifecycle service system for corn cultivation, integrating a technical chain of "soil testing - seed selection and sowing-precision irrigation - efficient water and fertilizer management – ingegrated mechanical harvesting - digital management" to form a three-in-one technical matrix of "agricultural engineering design + compact planting with water and fertilizer regulation + standardized agricultural machinery".

In 2024, MAP focused on large-scale farming entities, replicated a full-process yield enhancement solution featuring "High-yield corn planting with compact planting + Precise irrigation using water and fertilizer integration" in Inner Mongolia, Jilin, Shandong, Henan, Hebei, etc. which covered over 400,000 mu (26,667 hectares) of farmland, promoting an increase in yield and green production through modern agricultural technologies. By integrating technologies such as precise irrigation and digital management, water consumption decreased by 20%, fertilizer use reduced by 10%, and it is expected to increase corn production by over 40 million kilograms, providing a replicable green high-yield model for large-scale farming.

Jiangjiayingzi MAP Demonstration Farm in Yuquan District, Inner Mongolia

MAP Demonstration Farm in Huantai, Shandong

Carry out International Training to Support the "Belt and Road" Initiative

In 2024, Anhui Jianghuai Horticulture Seeds Co., Ltd., held the third "International Training Course on the Breeding of New and Superior Varieties of Melons and Vegetables and the Application and Demonstration of Supporting Technologies in Latin America" at the University of Costa Rica, with a total of 28 scholars and agricultural technicians.

Financial Empowerment

The Company's Financial Agricultural Service Projects

Innovative Practices of Inclusive Finance

Professional platforms under Sinochem Capital (a subsidiary of the Company) such as China Foreign Economy and Trade Trust (FOTIC) and Sinochem Commercial Factoring, provide financing services to small, medium and micro agricultural entities in the industrial chain. They adopt a service model of "Finance + Industry + Technology" and offer innovative products such as order financing, agricultural means of production loans, large-amount agricultural machinery loans, and grain purchase loans, mainly focusing on consumption scenarios including agricultural means of production procurement, agricultural machinery purchase and leasing, and agricultural product procurement and sales. These measures effectively meet the funding needs of all scenarios such as agricultural production and operation and farmers' daily consumption.

Special loans to empower seed industry

Sinochem Finance, a subsidiary of the Company, provides specialized loans tailored to the seasonal nature of seed enterprises, including special loans such as technology loans with preferential interest rates and matching the seed industry's R&D and cultivation cycle. These financial products comprehensively support the entire seed industry value chain, covering research, breeding, propagation, promotion, market expansion, and policy-driven industrial development. In 2024 alone, the total loan disbursement exceeded 1.1 billion yuan.

Based on the seasonal characteristics of the seed industry, the company's affiliated financial company provides special loans such as technology loans with preferential interest rates and matching the seed industry's R&D and cultivation cycle, to deeply support the seed industry's "research, breeding, propagation, promotion, expansion and promotion". In 2024, the total loan amount will exceed 1.1 billion yuan.

Support construction of high-standard farmland

Subsidiaries under Sinochem Capital, including China Foreign Economy and Trade Trust (FOTIC) and Sinochem Insurance Brokers, collaborate with sister companies such as Syngenta Group and Sinochem Environment to explore an integrated "Investment-Financing-Construction-Operation" model. This initiative provides industrial and financial support for farmland construction projects across multiple regions in China.

FOTIC successfully launched the first actively managed land transfer trust product, "Xirang No.1," to provide financial support for land transfer initiatives involving village collectives and new-type agricultural operators such as farmer cooperatives.

Sinochem Insurance Brokers has developed a comprehensive service package combining insurance coverage, third-party risk management, and post-construction maintenance for high-standard farmland projects. The model, which provides compensation for quality defects, proactive risk mitigation, and long-term maintenance services, was first implemented in Linghai City, Liaoning Province, and is now being replicated in Lankao County, Henan Province, and Datong City, Shanxi Province.

Deepen industrial and financial services in the agricultural value chain

Sinochem Commerce, a subsidiary of the Company, accurately identifies the needs of agricultural enterprises and implements full-process digital management for tendering, bidding, evaluation, and award processes. This ensures the stable operation of agricultural enterprises and the consistent supply of agricultural products.

Sinochem Insurance Brokers, another subsidiary of the Company, has launched an innovative "weather index agricultural insurance" program. Leveraging modern technologies such as mobile internet, remote sensing, geographic information systems (GIS), and meteorological big data, the program addresses the issue of rapid claims settlement for farmers. To date, this insurance initiative has been successfully implemented in provinces including Zhejiang, Anhui, Jiangxi, Jiangsu, and Hunan, providing robust protection for farmers against planting risks arising from extreme weather events such as heavy rainfall and floods.

Special Topic

03

Diversity, Openness, and Inclusiveness: Shared Values for Common Prosperity

Against the backdrop of accelerating adjustments to the global governance system and cultural landscape, the Company adheres to the core value of "Coexistence between Harmony and Diversity" and aims to become an "open and inclusive international enterprise". Upholding the spirit of equality and openness, we foster a multicultural and innovative workplace for employees. With an inclusive mindset, we are committed to driving Sinochem Holdings' "going global" initiative, expanding international cooperation for win-win development, and actively contributing to the building of a community with a shared future for mankind.

Our Strategy and Philosophy

01 Forge the Leadership and Strengthen the Culture of Cooperation and Inclusiveness

As a large international conglomerate, the Company has established a domestic and overseas governance system featuring standardized institutions, efficient management, cultural communication, diversity and inclusiveness.

In China, the Company has established "a set of guiding norms", optimized "a set of governance systems", and formulated "a set of evaluation systems". While strengthening the Company's systematic guidance on the construction of its subsidiaries' board of directors, it has explored the implementation methods of differentiated exercise rules and exercise paths for subsidiaries based on the principle of "differentiated policies by company type".

Overseas, the Company has explored and established a "3S" governance framework from three dimensions: shareholder governance supervision (Supervision), strategic guidance (Steer), and collaborative empowerment (Synergy). The framework covers strategic layout, scientific and technological R&D, capital operation, cultural exchange, and other aspects, promoting the steady operation and diversified development of the Company.

Supervision

Shareholder | Board of Directors | Director | Core Management Team | Organizational Structure | Audit

Internal Control | Treasury Management | Legal Affairs | Personnel Assignment | Digitalization | ......

Steer

Strategic Layout | Actions in the Chinese Market | Planning and Investment | Scientific and Technological Research & Development

Budget Target Setting | Operation Process Tracking | Performance Appraisal | ......

Synergy

Global Public Resources | Listed Companies | Culture/Values | Exchange of Personnel in Science, Technology, etc. | Management Integration

Business Collaboration | Capital Operation | Cultivating 'Excellent Shareholders' | Communication Mechanism | ......

02 Respond to the Trend and Promote Global Economic Interaction

The Company actively establishes collaborative relationships with its external partners, consolidates consensus while respecting differences, and stimulates innovation in an open and integrated environment, and through resource sharing and win-win projects, jointly provide the industry with more comprehensive and efficient products and services, and builds a resilient and sustainable cultural ecosystem.

Our Practices and Achievements

Sinochem Holdings proactively recruits diversified and international talents to consolidate the foundation for its global operations, and promotes cross-cultural integration and exchanges to break down barriers to global operations. Meanwhile, it actively carries out international exchanges in scientific and technological innovation, introducing global cutting-edge technologies. The Company achieves global resource sharing and complementary advantages through international project cooperation, and works with external parties to jointly drive industry development and creates a more prosperous, harmonious, and sustainable new chapter of global development.

01 Diversified Talent

Operational activities in more than

150 countries and regions

The proportion of foreign employees exceeds

40 %

The Company implements a global talent strategy to attract outstanding talents from different countries, cultures, backgrounds, and professions, forming a diversified team structure. It advocates values of respecting differences and embracing diversity, creating an open, equal, and dynamic work environment for talents. By actively organizing cross-cultural exchange activities and training, as well as establishing employee care programs, the Company enhances team cohesion and a sense of belonging. **As of the end of 2024, the Company has carried out production, R&D, and operational activities in more than 150 countries and regions worldwide. Foreign employees account for over 40% of its workforce, and a total of 4 foreign executives from Adisseo and Elkem have been recommended to receive the "Chinese Government Friendship Award".**

Promoting Talent Exchange and Development at Home and Abroad

In 2024, the Company focused on cultivating an international talent pipeline. Its subsidiaries such as KraussMaffei, Bluestar, and Syngenta Group expanded exchange channels, providing a total of 23 international talents with opportunities to gain professional experience at overseas branches. Additionally, the Company facilitated exchange and rotational assignments for professionals from overseas entities like Syngenta Group to domestic locations, thereby enhancing the capabilities of talents at home and abroad.

Talent exchange activities between domestic and overseas employees of Bluestar-Elkem, a subsidiary of the Company

02 Cross-cultural Integration

The Company fully respects the cultural customs of the countries and regions where it operates, integrating the harmonious concepts of traditional culture with internationalized management to form a unique corporate culture. It promotes cross-cultural integration through the following measures: establishing regular and in-depth cultural communication channels; organizing cultural exchange activities such as communication meetings and international summer camps; launching Sinochem's overseas social media accounts (Facebook and X accounts @SinochemNews) and the English newsletter Sinochem Newsletter for overseas employees, leveraging new media to spread excellent cultures and comprehensively enhance cultural background integration and cross-cultural management capabilities.

In 2024, the Company released 12 issues of Sinochem Newsletter; posted 523 updates on overseas social media platforms; Short videos "New 'Membrane Method' for Water Extraction from the Sea" and "Sinochem's 2nd Summer Camp · Technology Creates the Future" won the "Silk Road Popularity Award" and "Excellent Work Award" at the Belt and Road Short Video Competition.

The Company's cross-cultural integration initiatives in 2024

Regular communication	· Regularly conduct professional exchanges and communication to form a frank and open working culture; · Invite employees from its overseas companies to visit Chinese universities and outstanding enterprises to deepen cultural exchanges in multiple dimensions.
Localized management	· Conduct in-depth business inspections and local surveys, comply with local laws and regulations, and achieve the organic integration of globalization and localization. · Respect local people' culture, traditions, beliefs, and connection with the land. · Respect the rights of local residents to participate and be informed, and ensure that interactions with the community are carried out in a culturally appropriate manner.
Value integration	· Organize international summer camps for employees' children to promote the intergenerational inheritance of corporate culture.

Sinochem Holdings holds 2024 "International Summer Camp"

From July to August 2024, the Company successfully held an "International Summer Camp" in Beijing. The event gathered 63 children of employees from Sinochem's domestic and overseas entities across 20 countries and regions, including China, the U.S., Brazil, Egypt, France, Germany, Italy, and Norway. With the theme of "Science and Technology Creates a Better Future," the camp organized learning, exchange, and exploration activities in chemistry, agriculture, environmental protection, artificial intelligence, and other fields, effectively promoting cultural interaction between domestic and overseas enterprises and employees.

2024 "International Summer Camp" Activity of the Company

03 Open Innovation

Global Innovation Landscape

The Company's overseas R&D layout

The Company is committed to cultivating diversified innovation approaches in multicultural environments, actively engaging in communication with local stakeholders worldwide to develop product and technical solutions that best meet the needs of each geographical region based on local conditions. Meanwhile, it aggregates global high-quality R&D resources, forms interdisciplinary and cross-regional teams, and builds world-class R&D centers at home and abroad. This enables efficient resource allocation and value maximization, constructing a global supply system and service network.

KraussMaffei Jiaxing Plant

As the only regional headquarters outside Germany with a full range of comprehensive functions - including R&D, production design and manufacturing, product display, training, supply chain management, and strategic procurement - the KraussMaffei Jiaxing Plant (a subsidiary of the Company) is built on the foundation of "Made in Germany". It develops independent products such as the Lingfei® and Tengfei® injection molding machine series, as well as the ZE Blue Power series. The plant shares global cutting-edge innovative technologies with China's industries and presents "intelligent manufacturing in China" and Chinese services to global clients.

KraussMaffei Jiaxing Integrated Factory

Open Innovation and Cooperation

The Company adheres to open collaboration with international research institutions and innovative enterprises, focusing on cutting-edge fields such as agriculture, clean energy, and new chemical materials. Through construction of joint laboratories, project collaboration, optimized resource allocation, etc., it builds a global innovation network to synergistically promote technological breakthroughs and industrial upgrading.

Open cooperation leads to fruitful scientific research

Experts from Bluestar-Elkem, a subsidiary of the Company, and their partners have made a breakthrough in solving the industry-wide problem of cyclic oligomer pollution in silicone polymers during polymerization. This achievement eliminates the toxic effects of cyclic oligomers in special applications, enabling the production of higher-quality silicone products. The relevant findings have been published in Science, an internationally authoritative academic journal.

Driving R&D Innovation: Adisseo Launches Third Edition €1 Million Research Grant Program

In 2024, Adisseo, a subsidiary of the Company, launched its third €1 million Research Grant Program, focusing on projects dedicated to addressing global climate change challenges, exploring sustainable solutions for animal production, and advancing research critical to the industry. The initiative aims to foster collaborative innovation with world-leading laboratories and tackle the key challenges and complex issues facing the feed industry.

Adisseo's 3rd Million-Euro Research Fund Sponsorship Program

Adisseo Wins FCC Innovation Award

In November 2024, Comité France-Chine (France-China Committee, FCC), a French business association, awarded Adisseo, a subsidiary of the Company, the "2024 FCC Innovation Award" in recognition of its development of the "APC Premium Ammonium Sulfate Solution." This solution has effectively enhanced product quality and competitiveness and has been implemented at Adisseo Nanjing Plant, the world's largest liquid methionine facility.

04 International Cooperation

The Company continues to expand global cooperation for win-win development, dedicatedly implementing livelihood projects and infrastructure projects worldwide to build a community with a shared future for mankind.

International Projects

Taking the Belt and Road Initiative as an important opportunity, the Company actively engages in all-round and multi-level cooperation with countries and regions along the route to support local sustainable agricultural development, energy transformation, infrastructure construction, etc.

The Company's International Cooperation Projects

Agricultural Development Projects

Syngenta Group, a subsidiary of the Company, collaborated with The Nature Conservancy in Brazil on the Reverte project, providing regenerative agricultural technologies to participating farmers to enhance soil biodiversity and restore potential productivity. As of the end of 2024, the project has helped restore 236,000 hectares of farmland.

Help restore hectares of farmland

236,000 hectares

In April 2024, China Bluestar Lehigh Engineering, a subsidiary of the Company, successfully completed the commissioning of the beneficiation system for the Asia-Potash International Xiaodongbu's 1Mt/a potash fertilizer project in Laos' Pengxia-Nongbo Xiaodongbu mining area. The project will supply high-quality potash fertilizer to local farmers.

Clean Energy Projects

In January 2024, Luxi Group, a subsidiary of the Company, adopted a "product + service" dual-drive model to successfully manufacture and deliver 20 CNG tube bundle containers, supporting clean energy development in Nigeria. It also established long-term partnerships with clients in African countries such as South Africa, Egypt, and Tanzania, deepening China-Africa cooperation in the Global South region.

Basic Livelihood Projects

In 2024, Hangzhou Water Treatment Technology Development Center, a subsidiary of the Company, continued to construct the 300kt/day seawater desalination project in Algeria, which was successfully commissioned to produce water in 2025. In terms of the water output, the project is currently the second largest in Algeria and the largest built by Chinese enterprises there, as well as the largest international seawater desalination project independently designed by Chinese companies with core process packages provided. It has been reported by official media including People's Daily and Algeria's La Patrie. The project is expected to benefit over 2 million people, effectively alleviating water shortages in the Oran region, supporting local economic and social development, and serving as a vivid practice of the Belt and Road Initiative in seawater desalination field.

300kt/day seawater desalination project in Algeria

International Activities

The Company actively participates in international exhibitions and exchange activities, fully utilizing the platform advantages of international activities and conferences in terms of international procurement, investment promotion, people-to-people exchanges, and open cooperation. Through these activities, it promotes the "bringing in" and "going global" of products with high quality and high standards, and works with global companies to build an open world economy.

The Company Hosts the 7th CIIE Special Signing Event

In November 2024, on the opening day of the 7th China International Import Expo (CIIE), the Company held a special signing ceremony, entering into procurement cooperation agreements with over 20 enterprises from more than 10 countries and regions, including Saudi Arabia, Kuwait, Iraq, Japan, France, Malaysia, the U.S., Germany, India, and Thailand. The cooperation covers multiple sectors: crude oil and refined oil products, high-quality chemicals, food and agricultural products, high-end intelligent equipment, as well as scientific and technological research and development, digital production services, etc. The total procurement amount exceeded US$13.6 billion.

Sharing Excellence: Showcasing at 2024 International Chemical Industry Fair (ICIF) China

In September 2024, the Company, together with its subsidiaries Luxi Group, Tianhua Institute, and Sinochem Information, participated in the 21st ICIF China, showcasing a series of new chemical materials, high-end equipment, and digital solutions for the chemical industry to boost the development of the industry.

Connecting the World: Participating in China International Supply Chain Expo (CISCE)

In November 2024, the Company, accompanied by its subsidiaries Sinochem International, China Haohua, Bluestar, KraussMaffei, China Jinmao, and Syngenta Group, participated in the 2nd CISCE, comprehensively demonstrating its active contributions to stabilizing and smoothing China's and the global industrial and supply chains. The Company was awarded the honorary title of "Most Influential Exhibitor".

China International Supply Chain Expo

05 Collaboration with Relevant Stakeholders

The Company continues to optimize the industrial and supply chain ecosystem, leveraging its global, market-oriented, and technology-driven advantages to fully integrate open resources and build a "win-win chain" for collaborative development with its global stakeholders.

Integrated Eco-Chain Construction

The Company strengthens cooperation with international energy and chemical enterprises and upstream companies in the industrial chain to expand high-quality import channels. It has signed agreements with global renowned firms such as Saudi Aramco, Kuwait Petroleum, Mitsui & Co., Vitol, Total, Chimei Corporation, Kao Corporation (Japan), and Sri Trang (Thailand) to import energy and chemical products, raw chemical materials, and chemical equipment, including high-quality crude oil, refined oil, methanol, engineering plastics, emulsifiers, industrial salt, and natural rubber. Through such collaborations, the Company has developed reliable import channels and secured stable industrial and supply chains.

Elkem, a subsidiary of the Company, signed a global supply agreement with Avery Dennison to deepen strategic cooperation, injecting new impetus into their joint development in the global labeling market.

Adisseo, a subsidiary of the Company, participates in the certification of the International Organization for Standardization (ISO) and the European Feed Additives and Pre-Mixtures Quality System (FAMI-QS), and actively implements the standards of the Global Reporting Initiative (GRI) to ensure the safety and sustainability of key areas such as production, procurement, and R&D.

E

Ecological Sustainability: Building a Green Future

The Company adheres to the deep integration of green development concepts with high-quality development, seizes opportunities in climate change, and actively responds to China's protection systems. It is committed to energy conservation, emission reduction, ecological protection, clean production, and circular economy initiatives, practicing green commitments through concrete actions.

Combating Climate Change

The Company firmly upholds the concept of a community with a shared future for mankind, actively responding to the requirements of the *United Nations Framework Convention on Climate Change* (UNFCCC), the *Paris Agreement, Opinions on Fully, Precisely and Comprehensively Implementing the New Development Philosophy to Achieve Carbon Peaking and Carbon Neutrality*, and *Notice of the State Council on Issuing the Action Plan for Carbon Peaking before 2030*. It deeply integrates the "dual carbon" goals into its corporate strategy, improves the top-down design for carbon peaking and carbon neutrality, strengthens energy management and greenhouse gas emission reduction, and continuously enhances climate resilience.

01 Governance System

The Company has established a top-down "dual carbon" management system. In 2022, it set up a leading group for carbon peaking and carbon neutrality work, with major leaders serving as team leaders, responsible for the overall deployment and systematic promotion of the Company's low-carbon initiatives. In 2024, the Company issued the *Notice on Adjusting Sinochem Holdings' Leading Group for Carbon Peaking and Carbon Neutrality Work and Its Working Organizations*, further strengthening the leadership of carbon peaking and carbon neutrality work and improving management efficiency.

The Company's Leading Group for Carbon Peaking and Carbon Neutrality Work

Team Leader	Li Fanrong	Chairman of the Board, Secretary of the Executive Team
Deputy Team Leaders	Jiao Jian	Director, General Manager, Deputy Secretary of the Executive Team
	Chen Dechun	Director, Deputy Secretary of the Executive Team
	Li Fuli	Deputy General Manager, Chief Accountant, Member of the Executive Team
	Wang Ge	Head of the Discipline Inspection and Supervision Team, Member of the Executive Team
	Yang Shihao	Deputy General Manager, Member of the Executive Team
	Zhang Fang	Deputy General Manager, Member of the Executive Team, Chief Technology Officer
	Chen Chengmin	Deputy General Manager, Member of the Executive Team
Members	Principals of functional departments of the Company's headquarters and principals of specialized companies	

The leading group for carbon peaking and carbon neutrality work has a working group as the specific executive body, responsible for studying policies related to carbon peaking and carbon neutrality, proposing work measures and suggestions, organizing the implementation of special low-carbon development tasks, tracking and supervising the implementation of various tasks, and completing various tasks assigned by the leading group for carbon peaking and carbon neutrality work and superior departments.

Working Group of the Company's Leading Group for Carbon Peaking and Carbon Neutrality Work

Team Leader	Chen Chengmin	Deputy General Manager, Member of the Executive Team
Deputy Team Leaders	Hu Xuteng	Director of Strategy and Investment Department
	Chen Bifeng	Director of QHSE Department
Members	Persons in charge of carbon peaking and carbon neutrality work from functional departments of the Company's headquarters; persons in charge of carbon peaking and carbon neutrality work from specialized companies.	

In addition, the Company has further clarified the responsible units for dual carbon work, implemented ledger and on-site tracking management, and released the *Sinochem Holdings Carbon Peaking Actions Work Briefing* monthly. It carries out full-process management and supervision of the progress of various tasks to ensure that dual carbon work is deepened and solidified.

02 Strategic System

The Company has issued the *Sinochem Holdings' Action Plan* for Carbon Peaking and *Sinochem Holdings' Low-Carbon Development Strategic Plan*. Its subsidiaries have respectively formulated low-carbon development plans and implementation schemes, forming a full-tier low-carbon strategic planning system of "1+1+14+N".

Based on the national "dual carbon" goals, the Company has proposed "30·60" carbon peaking and carbon neutrality goals. Centered around four core strategic paths - "upholding carbon quality upgrading, promoting carbon emission reduction, strengthening carbon utilization, and enhancing carbon capacity" - it has established key tasks and key engineering projects, further clarifying the strategic direction for climate governance.

1+1+14+N Low-Carbon Strategic Planning System

- **1** *Sinochem Holdings' Action Plan for Carbon Peaking*
- **1** *Sinochem Holdings' Low-Carbon Development Strategic Plan*
- **14** Specialized Companies and Key production bases' low-carbon development plans and implementation plans
- **N** A series of supportive thematic studies

03 Risk and Opportunity Management

The Company attaches great importance to climate risks, including physical risks brought by climate change and extreme weather events, as well as transition risks arising from China's dual carbon goals and energy transformation. Guided by the philosophy of "cultivating new opportunities from crises", the Company fully recognizes the new business growth opportunities presented by climate change and takes precautionary measures to address risks.

Types of Risks and Opportunities	Potential Impact	Sinochem Holdings' Response Plan
Physical risks		
Acute risks: Extreme weather events such as typhoons, sandstorms, floods, and heavy rains	The frequency and intensity of extreme weather affect the company's operations, potentially causing damage to personnel and property, destruction of production facilities, and unexpected production shutdowns.	· The company has issued emergency management measures such as the *Sinochem Holdings' Emergency Plan for Sudden Environmental Events* and *Sinochem Holdings' Emergency Management Standard for HSE Accidents*. · Conduct practical drills to strengthen emergency response capabilities. · Implement early warning deployments to achieve "extremely rapid response" for typhoon and flood prevention.
Chronic risks: Changes in extreme weather patterns such as global warming and sea level rise	The trend of global warming will lead to increased operating costs for the Company and depreciation of fixed assets.	· Formulate *Sinochem Holdings' Action Plan for Carbon Peaking* and revise the plan on an annual basis.

Types of Risks and Opportunities	Potential Impact	Sinochem Holdings' Response Plan
Transformation risks		
Policy and legal risks	China has successively introduced policies related to climate change, and regulatory requirements have continued to tighten. If the Company fails to meet policy and regulatory requirements, it will incur risks such as credit default and penalties, and compliance costs will increase.	· Continue to follow up on international climate policies and legal and regulatory requirements, pay attention to international market trends, and ensure that business activities meet local regulatory requirements.
Market Risk	The market has stronger demand for green products. If the Company fails to keep up with the market and customer needs for green products in a timely manner, it will lead to customer loss and a decline in its operating income.	· Provide customers with certified green products. In 2024, the Company's polycarbonate (PC) products passed the Global Recycled Standard (GRS-v4.0) certification; its epoxy resin products obtained the ISCC PLUS certification (International Sustainable Development and Carbon Certification) certificate, becoming the first domestic epoxy resin manufacturer with ISCC certification; BLUESIL™ TCS 7538 LE coating products won the international authoritative environmental protection award - 2024 SEAL Sustainable Product Award; 32% caustic soda HL-II products were named the 2024 "Green Product" by China Petroleum and Chemical Industry Federation.
Technical risks	The demand for green transformation and upgrading continues to grow, and low-energy, low-pollution technologies will replace those with higher climate risks. The Company needs long-term and large-scale human and financial investments in technical support, leading to an increase in operating costs.	· Develop key green technologies such as those to convert trifluoromethane (a controlled greenhouse gas under the Convention) into a green resource and the comprehensive utilization technology for full tailings backfilling in phosphate mines.
Reputational risk	Stakeholders' focus is gradually shifting toward climate change and green low-carbon issues. If the Company fails to respond properly in a timely manner, it will have a negative impact on the Company's reputation and future development.	· Actively communicate with various stakeholders, draft ESG reports, enhance the transparency of ESG information disclosure, and strengthen stakeholders' confidence in the Company.
Climate Change Opportunities		
Resource efficiency	Continuously improving the efficiency of resource and energy use during the Company's production and operation processes can reduce operating costs.	· Establish a three-level demonstration system of "energy-saving and water-saving enterprises - energy-saving and water-saving benchmark enterprises - energy and water efficiency leader enterprises" to implement resource conservation.
Energy source	Implement the low-carbon concept and increase the proportion of clean energy use.	· Purchase green electricity, build photovoltaic projects, and increase the proportion of renewable energy use.
Products and services	The development trend of new products replacing traditional ones is becoming more evident, calling for an increase in investment in developing innovative products.	· Continuously enhance product differentiation through technological innovation to provide customers with competitive products and services.
Market	Domestic and international markets are paying increasing attention to the low-carbon attributes of products, which can increase the Company's operating income.	· Continuously reduce product carbon footprint through process optimization and other means, and provide the market with certified green products.
Adaptability	Actively carry out industrial cooperation and exchanges, co-construct a resource-saving and environment-friendly sustainable supply chain, and enhance the Company's and its businesses' adaptability to climate change.	· Proactively explore the realization of efficient recycling technologies, systematically promote packaging reduction, and build a circular agricultural model to drive the green collaborative development of the industrial chain.

04 Indicators and Goals

The Company actively participates in global climate governance. It has formulated short-, mid- and long-term goals for greenhouse gas emissions reduction, planning to achieve carbon peaking in 2030 and accelerate the construction of low-carbon projects after 2030 and achieve carbon neutrality in 2060.

Greenhouse Gas Emission Reduction Targets

2030

By 2030, the Company's carbon emissions will reach its peak and the phased goals of low-carbon development will be fully achieved.

2060

Strive to achieve carbon neutrality by 2060.

05 Achievements in Carbon Emission Reduction

The Company has taken measures such as clean energy substitution, energy structure optimization, use of advanced technologies, replacement of equipment with high energy consumption, carbon footprint and carbon asset management, and promoted the construction of 98 key green and low-carbon projects, striving to achieve the coordinated development featuring "pollution and carbon emission reduction, green development and economic growth" in the entire chain. In 2024, the Company's total greenhouse gas emissions in industrial sector decreased by 2.15% compared with 2023.

The Company's Carbon Reduction Actions and Achievements in 2024

Promote the construction of green and low-carbon projects

Clean energy use

Using biofuel oil instead of petroleum-based fuel as marine fuel can reduce carbon emissions by about 20%.

The Company's Les Roches plant in France completed a project using hydrogen to replace methane as fuel, which can reduce carbon dioxide emissions by 7,000 tons annually.

Energy conservation and carbon reduction transformation

The Company has introduced new technologies to enhance the energy efficiency of its facilities. It carried out a total of 48 energy conservation and carbon reduction projects in 2024. Upon commissioning, these projects are expected to reduce emissions by 264,300 tons of carbon dioxide equivalent annually.

Yangnong Ruixiang, a subsidiary of the Company, has implemented multiple energy conservation and carbon reduction projects, including boiler energy efficiency improvement, replacement with high-efficiency energy-saving equipment, and comprehensive utilization of waste heat and pressure resources. It reduced carbon emission reduction by 29,300 tons in 2024.

Industrial structure upgrade

41 industrial structure upgrading projects were carried out in 2024, with an average carbon emission intensity of 1.24 tons of carbon dioxide equivalent per 10,000 yuan, lower than the average level of 1.92 tons of carbon dioxide equivalent per 10,000 yuan of the Company's industrial enterprises.

Average carbon emission intensity

1.24t/10,000 yuan

Carbon capture and utilization

Bluestar Elkem, a subsidiary of the Company, successfully completed the world's first carbon capture pilot project in a smelter, with a carbon dioxide capture rate as high as 95%.

Constructed Luxi Group's 400kt/a liquid carbon dioxide project, which recycles tail gas from coal chemical plants to achieve commercial utilization of carbon dioxide.

The carbon dioxide capture rate is as high as

95%

Carry out carbon footprint accounting

Carbon footprint accounting was carried out for typical products to understand the proportion of carbon emissions in each link of the full life cycle, providing a basis for formulating emission reduction measures. In 2024, a total of 36 products, including mixed methylcyclosiloxane, formic acid, polycarbonate, and electrode paste, were subject to carbon footprint accounting, and some products obtained certifications from a third-party authoritative certification body based on ISO 14040, ISO 14044, and ISO 14067 standards.

Joined hands with 7 companies including China Petroleum & Chemical Corporation to establish the Energy and Chemical Industry Chain Carbon Footprint Alliance, realizing the sharing of carbon footprint databases and factor libraries, and continuously improving carbon footprint management capabilities. Syngenta Group, a subsidiary of the Company, released the industry's first *Special Report on Carbon Footprint Evaluation and Application Research of Agricultural Products*, filling the gap in systematic research on carbon footprints of agricultural products in the industry.

Build a carbon information system

In 2024, the Company continued to optimize the climate information collection and release mechanism, established digital systems such as energy and carbon systems, and made data traceable, monitorable, visible, controllable and reducible.

The "Carbon Steward" system independently developed by its subsidiary Sennics achieves intelligent carbon reduction through one-stop dual-carbon management services. It has been selected into the Blue Book on Green Development of China's Petroleum and Chemical Industry (2023-2024) and has become an excellent practitioner of green development in the petrochemical industry.

Carry out carbon capability training

The Company organized special training sessions such as "Special Training Session on Energy Conservation and Low-Carbon Management" to enhance the professional capabilities of its low-carbon management personnel in more than 10 areas, such as comprehensive energy consumption and energy saving accounting standards, product carbon footprint development and accounting, practical operation of Sinochem Holdings' functional modules of low-carbon information system, interpretation and response to the EU carbon border adjustment mechanism policy, and CCER (China Certified Emission Reduction) methodology development.

Strengthen low-carbon certification

The Kunshan plant of Syngenta Group, a subsidiary of Sinochem Holdings, achieved zero-carbon certification and was awarded a zero-carbon certificate.

Sinochem International, a subsidiary of the Company, saw its epoxy resin products certified by ISCC PLUS (International Sustainability and Carbon Certification), making it the first domestic epoxy resin manufacturer to receive this certification. Meanwhile, 11 core products obtained ISO 14067 product carbon footprint certification and LCA (Life Cycle Assessment) certification, providing a "green pass" for the export of the products.

Participating in carbon market transactions

Establish a professional carbon asset management platform for the company. In 2024, the company participated in the first transaction of the national greenhouse gas voluntary emission reduction trading market; completed the 2023 national carbon market compliance work of its seven key emission enterprises ahead of schedule, and the compliance rate reached 100% for three consecutive cycles.

Improve Environmental Management

From the perspective of sustainable development, the Company has established an environmental management system, strengthened environmental risk management capabilities, carried out environmental management work in accordance with laws and regulations, strengthened environmental supervision and testing and environmental education and training, so as to ensure the effectiveness of environmental management in all aspects.

01 Management System

The Company adheres to the "Environment First" policy, takes the HSE 14th Five-Year Plan as the overarching guide, follows the FORUS system, designates the QHSE Department as the leading management department for environmental management, and strictly implements environmental management responsibilities at all levels. It has established a regulatory system based on documents such as *Sinochem Holdings' HSE Management Regulations, Sinochem Holdings' Environmental Protection Management Measures, Sinochem Holdings' Ecological and Environmental Protection Accountability System*, and *Sinochem Holdings' Implementation Plan for Accelerating Green Development and Promoting the Construction of a Beautiful China*, integrating environmental protection into the entire process of its business operations.

The Company comprehensively evaluates the effectiveness and compliance of the environmental management system through annual audits. In 2024, the Company reported zero sudden environmental incidents.

02 Management Objectives

Based on the actual production and operation conditions, the Company has set comprehensive environmental management goals to promote the implementation of energy conservation, carbon and pollutant emission reduction. The Company has set comprehensive environmental management objectives based on the actual situation of production and operation to promote the implementation of energy conservation, carbon emission and pollutant discharge reduction work.

Environmental Objective Setting		2024 Performance	Status
Exhaust Emissions	NOx emissions decreased by 2% year-on-year	NOx emissions decreased by 10.69% year-on-year	Completed
Wastewater Discharge	The COD emissions of wastewater decreased by 1.8% year-on-year	COD emissions decreased by 14.48% year-on-year	Completed
	The emission of ammonia nitrogen, a pollutant in wastewater, decreased by 1.8% year-on-year	Ammonia nitrogen emissions decreased by 20.68% year-on-year	Completed

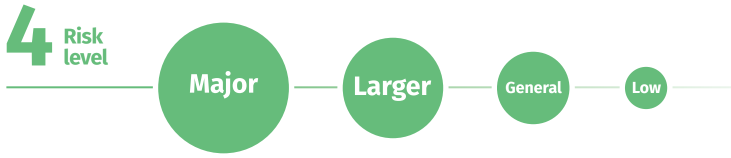
03 Risk Management

Risk Identification

The Company has formulated the *Sinochem Holdings HSE Risk Prevention and Control Management Standard*, and uses the Failure Mode and Effects Analysis (FMEA) tool to identify environmental risks.

Risk Assessment

The Company adopts risk assessment methods such as hazard identification, qualitative risk assessment, and environmental impact assessment to conduct qualitative, semi-quantitative, or quantitative analysis of risks. Based on the risk analysis results, a risk matrix is formed to classify risks into four levels: major, significant, general, and low, as well as three tolerance levels: intolerable, as low as reasonably practicable (ALARP), and tolerable.



Risk Assessment Methods		
Qualitative evaluation methods 1	**Hazard Identification(HAZID)**	Use a brainstorming approach to carefully identify potential hazards and then evaluate the issues step by step.
	Qualitative Risk Assessment	Risks are assessed using a simple risk matrix, usually including a hazard identification process.
Semi-quantitative evaluation method 2	**Environmental Impact Assessment (EIA)**	A method for assessing the potential impact of an industrial activity on the surrounding environment. This assessment method generally involves all elements of the environment.
	Fault Tree Analysis (FTA)	Using a logical deductive analysis method, FTA identifies various basic events and employs combinations of "AND" gates and "OR" gates to analyze the phenomena, causes, and consequences of accidents, so as to find out the measures to prevent accidents.
	Event Tree Analysis (ETA)	Following the chronological order of accident development, ETA starts from the initial event to infer possible consequences, conduct hazard identification, and analyze the main causes and logical relationships of accidents, thereby providing a reliable basis for determining safety countermeasures.
	Failure Mode and Effects Analysis (FMEA)	Identify the failure modes of a device and analyze the resulting consequences or impacts. This method also identifies single-point failures and sets requirements for redundant or safety systems.
Quantitative evaluation methods 3	**Atmospheric Emission Analysis**	Use computer models to perform desktop simulations to estimate the impact of atmospheric emissions on air quality.
	Environmental pollution assessment	Use computer models to carry out desktop simulations to estimate the impact of drainage on soil, surface water, groundwater, etc.
	Quantitative Risk Assessment (QRA)	Use computer models to conduct desktop simulations and generate numerical assessments of individual and societal risks.

Risk Matrix

Consequence Magnitude	Consequences of risk occurrence (S)	Likelihood of Risk Occurrence (L))				
	Consequence	1 Very low	2 Low	3 Medium	4 High	5 Very high
1	Slight	1	2	3	4	5
2	Low	2	4	6	8	10
3	Moderate	3	6	9	12	15
4	Significant	4	8	12	16	20
5	Major	5	10	15	20	25

Risk Control

For the identified risk factors, the Company formulates targeted risk control measures to mitigate relevant risks.

The Company's Risk Prevention and Control Measures

Risk Level	Level of Tolerance	Control measures
Level 1 (Major)	Intolerable	Take all measures to eliminate, substitute or reduce risks
Level 2 (Significant) Level 3 (General)	As low as reasonably practicable (ALARP)	Take feasible measures to reduce risks and adopt appropriate methods to ensure that relevant measures meet the ALARP principle
Level 4 (Low)	Tolerable	Continue to implement necessary measures to maintain risks at this level

04 Emergency Management

To effectively prevent, promptly control, and eliminate the hazards of sudden environmental incidents, the Company has issued emergency management measures such as the *Sinochem Holdings' Emergency Response Plan for Sudden Environmental Incidents* and *Sinochem Holdings' Emergency Management Standard for HSE Accidents*, and revised 5 emergency response plans in 2024. Based on the degree of hazard caused by the incident, scope of impact and ability to control the situation, the Company's emergency response to sudden environmental incidents is divided into three levels: the enterprise level, the professional company and directly affiliated subsidiary level, and the Company level, with response levels escalating progressively. Its subsidiaries shall establish emergency rescue teams for sudden environmental incidents according to actual production conditions, continuously standardizing emergency management processes.

Meanwhile, the Company actively organizes its subsidiaries to carry out emergency drills, continuously enhancing their emergency response capabilities to ensure rapid and effective handling of sudden environmental incidents. In 2024, the Company established a natural disaster early warning mechanism and implemented a "rapid response" mechanism for flood and typhoon prevention, issuing 15 notices on natural disaster response and flood control and disaster relief work and releasing a total of 32 special meteorological reports for Spring Festival travellers, 83 daily reports on flood (typhoon) prevention and control work, and forwarding 60 special reports on major meteorological information. Moreover, its subsidiary enterprises effectively responded to the "8.25" (August 25) rainstorm disaster and the disaster caused by severe typhoons such as Bebinca passing through.

"Emergency Vanguard" for Environmental Protection

Shenyang Huacheng, a subsidiary of the Company, has established the first environmental emergency rescue team in Shenyang, Liaoning Province. Through professional team training to build up professional capabilities, it can rapidly control the spread of environmental pollution and handles it in a timely manner to protect environmental safety. By the end of 2024, Shenyang Huacheng had carried out 10 on-site emergency rescue operations.

05 Monitoring and Supervision

The Company continuously measures pollutants online through an automatic monitoring system, urging its polluting subsidiaries to achieve "full connectivity as required".

The Company actively fulfills its supervisory responsibilities, strengthens environmental protection inspections, implements "one discharge permit" management for fixed pollution sources, and carries out environmental inspections on 83 key subsidiaries. The inspections cover environmental compliance of construction projects, conformity with industrial policies, up-to-standard emissions, solid waste management, soil management, environmental emergency response, and clean production, among other aspects.

06 Environmental Protection Training

The Company attaches great importance to cultivating environmental awareness, carrying out environmental protection training activities such as online or offline "Ecological and Environmental Protection Law Popularization Training". It continuously enhances the environmental awareness of leaders and employees at all levels, and improves the technical proficiency and professional qualities of environmental protection professionals.

Optimizing Resource Utilization

The Company continuously improves its resource management systems and processes, taking the establishment of a three-level demonstration system of "energy-saving and water-saving enterprises - energy-saving and water-saving benchmark enterprises - energy and water efficiency leader enterprises" as the starting point. It strengthens goal-oriented approaches and responsibility implementation, precisely controls the use of energy, water resources, raw materials, and packaging materials, promotes efficient use and recycling of resources, and builds an environmentally friendly and resource-conserving enterprise.

01 Energy Management

Management System

The Company strictly abides by the requirements of relevant laws and regulations such as the Energy Conservation Law of the People's Republic of China and the *Renewable Energy Law of the People's Republic of China. Moreover, in accordance with Sinochem Holdings' Energy Conservation and Low-Carbon Management Measures*, it follows the principle of "unified leadership, implementation of responsibilities, hierarchical management, classified guidance, and full participation" to implement comprehensive, all-staff, and full-process energy-saving management in all aspects of production and operation.

Management Objectives

The Company has set an energy management objective to further reduce the comprehensive energy consumption per 10,000 yuan of output value, with the energy efficiency of key energy-consuming businesses reaching the domestic leading level by 2030.

Management Effectiveness

Sinochem Holdings' energy consumption mainly attributes to its production equipment and auxiliary production facilities. In 2024, the Company continued to upgrade its energy structure, improved energy efficiency, and reduced fossil energy consumption by increasing the use of green electricity, eliminating coal-fired boilers, optimizing processes such as "gas-to-electricity" transformation, and carrying out energy-saving retrofits of its equipment. **It carried out more than 160 energy-saving and carbon reduction technical transformation projects, and the comprehensive energy consumption decreased by 2.74% compared with 2023. The production capacity of its subsidiaries that achieved the benchmark energy efficiency level of caustic soda industry accounted for 100%, and the production capacity that achieved the benchmark energy efficiency level of synthetic ammonia industry accounted for 97.1%.**

Accumulated energy-saving and carbon reduction technological transformation projects

160+

The Company's Energy Optimization Actions and Achievements in 2024

Control from the Source	Green electricity utilization	·Purchase green electricity ·Construction of photovoltaic projects
Process Control	Energy saving technologies	• A total of 9 electrification transformation projects were implemented, saving 3,100 tons of standard coal. • Yangnong Ruixiang, a subsidiary of the Company, implemented a low-temperature waste heat and condensate comprehensive recycling project, saving 4,022 tons of standard coal and generating energy-saving benefits of 10.32 million yuan. • Yangnong Ruixiang also implemented a comprehensive boiler energy-saving technology transformation project, saving 5,882 tons of standard coal and generating energy-saving benefits of 20 million yuan. • Sinochem Rubber completed three gas-electricity technical transformation projects, and the proportion of coal consumption dropped from 56% to 32%.
	Process Optimization	A total of 51 process optimization projects were implemented, saving 122,000 tons of standard coal.
	Equipment energy saving	·Its subsidiary Haohua Aerospace shut down its coal-fired boilers to reduce fossil energy consumption. ·The nitrogen compressors and steam turbines of its subsidiary Luxi Group underwent gas-to-electric transformation, which can save 12,500 tons of standard coal annually.
End-of-Pipe Control	Recycling	• Its subsidiary Cangzhou Dahua constructed a steam (by-product) recycling project for toluene diisocyanate production units, which can recycle approximately 26 tons of steam per hour and reduce external steam procurement by about 220,000 tons annually, significantly cutting steam consumption.
Management Optimization	Digital Empowerment	• Its subsidiary Sinochem Quanzhou Petrochemical carried out plant-wide distillation system inspection, modeling, and analysis. Through modeling and benchmarking analysis of key distillation columns, optimizing distillation process operation parameters, and implementing energy-saving optimization of the distillation system, it is expected to save about 20,000 tons of steam and approximately 2,000 tons of standard coal annually. • Its subsidiary Nantong Xingchen launched a project to reduce the energy consumption per unit of the polyphenylene ether (PPE) workshop. It has integrated digital modeling and lean management tools, innovatively drawn a dynamic energy distribution map, optimized the polymerization reaction kinetics model, and formed an energy efficiency improvement plan covering the entire process including polymerization reaction, solvent recovery, and product refining, achieving an 18.7% reduction in comprehensive energy consumption per unit product.
	Coordinated Operations	·To address the problems of high steam consumption, high pressure level requirements and low-quality steam generated by flash evaporation after use of the phenol-acetone unit, its subsidiary Yangnong Ruiheng implemented a project in 2024 to improve the reuse rate of phenol-ketone secondary steam, saving 1,800 tons of standard coal and generating energy-saving benefits of 8 million yuan.

Distillation system of Quanzhou Petrochemical

Yangnong Ruiheng's phenol-acetone plant

02 Water Resource Management

Management System

The Company strictly abides by relevant laws and regulations such as the *Water Law of the People's Republic of China*, establishes and keeps improving a water resource management system, clarifies internal water use responsibilities, and conducts refined management and control of water resources. It actively carries out water-saving publicity activities and regularly organizes water-saving trainings to enhance water-saving awareness among all employees. In 2024, 36 key water-using enterprises (with annual fresh water consumption of 500,000 tons and above) under the Company completed water-saving enterprise certification, with a certification rate of 75%. Among its subsidiaries, Dezhou Shihua was awarded the title of "2023 Water Efficiency Leader (PVC)" by the China Petroleum and Chemical Industry Federation, Xinghuo Silicone was awarded provincial titles of "Water Efficiency Leader", "Water-saving Benchmark Enterprise", and "Water-saving Enterprise", Bluestar Silicon Material in Lanzhou was awarded the title of "Water-saving Enterprise" in Gansu Province, and Shenyang Huacheng was awarded the title of "Water-saving Enterprise" in Shenyang City.

Key water-using enterprises that have completed water-saving enterprise certification

36

Certification rate reaches

75%

Risk Assessment

The Company actively encourages its subsidiaries to inventory water resources through the World Resources Institute (WRI) water risk map, assess water resource risks, and take different measures such as water resource substitution, process transformation, and water conservation based on the risk assessment results to alleviate water resource shortage problem.

Management Effectiveness

The Company has fully implemented the industrial water efficiency improvement action plan, reducing fresh water consumption and improving water efficiency through water source development and consumption reduction measures such as developing additional water sources, selecting water-saving equipment, reuse of treated wastewater and use of water for multiple purposes. In 2024, the Company's industrial water utilization rate reached 97.85%.

The Company's Water Resources Management Measures and Achievements in 2024

Develop Additional Water Source

The Company's subsidiary Hangzhou Water Treatment Technology R&D Center has carried out research on key technologies, core equipment and components, large-scale single machines and system integration for seawater desalination using Reverse Osmosis (OS) technology, solving many problems in the large-scale application of OS desalination and boosting the development of additional water sources. As of the end of 2024, the R&D center has desalinated 1.1Mt/day of seawater.

Water Saving Measures

The Company developed precise water and fertilizer integration technology, and achieved on-demand supply through self-built water and fertilizer integration models and the use of IoT devices to dynamically monitor soil moisture conditions and weather changes, saving approximately 12.9% of water compared to traditional planting methods.

China Jinmao, a subsidiary of the Company, actively promotes the construction of water recycling system and innovatively develops multi-scenario application mode of recycled water, such as garage washing, garden irrigation, road cleaning, etc. In 2024, the amount of reused water used reached 61,936 tons, and the amount of circulating water reached 51,989 tons.

Promoting Pollution Prevention

The Company adheres to the concept of "pollution control at the source, precise, scientific and law-based pollution control", strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China, Air Pollution Prevention and Control Law of the People's Republic of China, Solid Waste Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations. In line with *Sinochem Holdings' implementation Plan for Accelerating Green Development and Promoting the Construction of a Beautiful China*, the Company is committed to advancing pollution prevention and control initiatives to safeguard blue skies, clear waters, and healthy soil, by strictly regulating emissions in its production processes.

01 Waste gas management

Management System

The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Comprehensive Emission Standards for Air Pollutants* and other laws, regulations and industry standards, formulates the *Sinochem Holdings' Air Pollution Prevention and Control Work Standards*, sets annual emission reduction targets for the main waste gas pollutants SO_2 and NO_x, standardizes the management of pollution prevention and control equipment, and ensures that its emissions meet relevant standards.

Management Effectiveness

The Company's main air pollutants include nitrogen oxides, sulfur dioxide, VOCs, particulate matter, etc. It adheres to pollution prevention and control at the source, systematic governance, and adopts monitoring abnormal disposal process optimization, technological innovation and other methods to control air emissions. In 2024, the Company focused on addressing heavy pollution weather, ozone pollution, and diesel truck pollution, and promoted special governance programs such as comprehensive governance of industrial furnaces, pollution control of the entire life cycle of coal use, prevention and control of volatile organic compounds (VOCs) pollution, and air quality assurance during important time spans.

Clean Air Action Plan

Comprehensive Waste Gas Treatment

·Investigate 6 restricted and 12 obsolete process technologies, and upgrade or eliminate them within a specified period of time.
·Promote the elimination of coal-fired boilers and ultra-low emission transformation.

Eliminating Severely Polluted Weather

·Timely pay attention to early warning information on heavy pollution weather, and establish an emergency emission reduction filing mechanism for heavy pollution weather.
·Complete air quality protection tasks during key periods and important festivals.

Atmospheric Non-point Source Control

·Strengthen comprehensive dust control: construction sites strictly implement the "Six 100% Requirements"; focus on key areas such as storage and use of coal and calcium carbide, temporary storage and disposal of calcium carbide slag and phosphogypsum, compound fertilizer feeding, and bag filter dust cleaning; improve dust removal and suppression facilities.
·Carry out comprehensive management of mobile pollution sources, and encourage the renewal and transformation of new energy sources.

Special Treatment of Odor

·Investigate and rectify specific areas such as waste gas collection, waste gas treatment, LDAR (Leak Detection and Repair), non-normal operation condition management, and bypass management.
·Implement the "one-enterprise-one-strategy" for odor treatment to eliminate odors in a targeted manner.

Comprehensive Treatment of VOCs

·Focusing on petrochemical, chemical, and oil storage, transportation, and sales, the Company promotes key tasks such as: source substitution of low (non-) VOCs content raw and auxiliary materials, waste gas collection and treatment for volatile organic liquid storage tanks and loading/unloading, open liquid surface waste gas treatment, leak detection and repair (LDAR), comprehensive treatment of oil and gas in gas stations, upgrading of organic waste gas collection and treatment facilities, bypass management of organic waste gas, and VOCs treatment under abnormal working conditions.

Exhaust Gas Emission Indicators

Indicators	YoY comparison (2022)	YoY comparison (2023)	YoY comparsion (2024)
Sulfur dioxide emissions	↓7.47%	↓6.26%	↑2.36%
Nitrogen oxide emissions	↓4.63%	↓3.84%	↓10.69%
VOC emissions	-	-	↓0.21%

Establish an Integrated Atmospheric Monitoring System to Keep the Skies Blue

The Sinochem Environment, a subsidiary of the Company, has established an integrated monitoring system that can conduct key monitoring and early warning of critical indicators such as total atmospheric pollutant emissions and concentration. This effectively avoids the risk of excessive emissions and ensures good air quality in the region.

Sinochem Environment's comprehensive monitoring system

02 Wastewater Management

Management System

The Company strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations, and has formulated *Sinochem Holdings' Wastewater Pollution Prevention and Control Work Standards* to standardize the management of wastewater treatment facilities and wastewater pollutant emissions.

Management Effectiveness

The Company's wastewater is mainly production wastewater and domestic sewage in the plant area, with main pollutants being COD and ammonia nitrogen. Online monitoring equipment have been installed at all sewage discharge outlets. The Company strictly implements the national requirements for water pollution prevention and control in key river basins such as the Yangtze River and the Yellow River. In accordance with the principles of "Separation of clean water and sewage, separation of rainwater and sewage, classified treatment of different pollutants, hierarchical control, classified utilization, up-to-standard discharge, total amount control, and whole-process treatment", the Company reduces wastewater discharge through measures such as rain-sewage separation and process improvement. **In 2024, the Company's total wastewater discharge decreased by 8.76% compared with 2023.**

Total wastewater discharge decreased by 8.76 % compared with 2023

Clean Water Action Plan

Control at the Source	·Prevent sewage and waste liquid leakage, implement the principle of "one pipeline for one enterprise, open pipeline transportation, real-time monitoring" for sewage treatment, and reduce the total amount of wastewater. ·Strengthen risk control of rainwater pollution, earnestly manage rain-sewage separation, ensure rainwater pipeline networks are dedicated for exclusive use, monitor the liquid level of initial rainwater collection pools, regularly clean and dredge rainwater pipelines, and prevent polluted rainwater from overflowing. ·Carry out special rectification campaigns for phosphate ore mines, phosphochemical enterprises, and phosphogypsum storage sites, and solidly prevent and control pollution in the three areas.
Process Control	·Carry out in-depth treatment of high-concentration saline wastewater and high-concentration refractory organic wastewater, introduce new technologies such as Fenton advanced oxidation technology and MVR (Mechanical Vapor Recompression) process to reduce pollutant concentration. ·Promote the upgrading and transformation of wastewater treatment facilities.
Emissions optimization	·Implement zero wastewater discharge transformation, and continuously reduce the total emissions of pollutants such as chemical oxygen demand (COD) and ammonia nitrogen.
Emergency Management	·Strengthen the construction of water pollution emergency response capabilities, establish a three-level environmental emergency prevention and control system for sudden water pollution incidents in chemical parks, carry out water pollution emergency drills, prepare emergency rescue equipment and materials, timely pump out accumulated water in accident emergency pools, and reduce the occupancy of accident emergency pools.

The Company's Wastewater Discharge Status

Types of wastewater pollutants	Unit	YoY decline in 2024
Wastewater discharge reduction (compared to 2023)	%	8.76
COD emission reduction (compared to 2023)	%	14.48
Ammonia nitrogen emission reduction (compared to 2023)	%	20.68

Become a Top Player in Wastewater Treatment with MVR Technology

The Kunshan Plant of Syngenta Group, a subsidiary of the Company, has upgraded its existing wastewater treatment equipment. By replacing the original biochemical treatment process with MVR (Mechanical Vapor Recompression) process, and integrating UP (Ultrafiltration), RO (Reverse Osmosis), Fenton oxidation, and UV sterilization processes, the plant has achieved 100% wastewater recycling rate and a 200% increase in treatment capacity.

Wastewater recycling rate 100 %

03 Solid Waste Management

As a pilot unit for the construction of a "zero-waste group" approved by the Ministry of Ecology and Environment, the Company strives to create an advanced solid waste management model for large-scale comprehensive chemical enterprise groups, and carries out the construction of "zero-waste groups" in 120 of its subsidiary enterprises. Through solid waste system management, innovative management of hazardous waste, emergency management of solid waste, education and training sessions on solid waste, etc., it comprehensively promotes the reduction, resource utilization and harmlessness of solid waste. In 2024, 16 pilot enterprises under the Company fulfilled the annual "zero-waste group" construction goals.

Management System

The Company strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution* by Solid Waste, the *Pollution Control Standards for Storage of Hazardous Wastes* and other laws and regulations as well as industry standards, and has formulated *Sinochem Holdings' Solid Waste Pollution Prevention and Control Work Standards and Sinochem Holdings' "Zero Waste Group" Construction Pilot Work Plan.* It implements legal storage, transfer and disposal management for general solid waste, and implements the full process management of "hazardous waste identification - labeling - storage facilities - stacking and packaging - emergency management - transfer" for hazardous waste, and establishes a work log to ensure that the entire process of solid waste generation, collection, storage, transportation and disposal meets environmental protection requirements.

The Company has constructed a solid waste environmental management system, and cooperated with the Solid Waste Management Center of the Ministry of Ecology and Environment to backflow data on the generation, storage, and transfer disposal of hazardous waste. It has also refined the management content of general solid waste to achieve fully online management of solid waste.

Management Effectiveness

In 2024, the Company actively carried out solid waste reduction and resource utilization projects, promoting the development and implementation of harmless and resource utilization technologies for phosphorite tailings, phosphogypsum, and typical waste salts. Guangxi Dahua and Quanzhou Petrochemical obtained "point-to-point" utilization permits for hazardous waste; its subsidiaries Nanjing Adisseo and Fuyang Huacheng were included in the "white list" for cross-provincial transfer of hazardous waste; and enterprises such as Taian Sennics Chemical, Tianhua Institute, Xinghuo Silicone, and Nanjing Adisseo under the Company obtained "Zero Waste Factory" certification.

Project Name	Project Introduction	Project Photos
Waste liquid incineration for energy conservation and byproduct utilization	Its subsidiary Sinochem Quanzhou Petrochemical disposes of hazardous waste through high-temperature incineration at over 1100°C and recovers by-product steam, effectively reducing energy consumption while disposing of hazardous waste; in addition, the waste salt produced after the waste liquid is incinerated by the device can be utilized as a "resource".	 Incineration device
Sludge dewatering and comprehensive utilization	Treat the oily sludge and biochemical sludge from refinery wastewater and entrust a third party to carry out comprehensive utilization of the sludge, reducing waste by more than 1,600 tons per year.	 Treatment device

Project Name	Project Introduction	Project Photos
Comprehensive utilization of phosphogypsum	Its subsidiary Sinochem Yunlong adopts patents such as high-differential coupling disc granulation, crystal rotation and setting, forming a harmless treatment and disposal capacity of 1.2 million tons/year of phosphogypsum, and the comprehensive utilization rate of phosphogypsum has reached 100%.	 Cement retarder device
Utilization of polyphenols	Nantong Xingchen, a subsidiary of the Company, uses special epoxy resin production equipment to comprehensively utilize 4,500 tons of waste polyphenol from the BPA plant. The waste polyphenol replaces the original raw material BPA to react with epichlorohydrin (ECH) under specific conditions, generating new epoxy resin products and achieving zero discharge of hazardous waste from the BPA plant.	 Special epoxy resin device
Recycling of by-product salt from fine chemical production	Ningxia Ruite, a subsidiary of the Company, uses fine chemical waste salts as raw materials for deep oxidation and high-temperature oxidation treatment. The treated by-product salts are used to produce caustic soda, chlorine, and hydrogen.	 By-product salt utilization device
Comprehensive utilization of materials with high boiling point	High-fluorine and high-chlorine waste liquids are sprayed into incinerators via spray guns. After full combustion, tail gases undergo multi-stage flue gas purification and absorption to produce by-product acids, which are used as raw materials to prepare calcium chloride solution through calcium chloride devices.	 Comprehensive utilization device for substances with high boiling point
Point-to-point utilization of waste sulfuric acid	Luxi Group, a subsidiary of the Company, has constructed waste sulfuric acid treatment facilities. Leveraging the industrial chain advantages of the chemical park, it achieves harmless and resource utilization of waste sulfuric acid through "point-to-point" and "shared facilities" models.	 Point-to-Point utilization of waste sulfuric acid
Industrial waste salt resource recycling technology	Jingtai Environmental Protection, a subsidiary of the Company, adopts the process of "pre-drying + high-temperature pyrolysis + molten salt filtration + electrochemical refining + recrystallization (including salt separation)" to convert industrial waste salts into industrial raw materials.	 Utilization of industrial waste salt
Activated carbon regeneration and recycling	Its subsidiary Shenyang Huacheng uses thermal regeneration technology to convert waste activated carbon into valuable regenerated activated carbon.	 Activated carbon regeneration and recycling device
Point-to-point utilization of waste acid	Guangxi Dahua, a subsidiary of the Company, executed a polyferric sulfate project to comprehensively utilize waste acids as raw materials, with 47,000 tons of waste acids recycled in 2024.	 Comprehensive utilization of waste acid

Solid Waste Management Indicators

Type of Solid Waste	Unit	Processing volume in 2024
Hazardous waste processing volume	Ton	1,116,793

04 Noise Management

The Company has formulated *Sinochem Holdings' Noise Pollution Prevention and Control Work Standard*, and adopted noise reduction measures such as enclosure, sound absorption, noise elimination, vibration isolation and damping to reduce noise emissions. In 2024, its noise emission values were lower than the noise limits specified in the standard.

05 Soil Pollution Management

The Company has formulated *Sinochem Holdings' Soil Pollution Prevention and Control Work Standard*, strictly implemented the pollutant discharge permit system, paid close attention to key soil polluting enterprises subject to supervision, established a "one file for one site" system and implemented dynamic management, carried out self-monitoring, pollution source investigation, detailed investigation and risk assessment work. Three operational enterprises have achieved "simultaneous production and pollution control". In 2024, 4 of its enterprises completed control of soil and groundwater pollution at the source.

4

of its enterprises completed control of soil and groundwater pollution atthe source

06 Radioactive Contamination Management

The Company has formulated *Sinochem Holdings' Radioactive Risk Control Standard* to standardize the production, sales, transportation, acceptance, storage, installation, and use of radioactive sources, as well as related processes. It requires its subsidiaries involving radioactive sources to obtain corresponding administrative permits, and prohibits them from engaging in production, sales, or use of radioactive isotopes and ray devices without a permit or beyond the approved types and scope.

07 Clean Production

The Company has formulated *Sinochem Holdings' Clean Production Management Standard*. Through measures such as design optimization, use of clean energy and green raw materials, upgrading of advanced process technologies and equipment, and management enhancement, it reduces pollution from the source, improves resource utilization efficiency, and minimizes or avoids pollutant generation and emission during product production and use. The Company continuously promotes clean production audits for 92 operational enterprises, with a 100% mandatory audit coverage. Among them, 7 enterprises have reached the first-level clean production standard.

Mandatory audit coverage

100 %

Practicing Sustainable Development

01 Circular Economy

The Company actively explores a green and circular development path of turning waste into treasure, explores efficient recycling technologies, promotes the reduction in packaging materials use, forms a virtuous cycle of resources, and promotes sustainable development.

The Company's Circular Economy Practices in 2024

Raw Materials

·KlausMaffei, a subsidiary of the Company, has built the world's largest solvent-based recycling plant through physical and chemical recycling methods, producing recycled PP pellets that can be widely used in consumer goods, automotive, construction, and other industrial applications after reprocessing.
·ELIX Polymers, a subsidiary of the Company, has developed an innovative process based on superheated dissolution, successfully extracting recycled ABS plastic from electronic and electrical waste with performance equivalent to virgin materials.
·Hongyuan Chemical, another subsidiary, utilizes tailings resources to extract and reuse lithium elements.
·The Fluorine Materials Company, another subsidiary, has invested in constructing an HCFC-123 refrigerant recycling and regeneration project to recover, recycle, and convert ozone-depleting substances.
·Sinochem Environment and Sinochem Agriculture, two subsidiaries of the Company, use agricultural organic waste such as pig breeding manure in demonstration areas as raw materials to produce organic fertilizers, establishing a green planting-breeding circular agricultural model.
·Adisseo, another subsidiary of the Company, uses 50% recycled plastics to manufacture methionine powder packaging.

Packaging Materials

·Ningxia Ruite, a subsidiary of the Company, uses tank trucks for transportation to reduce plastic and iron drum packaging.
·The German plant of KlausMaffei, a subsidiary of the Company, has developed blending modification technology, which can process recycled plastics into high-quality composite materials for extrusion or injection molding, achieving 100% recycling of plastic turnover boxes.
·Sennics, another subsidiary of the Company, uses recycled plastic materials to make plastic pallets.

Jointly released the *Blue Book on the Development of Circular Economy in the Petrochemical Industry* with Think Tanks of Central SOEs

In May 2024, the China National Chemical Information Center (CNCIC, a subsidiary of the Company) jointly organized the High-end Forum on Circular Economy in Petrochemical Industry with CNPC, Sinopec, CNOOC Research Institute, think tanks of four major energy and chemical central SOEs, Shanghai Chemical Industry Park, and China Association for Circular Economy. It launched the "Initiative for the Chemical Industry to Shoulder Responsibilities for Building a Green and Circular Society" and released the *Blue Book on Circular Economy Development in Petrochemical Industry*, promoting the green transformation of the petrochemical industry.

High-Level Forum on Petrochemical Circular Economy

02 Green Buildings

Upholding the concepts of green, sustainable, and intelligent development, the Company is committed to developing innovative green building materials, applying building information modeling technology, promoting the use of prefabricated buildings, and continuously increasing R&D investment in green building technologies.

In 2024, the Sinochem Holdings building in Xiong'an New Area, Hebei Province achieved a comprehensive carbon emission reduction rate of 43.64%, and the Laatzen plant of KlausMaffei, a subsidiary of the Company, received a Platinum Certificate from the German Sustainable Building Council (DGNB). As of the end of 2024, China Jinmao, another subsidiary of the Company, had a total of 313 projects that have passed green building certification and obtained 315 various green building certifications and labels.

Total number of projects that have passed green building certification by China Jinmao

313

Number of green building cerifications and labels obtained by China Jinmao

315

The Company's Green Building Practices

Application of Digital Technologies

Simulate design and construction processes based on building digital models, and achieve visualization, drawing, coordination, simulation, and optimization functions through BIM (Building Information Modeling) technology.

Utilization of Clean Energy

China Jinmao, a subsidiary of the Company, developed "Xihe Light Gathering" lightweight photovoltaic modules and building-integrated photovoltaic (BIPV) components to provide green electricity for buildings.

Application of Prefabricated Buildings

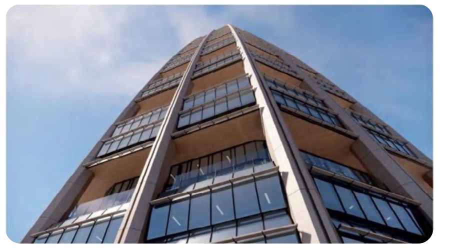
Use precast components and advanced assembly technology to achieve one-time installation of buildings and structures, reducing environmental pollution.

Use of Green, Energy-saving, and Environmentally Friendly Materials

·China Jinmao has deeply engaged in particle damping technology, independently developed mechanical metamaterial technology and new lightweight sound insulation technology to assist in building vibration reduction and noise control.
·Nantong Xingchen, another subsidiary of the Company, proposed the concept of "building quality attributing to materials (30%), construction (30%), and management (40%)", and launched the "Phoenix" brand solvent-free E series and waterborne W series floor solutions.
·Zhuzhou Institute, a subsidiary of the Company, launched environmentally friendly and non-toxic waterborne hydrocarbon emulsion products, providing high-standard waterproofing solutions for building structure.
The Company developed STARSIL® products with 0 formaldehyde and volatile substances far below national standards, offering the construction industry higher-quality, more efficient, and more sustainable alcohol-based environmental sealants.

Empowering Xiong'an Construction with Green and Sustainable Concept

China Jinmao, a subsidiary of the Company, integrates the concept of green and sustainable development into the entire process of design, construction, and operation of the Sinochem Holdings building in Xiong'an New Area. It comprehensively applies green and low-carbon technologies in aspects such as light, electricity, water, and heat to minimize the building's energy consumption, achieving a comprehensive energy-saving rate of 37.27% and a comprehensive carbon emission reduction rate of 43.64%. In 2024, the Sinochem Xiong'an building became a super high-rise project awarded with the three-star certification of the new national green building standard, LEED Platinum certification (the highest level), low-carbon building certification, and near-zero energy consumption certification. It was also recognized as the "Near-Zero Carbon & Near-Zero Energy Consumption Building Demonstration Project" and "Green Building Demonstration Project" in the Xiong'an New Area.



Curtain Wall of Sinochem Holdings Building in Xiong'an

Low-carbon energy supply helps build green cities

In 2024, the Chengdu Tianfu International Airport New City Regional Energy Station built by China Jinmao, a subsidiary of the Company, was officially put into operation. The energy station provides efficient and low-carbon centralized cooling and heating services for approximately 2.8 million square meters of buildings in the energy supply area. Once fully operational, the project is expected to save approximately 7,921 tons of standard coal, reduce carbon dioxide emissions by approximately 19,748 tons, reduce sulfur dioxide emissions by approximately 121 tons, reduce dust emissions by 70 tons, and reduce nitrogen oxide emissions by 114 tons each year, which is equivalent to the environmental benefit of planting 1.08 million trees, providing an innovative practice sample for green city construction.

Regional Energy Station in Chengdu Tianfu International Airport New City Area

03 Green Office Practices

The Company advocates the concept of green development and environmental protection, encouraging its employees to practice green office behaviors through daily energy-saving and water-saving tips, and a paperless work environment.

The Company's Green Office Practices in 2024

Energy Conservation

- Optimize air conditioning temperature settings to reduce the operating efficiency of cooling and heating equipment.
- Increase natural ventilation time and reduce the operating time of ventilation equipment.
- Minimize standby time of office equipment and turn off electrical devices in a timely manner after work.

Water Conservation

- Encourage the use of water-saving faucets and sanitary wares.
- Dynamically adjust the usage parameters of water equipment according to water consumption time and characteristics.

Resource Conservation

- Encourage the use of electronic version meeting materials.
- Promote double-sided printing or multi-page printing on a single side.

Achieving "Zero-Carbon" Office Electricity via Rooftop Photovoltaics

In 2024, Bluestar Lehigh Engineering Institute, a subsidiary of the Company, fully utilized its rooftops to install photovoltaic power generation facilities. The project has an installed capacity of 750kWp, generating more electricity than the office needs, thus enabling the realization of the goal of "zero-carbon" office electricity.

Rooftop photovoltaic modules

04 Green Activities

The Company actively carries out environmental protection activities with distinct themes, diverse forms, and rich contents, such as the World Earth Day, World Environment Day, National Low-Carbon Day, and Energy Conservation Week. It also hosts theme photography activities on "World Environment Day" and organizes public welfare tree-planting activities to strengthen the ecological protection awareness of all employees.

Tree Planting for a Greener Future

In March 2024, Sinochem Petroleum Guangdong, a subsidiary of the Company, relied on the Hongmian Volunteer Service Team to organize the "Green Beauty Volunteer Trip · Jointly Planting Youth Forest" volunteer activity in the South China National Botanical Garden. The activity involved planting Aquilaria sinensis saplings (a national second-class protected plant) to help the garden regain its lush vitality.

Sinochem Guangdong Petroleum organizes tree-planting activities

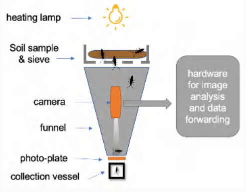
05 Biodiversity

The Company strictly abides by the requirements of the *Wildlife Protection Law of the People's Republic of China*, the *Regulations on Nature Reserves of the People's Republic of China* and the *Convention on Biological Diversity*, and promises not to carry out any production or construction activities within the ecological protection red line area.

The Company minimizes interference with natural ecosystems by optimizing industrial layouts and promoting green production technologies; protects biodiversity through ecosystem restoration and endangered species conservation actions; and assesses the risk levels of biodiversity through biological surveys, continuously enhancing its protection capabilities for ecologically sensitive areas.

The Company's Biodiversity Conservation Practices in 2024

The Company's subsidiary Syngenta Group has collaborated with the Budapest Institute of Soil Science in Hungary and the start-up EDAPHONE Kft to develop Edapholog technology, which integrates classic soil assessment techniques with cutting-edge artificial intelligence to accurately monitor soil biological quality and biodiversity.



Edapholog 1.0

Yangzhou Huayu, a subsidiary of the Company, built an ecological wetland within the factory area. It beautified the surrounding environment by planting plants and establishing maintenance facilities such as operation and maintenance platforms and inspection booths. Through the configuration of emergent, submerged, and floating plant communities, it improves the synergistic effect among aquatic plant species, stabilizes the ecosystem, and enhances the wetland's self-purification capacity and resistance to external pollution.

Yangzhou Huayu Ecological Wetland

Sinochem Quanzhou Petrochemical, another subsidiary, has also increased greenery in the plant's open spaces, providing habitats for national protected animals such as the black-necked stilts, cattle egrets, herons, and mallards.

Syngenta Group, another subsidiary, has deepened its long-term cooperation with The Nature Conservancy to seek economic benefits while protecting the natural environment, focusing on addressing issues such as deforestation and land degradation.

KlausMaffei, a subsidiary of the Company, has donated Euros to the Sea Turtle Foundation to protect sea turtles and their nests from poaching and environmental hazards during the nesting season.

06 Green Finance

To create a better environment, the Company actively responds to the national call for green and low-carbon development, and supports green development through various means such as equity investment, bond issuance, and industrial incubation.

The Company's Green Finance Practices in 2024

Sinochem Finance, a subsidiary of the Company, provides special green loans for water pollution control to its member enterprises. When the projects are operational, they can reduce wastewater discharge by 160,000 cubic meters annually, cut hazardous waste emissions by 13 tons, save 475,000 tons of steam, conserve 31.4 million kWh of electricity, and achieve energy savings equivalent to 55,000 tons of standard coal (equivalent value).

Sinochem International, a subsidiary of the Company, successfully issued the Huatai-Sinochem International Plaza Green Asset-Backed Special Plan on the Shanghai Stock Exchange.

China Foreign Economy and Trade Trust (FOTIC), another subsidiary, engages in various businesses including equity investment, listed company mergers and acquisitions, and project loans, proposing trust solutions for high-quality green financial development.

Sinochem Factoring, a subsidiary of the Company, has launched innovative green financial products and services, continuously explored green environmental protection projects, and successfully provided factoring financing for the Baoshan Renewable Energy Utilization Center Project in Shanghai, contributing to the goal of "zero landfill of domestic waste in Shanghai".

Sinochem Capital Venture Capital, a subsidiary of the Company, focuses on new chemical materials and modern agriculture sectors, actively using core technologies in "green" industries through equity investment. It has invested in industrial projects such as Xinyuan Chemical, KEYLAB, Sinowin Chemical Fiber, and FUHAICRYO.

The case "Green Insurance Boosting High-Quality Agricultural Development" of Sinochem Insurance Brokerage, another subsidiary, was awarded the "2024 Typical Case of Green Finance in the Insurance Industry".

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Building Consensus and Collaborating with All Stakeholders

The Company upholds workplace safety and health, implements talent development concepts, standardizes industrial quality assurance, consolidates social consensus, focuses on scientific and technological development and corporate digital transformation, improves supply chain management, continuously fulfills the social responsibilities and obligations of central SOEs, promotes the implementation of corporate systems and initiatives, enhances its social vitality and development momentum, and accelerates the construction of a world-class chemical conglomerate.

Empowering Employees Development

Adhering to the people-oriented philosophy, the Company provides fair employment opportunities and actively safeguards employee rights and interests. It offers a comprehensive growth platform for employees through competitive compensation and benefits, flexible and diversified incentive mechanisms, unobstructed promotion channels, and multi-dimensional training series, creating a harmonious, equal, healthy, and progressive working environment.

01 Fundamental Rights and Interests

Compliance with Employment Regulations

The Company strictly abides by laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on the Prohibition of Use of Child Labor*, and the *Law on the Protection of Minors*, and formulates internal rules like the *Sinochem Holdings' Labor Employment Management Measures*. The Company respects its employees' human rights and personality, avoids child labor and forced labor, adheres to the principles of fairness, equality, diversity, and non-coercion, and opposes all forms of discrimination. As of the end of 2024, no incidents of child labor or forced labor have occurred in the Company.

Talent Recruitment

The Company has formulated the *Sinochem Holdings' Recruitment and Allocation Management Measures*, carrying out multi-dimensional and multi-channel talent recruitment through social recruitment, campus recruitment, internal recruitment and other forms. Social recruitment follows the principles of "open recruitment, decentralized and categorized management, and resource sharing", while campus recruitment adheres to the concepts of "unified organization and planning, unified promotion concepts, unified recruitment platform" and "compulsory examination for all applicants", strictly ensuring the legality of the recruitment process and creating a fair competition environment.

Diversity and Equality

The Company proactively builds a diversified workforce, strives to eliminate discrimination based on gender, age, region, ethnicity, religion, disability, etc., and provides equal job opportunities for all groups. **As of the end of 2024, the Company has a total of 202,356 employees, including 107,429 full-time employees in China and 87,046 employees overseas (the proportion of local employees reached 99.86%).**

The proportion of local employees reached

99.86%

Human Resources Index[5]

Index		Unit	2022	2023	2024
Total number of employees worldwide		Persons	227,657	209,468	202,356
Total number of employees in China		Persons	—	—	107,429
Number of employees by gender	Male employees	Persons	88,730	86,008	81,210
	Female employees	Persons	30,010	28,218	26,219
Number of employees by age group	Total number of employees aged 35 and below	Persons	48,668	44,955	40,507
	Total number of employees aged 35 and above but below 50	Persons	—	—	53,098
	Total number of employees aged 50 and above	Persons	—	—	13,824
Number of employees by educational background	Total number of employees with bachelor's degree or below	Persons	70,693	65,060	58,286
	Total number of employees with bachelor's degree	Persons	36,517	37,468	37,194
	Total number of employees with a master's degree or above	Persons	11,530	11,698	11,949
Number of employees by job level	Number of senior management personnel	Persons	7	8	9
	Number of middle management personel	Persons	400	379	402
	Number of frontline employees	Persons	118,333	113,839	107,018
Number of employees by ethnicity	Minority	Persons	4,305	3,902	3,972
	Non-ethnic minorities	Persons	—	—	103,457
Employee turnover rate		%	—	—	4.7

[5]Note: The statistical scope of employee data by type is within China.

Democratic Management

The Company continues to build a democratic management system with the staff representative assembly as the basic form. It has issued *Sinochem Holdings' Staff Representative Assembly Management Measures*, formulating standard templates for "three reports and three approvals", and regularly updating the account books of trade union organizations at all levels to provide institutional guarantees for employees to exercise democratic rights in accordance with the law. In 2024, the trade unions of China Bluestar Chengrand and the Carbon Black Institute under Sinochem Energy were awarded the title of "National Model Staff Home".

In 2024, the Company regularly convened trade union standing committees, trade union committees, and trade union member representative assemblies to deliberate on employee-related matters and effectively safeguard employees' legitimate rights and interests. It organized member representative assemblies to promptly notify hot issues of concern to employees such as the relocation to Xiong'an, fully guaranteeing employees' right to know and participate.

Trade Union Meeting in the Company's Headquarters

Privacy Protection

The Company strictly complies with the *Personal Information Protection Law of the People's Republic of China*, uniformly launches and uses a human resources management system, and issues the *Sinochem Holdings' Smart Human Resources Integrated Platform Application Management Measures*. It standardizes the collection, use, permission settings, and data security of employee information to effectively protect employees' personal information and privacy.

02 Career Development

Position System

The Company attaches great importance to talent empowerment and employee development. It has issued Sinochem Holdings' "Talent Revitalization Plan". By implementing the "Two Special Initiatives" (Specialization Initiative and Internationalization Initiative) and the "Three Major Projects" (Technology leading Talent Project, Skilled professionals Talent Project, and Leadership Talent Project), it has built a management team with entrepreneurial spirit, a technology talent team with scientific spirit, and a skilled talent team with craftsmanship spirit, encouraging employees to realize their personal value.

Career Development Paths

The Company scientifically plans employees' career development paths, formulates *Sinochem Holdings' Employee Job Grade Management Measures*, and sets up three job categories: Management (M), Professional and Technical (T), and Skilled Workers (W). It implements differentiated strategies for the three categories of jobs, formulates targeted management measures, and guides the career development of various types of talents.

Talent Training

The Company has formulated *Sinochem Holdings' Education and Training System*. Supported by an education and training organizational system, program system, content system, and operation system, and guaranteed by an education and training resource system and training institution construction, it has built a new-era high-quality education and training system that matches the Company's development scale, core functional positioning, and the needs of cultivating leadership talents, achieving employees' personal growth and promoting the Company's sustainable development.

The Company has established and continuously improved the "Sinochem Holding i-Learning" digital training platform, empowering employees at all business lines and levels through various forms such as video courses and micro-courses. Combined with offline special training sessions, it continuously improves training coverage and timeliness, effectively promoting corporate cultural integration and employees' personal capabilities.

2024 Management Training Course

From March to November 2024, the Company held three training courses for its young and middle-aged leaders. Through the "segmented training + subject research" method, it accelerated the improvement of young leaders' problem-solving abilities. A total of 164 young and middle-aged leaders from science and technology, marketing, production, supply chain, functional departments successfully completed the training, producing 23 group research projects and 164 individual projects from trainees.

Sinochem Holdings' Training Program for Middle-aged and Young Leaders

Skills Competitions

The Company organized the 2024 Sinochem Holdings skill competition and hosted the semi-finals in chemical sector for the first national "Red Flag Cup" Team Leader Competition, using competitions to promote training and effectively enhancing employees' professional skills. In 2024, a total of 5,205 employees participated in the "Red Flag Cup" competition, among whom 5 contestants won first prizes, 5 won second prizes, and 11 won third prizes. Lan Jidong from Sinochem Quanzhou Petrochemical, a subsidiary of the Company, won the gold medal in the 2024 National Petroleum and Petrochemical Industry Ethylene Plant Operator Skill Competition.

5,205 employees

participated in the "Red Flag Cup" competition

03 Employee Well-being

Salary and Benefits

Adhering to the philosophy of "advocating hard work, inspiring innovation, enhancing efficiency, and ensuring standardization and order", the Company upholds the attributes of state-owned enterprises, implements the incentive orientation of Sinochem Ethos in the new era, standardizes income distribution order in accordance with state-owned assets supervision requirements, and provides effective incentives and reasonable guarantees for employees from six dimensions: fixed salary, performance bonuses, medium-to-long-term incentives, benefits, honor recognition, and career development. Employee compensation is comprehensively determined based on job value, performance, and capability evaluation, incorporating ESG factors such as low-carbon environmental protection, energy conservation, and HSE special assessments.

The Company continues to build a comprehensive and competitive benefits system, offering five social insurances and one housing fund for all employees, and providing welfare guarantees such as employer liability insurance and enterprise annuities. **In 2024, the Company's labor contract signing rate was 100%, social insurance coverage rate was 100%, and the average annual paid leave days reached 9.35.**

The labor contract signing rate of the Company in 2024

100 %

The average annual paid leave days reached

9.35

Employee Care

The Company fosters a "family culture" for employees, strengthens support for employees in need, pays attention to special employee groups, earnestly safeguards the rights and interests of female employees, and creates diverse and rich cultural and sports activities for employees, continuously enhancing their sense of belonging and happiness.

The Company's Implementation of Employee Care Work in 2024

Holiday greetings	The Company issued the *Work Plan for Double Festival Warmth Delivery*, and relevant personnel from the Company headquarters visited and provided consolation to 37 employees in need and 4 key front-line groups sticking to their posts during the holidays.
Assistance to staff in need	Proactively provide consolation and support to employees for weddings, funerals, illnesses, hospitalizations, and retirements.
Heatstroke prevention	Announcement on *Trade Union's Activities to Prevent Heatstroke and Maintain Employee Health in 2024* was issued, and supplies were sent to grassroots front-line employees for consolation.
Care for Women	Carry out regular labor protection and care activities for female employees, organize special activities for women on "International Women's Day" to enrich their lives.
Cultural and Sports Activities	Organize the "Pioneering Cup" Table Tennis Tournament and the "Sinochem Ethos Cup" Basketball Game to enhance employee cohesion.

Safeguarding Safety and Health

The Company has always placed production safety and employee health as its priority, adhering to the overall work principle of "laying a solid foundation, bolstering areas of weakness, and enforcing strict supervision". Taking the creation of FORUS star-rated enterprises as the key task and the three-year action for tackling the root causes of work safety as the focus, the Company shoulders the legal duties and obligations for work safety in its production and business operation, standardizes safety management, cares for the physical and mental health of employees, and builds a solid foundation for the Company's high-quality development with high-quality safety.

01 Management System

Management Structure

The Company has established an HSE Committee with the Chairman as the Director, and set up 522 HSE sub-committees in its 150 hazardous chemical enterprises and key production-oriented industrial and trade enterprises. This forms a management mechanism of "supervision by headquarters, management by subsidiaries, responsibilities shouldered by each enterprise, full participation of employees, and hierarchical assessment", as well as a working mode where relevant departments assume their respective responsibilities and collaborate with each other. **A safety management performance assessment mechanism and reward-punishment mechanism have been established. In 2024, a total of about 2.04 million yuan in rewards were issued to 18,700 employees (person-time).**

The Company continues to optimize the allocation of professional teams for occupational health and safety management, promoting safety grid management of "fixed grid, fixed personnel, fixed responsibilities, fixed effectiveness" to ensure the precise implementation of safety management work. By the end of 2024, the Company had 3,257 full-time HSE personnel and 1,795 part-time HSE personnel; there were 651 first-level safety grids, 3,500 second-level grids, and 11,486 third-level grids.

Strategic System

The Company has issued the HSE Leadership Strategy and FORUS system, with the vision to be "Global HSE Leader", formulated three HSE "Five-Year Plans", and implemented a three-step strategy of "Foundation Building, Climbing, and Leading". The Company is committed to promoting its healthy, safe, and sustainable development. **In 2024, it released the *Implementation Plan for Creating FORUS Star-rated Enterprises of Sinochem Holdings*, formulating star-rated enterprise creation plans based on the business distribution, risk characteristics, and development plans of its subsidiaries. It identified 842 key coaching tasks and 29,353 improvement tasks, and the self-assessment completion rate for star-rated enterprise creation by its subsidiaries reached 100%, and the completion rate of key coaching tasks and improvement tasks was also 100%.**

Identified

842 key coaching tasks

29,353 improvement tasks

The self-assessment completion rate for star-rated enterprise creation by its subsidiaries reached **100%**

The completion rate of key coaching tasks and improvement tasks was **100%**

Goals and Management

The Company implements the work safety responsibility system, organizes its subsidiaries to sign work safety responsibility agreements, implements a "Two-way Commitment" for work safety, and sets management goals of zero fatal accidents, zero new occupational diseases, and zero major HSE negative public opinion. In 2024, the company fully achieved its occupational health and safety goals.

Systems and Training

Based on relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Occupational Disease Prevention and Control Law of the People's Republic of China*, the Company has established and constantly improved its occupational health and work safety system. By the end of 2024, it had established 76 work safety management regulations and rules, including one management regulation, six management measures, and 69 operation specifications. In 2024, the Company improved the Sinochem Holdings' Occupational Health Management Measures and revised 63 work safety management regulations.

The Company continues to strengthen the cultivation of employees' safety culture awareness by formulating the *2024 HSE Training Plan for Sinochem Holdings Headquarters*, the *Notice on Further Strengthening Safety Training*, and the *Safety Training Improvement Plan*. It executed more than 5,100 training projects, carrying out full-staff training on safety risk assessment, occupational health, and Smart HSE system operation.

Trainings organized by the Company in 2024	
Leadership Training	Held 10 sessions of the "Leadership Safety Competence Enhancement" rotation training courses, with 808 participants including senior management, main responsible persons of hazardous chemical enterprises, and leaders in charge of production, equipment, HSE, and projects.
Professional Team Training	·Completed internal certification training for more than 2,300 HSE management personnel. Organized professional skill training for over 20,700 professionals in process, equipment, electrical instruments, maintenance, etc.
Safety Inspector Training	·Two sessions of training to empower and enhance the capabilities of inspectors were held, with 219 full-time safety inspectors participating.
"Five Understandings, Five Skills, and Five Abilities" Training	·Practical training, simulation training and case training were carried out, with a total of 814,000 participants. ·Conducted monthly spot checks on the mastery of the "five understandings, five skills and five abilities", with a cumulative spot check of more than 43,000 employees and a pass rate of 98.6%.
Grassroots Training	·Held 12 sessions of rotation training for new team leaders, with more than 1,300 staff participating. Carried out "All-Staff Training" activities at the grassroots level, with 16,800 person-times participating, 3,928 job pioneers and role models selected, and 763 "high-end, specialized, and urgently needed" skilled talents selected.
Skill Competition	·Held skills competition finals, with 65 teams and 195 players from 9 subsidiaries and 41 grassroots enterprises participating.
Warning Education	·Carried out "One Theme Per Month" warning education activities, with 989,000 person-times participating. ·Carried out seven warning education activities ·Carried out "Accident Warning Days" activities (5,265 times). ·Carried out 7,362 accident reflection activities. ·Held 1,198 special democratic life meetings. ·Accident warning videos played 33,000 times, with 647,000 person-times participating.

Safety Training Performance

Index	Unit	2024 figures
Number of safety training sessions	Time	7,065
Safety training duration	Hour	3,050,655,9
Number of participants in safety training	Person-time	1,329,679

Carry out rotation training for team leaders in hazardous chemical enterprises

In 2024, the Company organized 12 batches of rotation training on work safety for team leaders of hazardous chemical enterprises in multiple locations. More than 1,300 team leaders from 14 specialized companies participated in the training, deepening their "understanding, competence, and ability" skills, with their overall quality and capabilities significantly improved.

Rotational Training for Team Leaders of Hazardous Chemical Enterprises in Sinochem Holdings

02 Work Safety

Risk Prevention and Control

In accordance with *Sinochem Holdings' HSE Risk Prevention and Control Management Standard*, the Company has established two lists: "Key Safety Risks of Concern" and "Professional Safety Risks". In 2024, a total of over 130,000 safety risks were identified, and all 525 inherent first-level risks were brought within acceptable range after management and control.

Based on *Sinochem Holdings' HSE Hazard Investigation and Management Work Standard* and *Sinochem Holdings' First-level Hazard Determination Standard*, the Company carried out key hazard investigations such as electrical and instrument fire and explosion prevention, as well as special investigations in high-risk segments, oil and gas storage enterprises and long-distance pipelines, mine tailings ponds, in-plant motor vehicles, and fire hazards. In 2024, the Company investigated a total of 189,000 hazards, and rectified and eliminated more than 169,000 of them; among them, 41 major accident hazards were all rectified.

Investigated

189,000 hazards

Rectified and eliminated more than

169,000 hazards

Emergency Management

The Company continues to strengthen basic emergency management, improve the emergency plan system, and carry out emergency training and drills to improve grassroots emergency response capabilities. It also strives to take precautions before problems arise.

The Company's Emergency Responses Operations in 2024

Improve emergency response infrastructure	Revised *Sinochem Holdings' Comprehensive Emergency Plan for Work Safety Accidents* and *Sinochem Holdings' Emergency Plan for Sudden Environmental Incidents*, etc. **A total of 2,168 emergency plans were revised and improved in 2024.**
Improving emergency response capabilities	Focused on highly toxic and flammable/explosive hazardous chemicals such as hydrofluoric acid, ethylene oxide, phosgene, and liquid ammonia, carried out special research on typical accident scenarios and scientific rescue, formed accident case collections and rescue guidelines, and improved emergency response capabilities for abnormal working conditions. Implemented the "135" Emergency Response Method, improved operation procedures for abnormal working conditions and post emergency response cards for internal and external operators in response to abnormal conditions and accident omens, and enhanced emergency response capabilities for abnormal working conditions. Formulated emergence response plans such as system shutdown and gas fire prevention and rescue plans in combination with constructing typical accident scenarios, evaluated and improved emergency facilities, materials, and emergency team capabilities, and strengthened emergency preparedness. Released the Standard for Standardized Management of Full-time Fire Brigades of Sinochem Holdings, promoted the compliance construction of full-time fire brigades in large hazardous chemical enterprises, carried out training for grassroots commanders of full-time fire brigades and winter training, and systematically improved the rescue capabilities of progessional teams.
Conduct emergency drills	Released the Implementation Guidelines for Multi-level Emergency Drills of Sinochem Holdings (Trial). In 2024, a total of 34,000 drills of various types were organized, including fire safety drills and "Escort Sinochem - 2024", with a total of 361,000 participants.
Participate in emergency rescue	Sinochem Zhoushan and Quanzhou Petrochemical's rescue teams participated in the national "Emergency Mission 2024" typhoon and flood joint exercise, and Zhonghao Chenguang's rescue team participated in the rescue missions of the "May 3rd" large explosion accident at Sichuan CF Technology in Zigong, the "July 17th" Jiuding Building fire accident, and the "December 13th" fire accident.

Special Actions

The Company adheres to taking work safety issue as a systematic, basic, and long-term project, comprehensively promoting ten special improvement actions, ensuring "coordinated" response and "all-round" efforts, and completing all annual milestone tasks on schedule.

The Company's Special Actions for Safety Management in 2024

Safety responsibility implementation	The Chairman and General Manager of the Company took the lead in carrying out "one-on-one" targeted assistance to key enterprises, practicing the "Seven key safety warning" actions. 102 members of the leadership teams from 15 production-oriented subsidiaries paired with 113 enterprises for assistance, helping them solve 499 key and difficult problems.
Equipment safety management	Established and improved a preventive maintenance management mechanism, and orderly promoted the elimination, withdrawal, renewal, and renovation of outdated chemical equipment.
On-site safety management	Implemented management of fixed hot work points and fixed hot work days. Of the Company's secondary subsidiaries, 145 enterprises set up fixed hot work zones, and 73 enterprises set fixed hot work days, significantly reducing the number of on-site operations and controlling on-site operation risks. Carried out accident warnings for confined spaces and special rectification of confined space operations.
Safety inspection and supervision	The two-level inspection teams of the Company's headquarters and 10 secondary subsidiaries have a total of 107 personnel, and they adopted methods such as cross-checks and simultaneous online-offline inspections to efficiently complete annual work safety inspections, routine inspections at important holidays, and special inspections of construction, maintenance projects, leased premises, mine tailings ponds, etc. A total of 616 enterprises were inspected, and 21,500 hidden dangers were identified and rectified. Carried out safety assessment and diagnosis, rectifying 839 various problems.

Incident Management

The Company has revised *Sinochem Holdings' Work Safety Accident and Incident Management Standard*, further standardizing HSE accident and incident management in accordance with the "Four Musts" principle. **In 2024, no Company-level work safety accidents were reported.**

Work Safety Performance

Index	Unit	2024 figures
Work-related fatalities	People	0
Work-related Fatality Rate	%	0
Coverage Rate of Safety Risk Protection Training	%	100

Digital Empowerment

The Company adheres to strengthening safety through the use of technologies, deepens the pilot construction of "Industrial Internet + Work Safety for Hazardous Chemicals", forms a joint supervision force of "online-offline" through network diagnosis and all-weather HSE online monitoring, realizes intelligent inspection and intelligent analysis and early warning, and improves safety management efficiency. **In 2024, 110 enterprises of the Company achieved risk monitoring and early warning for personnel gathering; 70 hazardous chemical enterprises completed the construction of AI video systems and intelligent early warning; the HSE online monitoring room conducted more than 4,800 spot checks on its enterprises, reviewed more than 100,000 electronic work permits and operation certificate information of more than 20,000 special operators, and found 21,288 problems in 305 enterprises.**

The Company's HSE online monitoring room

03 Occupational Health

Physical Health

The Company actively implements the Healthy China Strategy, and systematically carries out various occupational health management work such as occupational health monitoring and hazard source control to ensure that workplaces fully meet environmental safety management requirements. **In 2024, the Company achieved 100% implementation rate of over-standard treatment, 100% annual physical examination coverage rate, 100% re-examination rate for abnormal physical examination results, and 100% transfer rate for occupational contraindications.**

Over-standard treatment	Annual physical examination coverage rate	Re-examination rate for abnormal physical examination results	Transfer rate for occupational contraindications
100%	100%	100%	100%

The Company's Occupational Health Management Work in 2024

Strengthening management foundations

Completed occupational health management assessments for 17 key enterprises.

Carried out performance assessment and evaluation on 433 main business leaders and department leaders, as well as 348 occupational health management personnel, and formulated targeted capability improvement plans.

Organized a tiered rotation training for full-time occupational health management personnel in 2024, with 225 full-time personnel participating and passing the assessment.

Investigating occupational contraindications

Carried out investigations and rectifications for occupational contraindications, focusing on occupational health monitoring of personnel engaged in electrical work, high-altitude operations, occupational motor vehicle driving, video operations, etc. 366 cases of occupational contraindications were identified, and all relevant personnel have completed job transfers.

Strengthening source control

Carried out full-staff identification of occupational hazard factors, and established risk maps for highly toxic substances and high-risk dusts based on the identification results.

Conducted governance for 109 high-risk work positions, including open operation positions, over-standard work positions, high-noise positions, and positions with abnormal physical examination results.

Enhancing labor protection

Improved workwear standards, completing the design and revision of technical standards for 6 categories of workwear, including flame-retardant, anti-static, cold-proof clothing, acid-alkali resistant clothing, and electrical insulating shoes.

Strengthened management of personal protective equipment (PPE), carried out warnings for incidents of purchasing and using unqualified PPE, and organized special investigations and rectifications.

Promoting health education

In 2024, a total of 2,010 occupational health theme lectures, 521 open classes, and 961 emergency drills were carried out, with 37,200 promotional materials issued and 113,000 participants.

Hosted the first FORUS Cup "Occupational Health Expert" competition and selected 20 "Occupational Health Experts" of Sinochem Holdings in 2024.

The First FORUS Cup "Occupational Health Expert" Competition

In December 2024, the Company held the first FORUS Cup "Occupational Health Expert" Competition in Zigong, Sichuan Province. A total of 64 "health experts" selected from 16 professional companies and directly managed units participated in the competition. Through physical fitness tests, theoretical knowledge quizzes, operational skill competitions, and health culture communication contests, the competition selected 1 "Group First Prize", 2 "Group Second Prizes", 3 "Group Third Prizes", and 20 "Occupational Health Experts".

The First Sinochem Holdings FORUS Cup "Occupational Health Expert" Competition

Mental Health

The Company always puts the mental health of its employees at the top of its occupational health agenda. It has opened regular mental health assistance channels, set up special psychological counseling hotlines, carried out themed psychological counseling activities, and taken multiple measures to alleviate employees' psychological pressure and resolve psychological conflicts.

Organizing Parent-Child Themed Training to Alleviate Employees' Psychological Stress

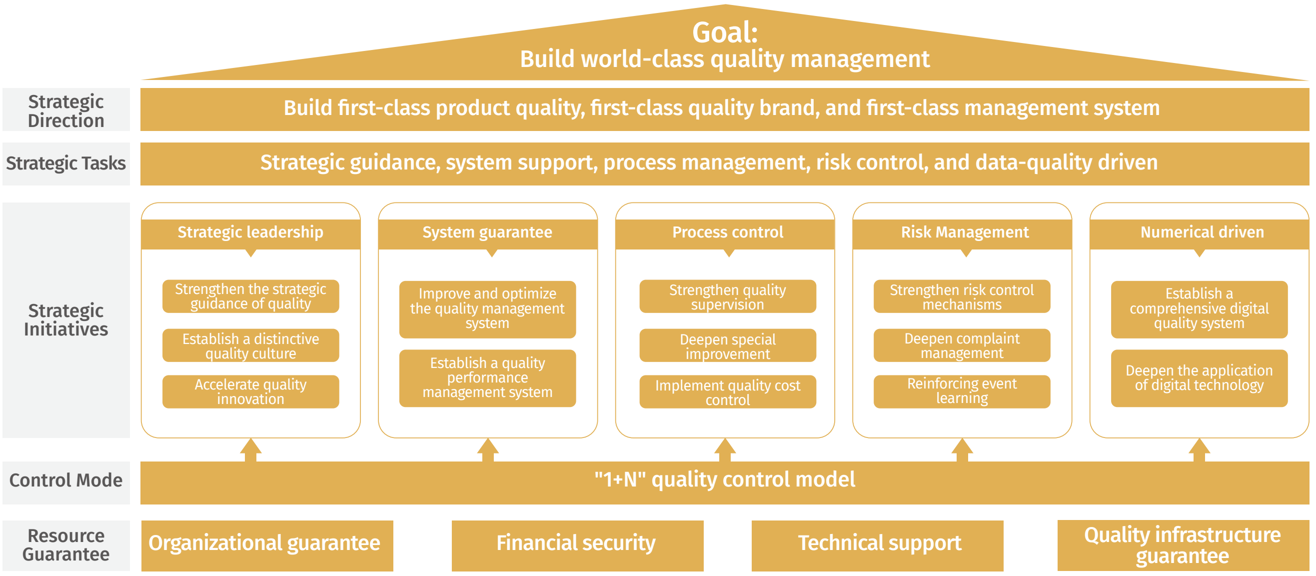
In June 2024, the Company invited psychological experts to carry out parent-child themed training for its employees on "Rebuilding Parent-Child Communication and Alleviating Pre-Exam Anxiety", and opened psychological counseling hotlines to help employees better understand their children's emotional stress and psychological needs, and solve psychological confusion for employees on children's education, work pressure, marriage and family, etc.

Craftsmanship Builds Quality

The Company adheres to the working principle of "Quality First, Customer First, Constant Pursue of Excellence", strictly implements product quality control standards, and actively safeguards customer rights and interests.

Management System

The Company's strategic planning for quality management aims at "building world-class quality management", takes "creating first-class product quality, first-class quality brand, and first-class management system" as its tasks, and sets up five key tasks of "strategic guidance + system guarantee + process control + risk control + digital and intelligent driving".



The Company's quality management strategy

Focusing on complying with the ISO 9001 quality management system, the Company has established a "1+N" quality control model guided by Sinochem Holdings' programmatic and mandatory quality requirements, covering industry and professional quality systems in N professional fields, and constructing a vertical "three-tier" quality control framework of "the Company builds the framework, secondary units issue detailed rules, and tertiary units strictly implement them".

The company has formulated regulations such as the *Sinochem Holdings' Quality Management Regulations, Sinochem Holdings' Quality Accident Management Standard*, and Sinochem Holdings' Management Measures for Engineering Construction Project, and has basically established a quality management process with comprehensive coverage, clear interfaces, clear processes, and smooth connections.

Management Effectiveness

The Company carries out a series of "Quality Month" activities themed on "Strengthening Quality Support and Building a Quality-Enhanced Enterprise", and launches special quality improvement actions combined with production reality to strengthen the quality responsibility awareness of all employees. Its subsidiaries promote the improvement of their quality management levels by carrying out special inspections of instruments and equipment, product quality inspections throughout the whole process of procurement, transportation, storage and sales, forming expert teams to carry out quality research, holding quality seminars, participating in experience exchange meetings, and carrying out inspection and testing skills competitions. **In 2024, the Company's product qualification rate in the product quality supervision carried out by the government was 100%, and no major or above quality accidents occurred. By the end of 2024, a total of 10 enterprises under the Company were selected as the single champions in manufacturing industry by the Ministry of Industry and Information Technology.**

Product qualification rate in the product quality supervision carried out by the government was

100 %

Product Recall and Handling

The Company has established working mechanisms for different products, including defective product recall triggering, recall implementation, and recall effect evaluation. **In 2024, the number of sold or delivered products that needed to be recalled for safety and health reasons was zero.**

Innovation-Driven Development

The Company strives to seize opportunities in frontier technologies, continuously promotes scientific and technological innovation, strengthens the construction of scientific and technological talent teams, establishes incentive innovation mechanisms, creates an atmosphere that encourages innovation, and continuously promotes the development of new quality productive forces.

01 Technological Innovation

Science and Technology Innovation System

The Company has established a three-tier R&D framework of Frontier Common Technology Research Institute - Core Advantage Industry Research Institute - Professional Research Center, which respectively focuses on common frontier technologies, key core technologies of advantageous industrial chains, and industrial technology collaboration to carry out scientific and technological innovation research in stages, striving to enhance independent innovation capabilities.

The company has deeply promoted the construction of national-level innovation platforms, including national postdoctoral research workstations and other R&D platforms. It has continuously increased R&D investment and cultivated professional R&D talents. In 2024, its R&D expenditure reached 23.3 billion yuan, with 16,000+ R&D personnel. **The Company was listed in the annual "Excellent Science and Technology Innovation Enterprises of Central SOEs" released by the State-owned Assets Supervision and Administration Commission of the State Council.**

R&D expenditure

23.3 billion yuan

R&D personnel

16,000+

Scientific and Technological Cooperation

The Company cultivates a scientific and technological innovation culture featuring "independent innovation, overcoming difficulties, openness and inclusiveness, and collaborative cooperation", and actively carries out exchanges and cooperation with leading universities and research institutions in the industry. In 2024, it signed cooperation agreements with partners such as Sanya Municipal Government, Nanjing Jiangbei New Area New Material Technology Park, Xi'an Jiaotong University, and Zhejiang University of Technology, adding new impetus to the sustainable development of the industry.

University-Enterprise Cooperation: Jointly Building a Bio-synthesis Industry Innovation Research Institute

In November 2024, BlueStar Adisseo, Zhejiang University of Technology, and Nanjing Jiangbei New Area New Material Technology Park signed a cooperation agreement for the Bio-synthesis Industry Innovation Research Institute project, which will help cultivate a leading team of R&D talents in the field of biomanufacturing at home and abroad and establish a complete high-end biomanufacturing technology R&D and industrial application platform.

Bluestar Adisseo Signs the Biosynthesis Industry Innovation Research Institute Project with New Material Science and Technology Park and Zhejiang University of Technology

Government-Enterprise Cooperation: Building a Science and Technology Innovation Highland in Sanya

In November 2024, the Company signed a strategic cooperation agreement with the Sanya Municipal Government. The two sides will carry out all-round, wide-ranging, and multi-level cooperation in fields such as seed industry innovation, cross-border finance, urban construction and operation, and industrial finance, to help Sanya build an international tourist resort and a science and technology innovation highland in the Free Trade Port.

Scientific and Technological Innovation Achievements

The Company focuses on the two industrial missions of promoting the high-quality development of China's agriculture and accelerating the bolstering of weakness of areas in new chemical material sector. It continues to consolidate the industry chain with innovation chains, coordinates innovation resources, and carries out research on cutting-edge, core and key technologies as well as development of innovative products. **In 2024, the company won 3 national science and technology awards.**

Scientific and Technological Innovation Achievements in 2024

Outstanding Technologies	In June 2024, the "Key Technologies and Applications of New Membrane-based Water Treatment" by Sinochem Environment, a subsidiary of the Company, reached advanced standards internationally and won the First Prize of the National Science and Technology Progress Award. In June 2024, the project "New Technology for Design and Preparation of Siloxane Hybrid Polymer Functional Coatings and Their Applications" executed by China Haohua, a subsidiary of the Company, won the Second Prize of the National Technology Invention Award.	 Certificate of First Prize of National Science and Technology Progress Award
High-quality products	The PBO fiber material developed by BlueStar Chengrand, a subsidiary of the Company, has made breakthroughs in solving material challenges for mobile phones, helping the successful launch of the world's lightest and thinnest foldable smartphones. Sinochem International, a subsidiary of the Company, has shored up the areas of weakness in high-strength and high-modulus para-aramid products, with its performance and premium product rate reaching the industry-leading level.	 PBO fiber materials and their applications
Advanced Equipment	The post-treatment system of China's first 80kt/a polyformaldehyde plant, for which Sinopec Tianhua Institute provided key technologies and equipment, was successfully put into operation at one time, and the quality of the polyformaldehyde products reached advanced level internationally.Construction of the main unit of the 26kt/a high-performance organic fluorine materials project of Sinochem Chenguang, another subsidiary, was completed and handed over. The Southwest Chemcial Research Institute, a subsidiary of the Company, undertook the design of China's largest single-series dimethyl ether (DME) plant, which was successfully commissioned.	 Largest Single-Series Dimethyl Ether (DME) Facility in China

Scientific and Technological Innovation Honors of the Company's Subsidiaries in 2024

- Elkem Xinghuo Silicones' BLUESIL™ LDH 5133-XY A3 product won the Ringier Technology Innovation Awards.
- Elkem Xinghuo Silicones' "Tetramethylsilane Mixture Comprehensive Utilization Project" won the Jiangxi Provincial Science and Technology Award.
- Bluestar Adisseo's "APC Premium Ammonium Sulfate Solution" won the 2024 COMITE FRANCE CHINE Innovation Award.
- Hangzhou Water Treatment's project "Creation and Industrialization of Key Fluid Equipment for Low-Energy Large-Scale ReverseOsmosis Seawater Desalination" won the Jiangsu Science and Technology Award.
- Sennics' MIAK product won the title of "New Chemical Materials 2023 Innovative Product".

Achieving High-Level Scientific and Technological in Aviation Tires

The Company has listed aviation new materials as one of the "10+9" key development industries, and through decade-long efforts, built a 10kt/a high-performance natural rubber industrial base. In 2024, the Company successfully developed civil aviation tires with independent intellectual property rights, reaching international advanced standards; independently developed a simulation test platform for takeoff and landing under complex conditions for aviation tires; and built a world-class digital factory for aviation tires, realizing functions such as digital control systems, full-process automated logistics, and robot operation in key processes. It has strengthened cooperation with COMAC and central aviation groups to form an industrial chain alliance.

By the end of 2024, the Company's C909 tires had been trial-used by China Express Airlines and Chengdu Airlines, and put into commercial use on COMAC Express and China Southern Airlines, with a total of more than 10,000 safe take-offs and landings; Boeing 737NG tires had been commercially used by Ruili Airlines; and Airbus A320 series tires had completed test flights at Guilin Liangjiang Airport.

Domestic radial tires for civil aviation industry

02 Intellectual Property Protection

The Company has established a sound intellectual property management system, issued regulatory documents such as the *Sinochem Holdings' Intellectual Property Transfer and License Management Measures*, and clarified the management processes for intellectual property transfer and licensing. Meanwhile, it promptly applies for and protects patented technologies, effectively forming patent barriers. **In 2024, the Company filed 2,474 patent applications, won 3 China Patent Excellence Awards, and formed high-value patent clusters covering multiple fields. By the end of 2024, the Company held more than 32,000 valid patents.**

Patent applications
2,474

China Patent Excellence Awards
3

Number of valid patents the Company held by the end of 2024
32,000

Advancing Digital and Intelligent Transformation

The Company actively responds to the opportunities and challenges of digital and intelligent development, focusing on key areas of production, operation, and management, strives to ensure network information security, and continuously deepens and implements digital and intelligent transformation to achieve tangible results, accelerating the upgrading to "Digital-Intelligent Sinochem Holdings". In 2024, the Company achieved remarkable results in digital and intelligent empowerment.

01 Digital and Intelligent System

Deepening Top-down Design

The Company has revised its digital transformation plan, formulated a cybersecurity plan and an artificial intelligence special plan, optimized and expanded its strategic framework to "12345" strategy, upgraded "Online Sinochem Holdings" to "Digital-Intelligent Sinochem Holdings", clarified 20 key tasks and measures, and established a special digital transformation loan "Digital-Intelligent Loan" to boost the Company's digital and intelligent development.

The Company's "12345" Strategic Framework for Digital and Intelligent transformation

A Strategic Goal: A fully digitalized world-class chemical conglomerate
Two business scenarios: Smart manufacturing, smart agriculture
Three transformation directions: Intensive governance and control, platform-based resource sharing, and ecological industry collaboration
Four capabilities support: Governance system, cybersecurity, innovative applications, digital industrialization
Five key areas: Digital and intelligent insights, strategic innovation, excellent operation, smart HSE (Health, Safety, and Environment), management supervision

Enhancing Governance Capabilities

The Company has established the Sinochem Holdings' Data Operation Center to promote the implementation and effective operation of the data management system, and improve data management capabilities and application levels. In 2024, 5 subsidiaries passed the Data Management Capability Maturity Assessment Model (DCMM Level 3) certification. Sinochem Information Technology integrated internal IT professional teams to further strengthen support for digital transformation, established a Digital-Intelligent Innovation Research Center, and actively explored research in areas such as common AI capabilities and AI4S.

Improving Institutional Systems

The Company released the Sinochem Holdings' Data Standards (2024 Edition) to continuously standardize and strengthen data standard management, unify data standard terminology and classification systems. Meanwhile, it formulated 7 data management systems including the *Sinochem Holdings' Data Management Measures*, and 3 operational specifications for data standards, quality, and models, further consolidating the management foundation of "Digital-Intelligent Sinochem Holdings".

02 Digital and Intelligent Achievements

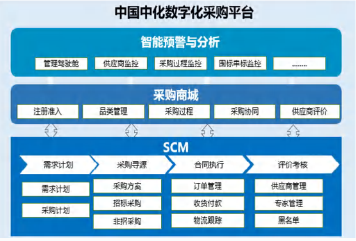
Building AI capabilities

The Company has constructed a "1+2+N" blueprint framework for the new generation of artificial intelligence, mainly focusing on serving the agricultural and chemical sectors. It has explored "N" innovative scenario applications in R&D design, procurement supply chain, manufacturing, etc., integrating the development of new-generation AI into the Company's overall work. By the end of 2024, the Company put the Sinochem Holdings AI Platform into use, launched the first digital-intelligent employee "AI Xiaohua", and released the "Tianshu" intelligent chemical synthesis platform. It has also accelerated the construction of large-scale agricultural planting models, formed more than 100 agricultural planting data sets, and completed the construction of over 10 high-value scenario applications.

The Company launches the first digital intelligence employee "AI Xiaohua"

Empowering Business Operations

The Company focuses on key areas in its production and operations such as procurement and marketing, accelerates the comprehensive promotion and coverage of system platforms to achieve "full utilization where applicable", deepens the construction of "Industrial Internet + Hazardous Chemical Safety Production", continuously enhances comprehensive perception and abnormal early-warning capabilities, and improves the levels of fine management and risk prevention and control.

The Company's Digital and Intelligent System Empowers Business Operations	
Procurement Platform	Full-process and full-element online management of procurement; transaction amount of the procurement mall exceeded 100 million yuan; 5 categories and 87 intelligent supervision models were deployed to automatically identify abnormalities, releasing warnings level by level, and achieving full-link closed-loop control.  Sinochem Holdings' Digital Procurement Platform
E-commerce platform	Continuously promote Sinochem Holdings' e-commerce platform, realize global aggregation and penetrating analysis of marketing data, and enhance refined marketing management capabilities.
Smart HSE system	All its hazardous chemical enterprises have completed full coverage of 8 major systems, including non-routine operations and dual prevention. The Company launched an AI video monitoring system to fully support online supervision, significantly improving the standardization of grass-roots operations.  Sinochem Holdings' Smart HSE System

Promoting Management Improvement

The Company has coordinated the collaborative implementation of the financial management "three-piece set" (the three core modules of budget management, accounting, and fund management), accelerated the enhancement of financial digital and intelligent capabilities, and promoted data penetration and integration of business and finance. In 2024, the treasury system was promoted across all domestic and overseas enterprises. 54 enterprises completed ERP upgrades, achieving the first domestic ERP application in a full information technology application innovation environment in China's energy and chemical industry. The intelligent human resources integration has realized core functions such as organizational personnel management, salary and attendance, covering all domestic employees, effectively driving the improvement of standardized and refined management.

Awards and Recognitions

In 2024, the Company was rated as "Excellent" in the reform task evaluation of "Digital Capacity Building for State-owned Assets Supervision" by the State-owned Assets Supervision and Administration Commission of the State Council. It ranked 36th in the "2023 Top 500 Digital Economy Enterprises" list released by the China Enterprise Evaluation Association and the China Academy of Information and Communications Technology, and was also selected into the sub-lists of "Top 20 Enterprises for Digital Efficiency Improvement" and "Top 20 State-owned Enterprises in Digital Economy". The typical case *Implementing the "Smart Factory + Smart HSE" Improvement Action to Deeply Empower Traditional Industry Transformation and Upgrading was included in the Briefing on the Deepening and Enhancement Action of State-owned Enterprise Reform* by the State-owned Assets Supervision and Administration Commission. Multiple digital work achievements of its subsidiaries were awarded excellent prizes by national ministries, provincial governments, and industries.

03 Digital-Intelligent Security

The Company strictly abides by laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Administrative Measures for the Information Security Level Protection*. It has formulated the *Sinochem Holdings' Cybersecurity Plan (2024-2026)*, and issued regulations such as the *Sinochem Holdings' Data Security Management Measures, Sinochem Holdings' Data Security Protection Rules*, and *Sinochem Holdings' Personal Information Protection Rules.* Adhering to comprehensive supervision, inspection, and evaluation, it focuses on key areas such as data security and industrial control security, continuously enhances technical protection capabilities, and improves the foundation and operational level of cybersecurity management. **In 2024, no major or above cybersecurity incidents occurred in the Company.**

Building Responsible Supply System

01 Procurement Management

The Company has formulated the Sinochem Holdings' Procurement Management Regulations, specifying tendering processes and methods to ensure the transparency of procurement work. It practices green procurement principles, does not procure products listed in the *Guiding Catalogue for Eliminating Outdated Production Processes, Equipment and Products in Some Industrial Sectors* issued by the Ministry of Industry and Information Technology, and gives priority to purchasing environmentally friendly raw materials, products and services.

The Company has included "restricting or excluding potential bidders with unreasonable conditions" in the Sinochem Holdings' Tendering and Procurement Negative Behavior List, does not restrict or exclude the participation of small and medium-sized enterprises (SMEs), deepens precise matching between supply and demand, standardizes procurement transaction behaviors, and creates a standardized and orderly procurement transaction environment.

02 Supplier Management

The Company has formulated regulations and guideline documents such as the Sinochem Holdings' Supplier Management Measures, Sinochem Holdings' Supplier Admittance Management Guidelines, Sinochem Holdings' Supplier Review and Performance Evaluation Guidelines, and Sinochem Holdings' Supplier Classification, Grading and Supplier Relationship Management Guidelines. Following the principles of "unified standards, decentralized management, dynamic assessment, and supporting excellence while eliminating inferiority", it standardizes supplier sourcing, evaluation, assessment, credit, grading, and penalties, etc.

Supplier Selection and Management Mechanism

Supplier Admittance	Qualification review, capability assessment, credit evaluation and admittance approval are carried out through organizational inspections, sample verification, batch application, etc. Incorporate ESG factors such as low carbon, cleanliness, health and safety into the supplier admittance process.
Supplier Evaluation	Establish supplier evaluation standards by category based on supplier qualifications, technical research and development capabilities, quality control capabilities, cost control capabilities, product delivery capabilities, etc.
Supplier Classification	The principles of supplier grading and classification management are clearly defined based on the universality of quality and technical standards, industry influence or competitiveness, supplier's own advantageous products, manufacturer priority principle, supply security, and willingness to cooperate. They mainly include strategic type, bottleneck type, leverage type, general type, etc.
Supplier Assessment and Rating	Evaluate the supplier's performance in terms of product price, product quality, delivery, service and other aspects, and apply the evaluation results. Dynamically carry out assessment and evaluation of supplier performance.
Supplier Rectification and Withdrawal	Suppliers who engage in dishonest behavior will be included in the "blacklist". Suppliers that fail to meet green environmental protection, energy conservation and low carbon, quality and safety performance requirements will be promptly urged to make rectifications.

03 Supply Chain Management

The Company has established a full-value chain risk management mechanism to continuously enhance the process control capabilities for supply chain risks such as material disruption. It promotes the green transformation of relevant suppliers in green procurement, green production, and green logistics. The Company also improves the digital management capabilities of the supply chain. Through the supply chain digital management system, it realizes full-process online control from demand to sourcing, contract to payment, and dispersion to collaboration, continuously improving the sustainability of the supply chain.

Fulfilling Social Responsibilities

The Company is committed to promoting sustainable social and economic development, actively engaging in social welfare initiatives, proactively fulfilling its social responsibilities, supporting urban construction, implementing rural revitalization measures, and giving back to society with practical actions.

01 Social Responsibility System

The Executive Team of the Company has incorporated social responsibility work into its key agenda, responsible for notifying, deploying, and promoting social responsibility matters. The Corporate Management Department serves as the leading department for social responsibility work, coordinating social responsibility matters, undertaking the compilation of Sinochem Holdings' social responsibility reports, and managing the social responsibility work of its subsidiaries. Other departments, in accordance with their functional divisions, are responsible for social responsibility work within their business scopes.

The Company has established and improved a social responsibility management mechanism, standardizing the work objectives, tasks, basic approaches, key focuses, guarantee measures, and resource investment in social responsibility, promoting the institutionalization and systematization of social responsibility work.

The Company has gradually promoted the construction of a dedicated talent team for social responsibility. It has set up part-time social responsibility positions with 2 part-time staff members. It utilizes the online "Sinochem Holdings i-Learning" system and offline training courses to organize social responsibility staff to actively participate in internal and external training, enhancing their professional capabilities.

02 Carrying out Public Welfare Activities

The Company proactively engages in disaster relief, public welfare donations, educational assistance, etc. It actively organizes volunteer activities and continues to increase donations to convey the warm, long-lasting, and positive strength of Sinochem Holdings. **In 2024, the total amount of the Company's social welfare donations (including donations from overseas enterprises) was about 249.03 million yuan, and the "Dream-Fulfilling Initiative" student aid activity involved 29,016 participants.**

Social welfare donations (including donations from overseas enterprises) was about

249.03 million yuan

Responding to Typhoon Yagi, Mitigating Losses and Supporting Production Resumption

After the super typhoon Yagi disaster, Syngenta Group, a subsidiary of the Company, promptly organized a volunteer team to rush to the disaster-stricken area in Xuwen County, Zhanjiang City. The team conducted on-site inspections of crop damage, delivered disaster relief materials to farmers, and taught post-disaster production resumption techniques, providing strong support for rapid production recovery and reconstruction. Several subsidiaries of the China National Seed Group launched joint actions, delivering disaster relief seeds worth 296,000 yuan to Wenchang City to assist local farmers in restoring production.

The Company's volunteer team Helps disaster-affected agricultural material stores sort goods

Dream-Fulfilling Initiative to Bring Warmth to Students in Need

The Company, in collaboration with the Beijing Sinofoundation of Foreign Trade Trust and the "Spring Bud Plan" public welfare project of the China Children and Teenagers' Fund, carried out the "Dream-Fulfilling Action" student-aid program, providing financial assistance to students from financially disadvantaged families in areas such as Ar Horqin Banner and Linxi County in Inner Mongolia Autonomous Region, Gulang County in Gansu Province, Pingshan County in Hebei Province, Gangba County in Tibet Autonomous Region, and Dachaidan Administrative Committee in Qinghai Province. By the end of 2024, the total amount of donations for the "Dream-Fulfilling Action" exceeded 22.5 million yuan, helping more than 16,000 students in need.

03 Promoting Rural Revitalization

The Company fully leverages its advantages in industry, technology, and talents, and continues to build a "2+4" special assistance model driven by dual wheels of industrial assistance and people's livelihood assistance, and supported by four key pillars: building confidence for eliminating poverty and offering knowledge and technologies to support poverty elimination, pro-consumption campaign to aid poverty alleviation, cultural nourishment, and collaboration between public and private sectors. It has taken various assistance measures and effectively promotes the comprehensive revitalization of rural areas.

In 2024, the Company selected 10 excellent leaders and assigned them for temporary posts or serve as first secretaries in villages, dispatched 62 science and technology commissioners to carry out capacity-building work in 41 key national rural revitalization counties, and completed a cumulative 1,365 days of on-site support. It has convened 21 special meetings on assistance work, implemented 45 assistance projects, established the "Sinochem Holdings Rural Revitalization Charity Trust", and innovated the allocation and management of assistance funds. The Company's investment in non-reimbursable assistance funds for rural revitalization reached 93.28 million yuan, with reimbursable assistance funds of 116.12 million yuan and introduction of 244.57 million yuan assistance funds. For six consecutive years, it has been evaluated as "excellent" in the fixed-point assistance work assessment of central SOEs. Two cases have been selected into the *Blue Book on Central SOEs Assisting Rural Revitalization (2023)* and won excellent case awards.

Rural Revitalization Projects of the Company in 2024

Industrial support Builds momentum for development	Built and operated 5 MAP (Modern Agriculture Platform) service centers in 4 supported banner counties, established 2 MAP subsidiary companies, and constructed 5 modern agricultural and animal husbandry industrial parks to effectively improve industrial added value. Consolidated and expanded the agricultural-livestock circular farming development model, and strengthened the utilization of rural waste.  MAP Modern Agricultural Technology Service Center
People's Livelihood Support Improves people's well-being	Built people-benefiting projects in the areas of compulsory education, basic medical care, housing safety, and drinking water safety, operated charity supermarkets, and hold spiritual civilization construction activities such as "Village BA" and rural cultural performances.
Dual support with confidence and knowledge to stimulate rural vitality	Organize training sessions such as the "Revitalization Lecture Hall" and "Aid Qinghai Lecture Hall", providing training for over 20,000 talents in the assisted areas. Implement the "Humanistic Cultivation for a Better Future" education assistance project to help adolescents grow healthily. Arrange summer camp activities in Beijing for 72 teachers and students from the assisted areas, boosting exchanges and integration among various ethnic groups.
Pro-consumption campaign to drive farmers' income growth	Participate in five central SOEs-driven pro-consumption campaigns, including the "Spring Festival Initiative", "Collective Impact Initiative" and "Agricultural Development Week", and purchased agricultural products worthy of more than 93 million yuan and helped sell agricultural products worthy of 127 million yuan.

04 Building a High-Quality Corporate Headquarters Gluster

As one of the first central SOEs to establish a presence in the Xiong'an New Area, the Company has leveraged the opportunity arising from relocating non-capital functions out of Beijing to accelerate the construction of Sinochem Holdings building. This effort contributes to building a high-level corporate headquarters cluster.

Sinochem Holdings "Golden Reed" Building in Xiong'an New Area

05 Leading Industry Development

Participate in Standard Setting

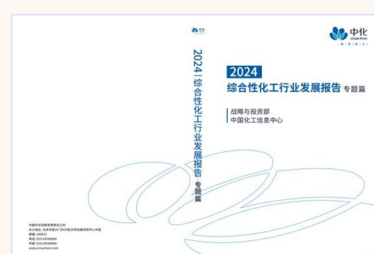
Adhering to the development philosophy of win-win cooperation, the Company actively participates in the formulation of national industry standards, collaborates with industry partners to host and participate in various activities, while promoting peer development in the industry. In 2024, the Company took the lead in formulating and revising 76 standards of various types, including 4 international standards.

Participate in National Research Projects

China National Chemical Information Center (CNCIC), a subsidiary of the Company, serves as the Company's think tank. It has decades of experience in chemical research and proactively participates in research projects of the State-owned Assets Supervision and Administration Commission of the State Council, and has been awarded the "Excellent" project certification. It also releases comprehensive industry research reports to help the Company lead the development of the industry.

Conducting Industry Research to Boost Industrial Development

The Company entrusted CNCIC to formulate and release the *2024 Comprehensive Development Report of Chemical Industry,* which includes 11 special reports, 21 key industrial chains, 3 bulk petrochemical industrial chains, 2 key application fields, and a compilation of relevant policies in 2023, providing support for the development of chemical industry in China.



2024 Comprehensive Chemical Industry Development Report

Strengthening Industry Leadership

(1) Developing Strategic Emerging Industries

The Company focuses on its core missions of boosting high-quality agricultural development and facilitating the bolstering of areas of weakness in the new chemical material sector, while accelerating the growth of strategic emerging industries. In 2024, it took a leading or participating role in multiple key tasks in 6 fields, namely biological seed industry, new materials, integrated circuits, new energy, industrial software, and artificial intelligence, as part of the central SOEs' industrial renewal initiative. The productivity renewal project of Syngenta Group (Yangling) Breeding Technology Center was selected into the "Top 100 Projects" by the State-owned Assets Supervision and Administration Commission of the State Council. The Company further increased its investment in strategic emerging industries last year, expanded its talent pool, and drove the structural optimization and adjusted its industrial portfolio. As a result, both the investment ratio and revenue share from strategic emerging industries reached record highs, with breakthrough achievements made in some key areas.

(2) High-end Development of Industries

The Company strives to adjust and optimize its industrial structure, while driving the high-end, intelligent, and green development of traditional sectors such as petrochemicals, coal chemicals, and chlor-alkali chemicals.

Accelerating the High-end Development of Industries	
Petrochemical Industry	Promote quality improvement and upgrading: Based on the existing industrial foundation of its Quanzhou base, the Company focuses on the direction of green low-carbon and high-end development, promotes the integration and optimization of production capacity, reduces oil products production while increasing chemicals production and strengthening R&D on new materials, and solidly advances the construction of projects aiming for extending and supplementing industrial chains. In 2024, its high-performance carbon black project was put into operation, its polyether polyol project completed intermediate handover, and the new EVA project progressed steadily.
Coal Chemical Industry	Promote transformation and development: In 2024, the Company's Liaocheng base actively promoted the transformation to chemical new materials and high-end chemicals. Major projects such as caprolactam-PA6, organosilicon, and 8#9# hydrogen peroxide projects were successfully put into operation, laying a good foundation for its subsequent high-quality development.
Chlor-alkali Chemical Industry	Deepening operational excellence: The company improved its operational capacity and integration capacity in basic chemical sector, and actively explored the development of special materials and extended to the downstream sector (chlorine-containing materials sector).

(3) Development of Industrial Integration

Based on its core strategic mission, the Company is driving the transformation of its business from providing customers with products to offering comprehensive solutions, and enhancing the in-depth integration of traditional manufacturing industry with modern service industry. In 2024, leveraging its technical service advantages across the entire industrial chain, the Company promoted global modern agricultural technologies to farmers and helped them "grow premium products and secure better prices" and collected high-quality big data for the agricultural industrial chain. Having completed the strategic upgrade from MAP 1.0 to 2.0, the Company is now gradually enhancing its technical solution capabilities.

06 Paying Taxes in Accordance with the Law

The Company fulfills its tax obligations in accordance with the law, and has established a comprehensive tax management system covering framework building, process optimization, and talent development. It has also set up domestic and foreign matrix-style tax centers, issued *Sinochem Holdings' Enterprise Income Tax Operation Guidelines* and *Sinochem Holdings' Guidelines on Management of Related Party Transactions Tax*, and built a closed-loop tax risk mechanism of "risk identification - rectification and implementation - long-term mechanism" to strictly prevent tax evasion and tax avoidance. In 2024, the Company paid taxes of about 46.59 billion yuan in accordance with the law, achieving "zero new additions" to tax risk records.

Taxes Paid by the Company in 2022-2024

Index	Unit	2022 amount	2023 amount	2024 amount
Total tax payment	Ten thousand yuan	5,848,955.66	5,154,805.84	4,659,389.56

G Robust Governance and Exploration of Integrated Development

With the goal of building a "leading enterprise with excellent operations", the Company has established a governance mechanism featuring clear rights and responsibilities as well as coordinated operation. It has strengthened the network for risk control and compliance supervision, steadily advanced the in-depth development of integrity building, effectively safeguarded the rights and interests of its shareholders, and ensured the steady operation and high-quality development of the Company.

Building a Solid Foundation for Governance

Guided by the principles of "adhering to a problem-oriented approach, maintaining a goal-oriented focus, and applying a systematic perspective," the Company follows an "eight-character" corporate governance policy and cultivates comprehensive governance capabilities. Based on its operational realities, it has established a top-down, hierarchical, and well-structured governance framework, where all levels collaborate seamlessly, operate with high efficiency and involve full participation, laying a solid foundation for the Company's high-quality and sustainable development.

01 Governance Strategy

The Company continuously improves its governance mechanisms by establishing a dual control system - headquarters-led strategic control at the Company level and subsidiary-led operational control at the business unit level. It promotes efficient, scientific, and compliant decision-making mechanisms for the Executive Team meetings, Board of Directors, and Executive Management, providing organizational safeguards for the coordinated and effective development of corporate governance.

In compliance with the latest requirements of laws and regulations such as the *Company Law of the People's Republic of China* and the *Guidelines for the Articles of Association of Central Enterprises*, the Company conducts rolling revisions of its governance documents and the list of decision-making authorities for each governance body. As of the end of 2024, it has formulated 13 governance regulations and 154 specific management rules, establishing a "4+1" list system at the governance level.

The Company thoroughly clarifies the right and responsibility boundaries of each governance body and revises its right and responsibility manual annually to ensure that all major management matters are covered by clear mandates. In 2024, it added 77 new administrative powers and responsibilities and revised 139 powers and responsibilities.

02 Governance Structure

Board of Directors

(1) Composition of the Board of Directors

The Company attaches great importance to building a diverse board of directors, and continuously optimizes the professional and structural configuration of the board to ensure that the composition of board members is highly aligned with the Company's development, thus effectively supporting the efficient operation and scientific decision-making of the board.

Name	Gender	Position
Li Fanrong	Male	Chairman
Jiao Jian	Male	Director
Chen Dechun	Female	Director
Wang Binghua	Male	Convener of External Directors
Li Yinquan	Male	External Director
Wang Mingfeng	Male	External Director
Wu Shengyue	Male	External Director
Ling Yiqun	Male	External Director
Ren Bing	Male	Employee Director

(2) Performance of Duties by the Board of Directors

The board of directors is the Company's main decision-making body, responsible for setting strategies, making decisions, and preventing risks. Adhering to the principles of statutory powers and responsibilities, transparency and unification of powers and responsibilities, the Company's Board of Directors has formulated the *Rules of Procedure for the Board of Directors of Sinochem Holdings*, which clearly defines the board's functional positioning, requires it to faithfully perform its duties and responsibilities, and continuously improves the level of scientific, democratic, and law-based decision-making. In 2024, the Company organized 17 board meetings, reviewing 61 issues on the agenda.

The Company's Board of Directors' Performance of Duties				
Index	**Unit**	**2022**	**2023**	**2024**
Number of board meetings held	time	21	25	17
Number of proposals reviewed and passed	Item	—	—	61

(3) Special Committees of the Board of Directors

The special committees are responsible for supervising the daily work of the Board of Directors, accountable to the Board, and their work is subject to the guidance of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). The Company's Board of Directors has established 4 special committees, namely the Strategy and Investment Committee, the Remuneration and Assessment Committee, the Audit and Risk Committee, and the Nomination Committee.

The Company has formulated institutional documents such as the *Work Rules for the Strategy and Investment Committee of the Board of Directors of Sinochem Holdings*, the *Work Rules for the Remuneration and Appraisal Committee of the Board of Directors of Sinochem Holdings*, the *Work Rules for the Audit and Risk Committee of the Board of Directors of Sinochem Holdings*, and the *Work Rules for the Nomination Committee of the Board of Directors of Sinochem Holdings*, which regulate the organizational structure, responsibilities and authorities, and working procedures of the special committees of the Board of Directors. In 2024, the 4 special committees held a total of 25 meetings and studied 38 issues, providing effective support for the standardized and efficient decision-making of the Board of Directors.

Strategy and Investment Committee

The committee is responsible for studying matters related to strategic planning, business plans, comprehensive budgets, investment plans, as well as main business adjustments, negative lists of investment projects, investment and financing, asset restructuring, asset disposal, property rights transfer, capital operations, and reform and restructuring that require the board of directors' decision-making, and putting forward review opinions to the board of directors.

Remuneration and Appraisal Committee

Responsible for studying the wage income distribution system and plans, organizing the formulation of assessment methods for the operating performance of members of the management team and salary management methods, organizing the assessment of the operating performance of members of the management team, and putting forward suggestions on assessment results and salary payment plans to the board of directors.

Audit and Risk Committee

Responsible for the construction of risk management system, internal control system, compliance management system, and the accountability system for illegal operation and investment.

Nomination Committee

Responsible for formulating selection criteria and procedures for senior managers, putting forward suggestions to the board of directors on the candidate for general manager, reviewing the candidate for secretary of the board of directors nominated by the chairman, and the candidates for deputy members of the management team and chief legal adviser nominated by the general manager, and putting forward suggestions to the board of directors.

(4) Compensation Management

In accordance with the operating rules for the boards of directors of central state-owned enterprises, the Company's board of directors, in accordance with relevant laws, regulations and provisions, organizes the assessment of the operating performance of members of the management team, and decides on appraisal plans, appraisal results and matters related to compensation distribution.

Management Team

The Company's management is responsible for the production, operation and management of the Company and reports to the board of directors. As of the end of 2024, the proportion of female managers in the Company reached 17.3%[6] [[6]Note: The statistical scope is within the territory of China.].

The Company has revised the *Detailed Rules for the Democratic Evaluation of Leadership Teams and Leaders of Units Affiliated to Sinochem Holdings*, and made its management sign annual letters of responsibility for business performance to continuously consolidated their responsibilities. The performance assessment and incentive plans for the Company's management are approved and determined by the board of directors.

Improving Governance Capabilities

The Company embeds legal compliance within its business operations through robust risk management, including compliance management systems, audit supervision, and business ethics, ensuring standardized and sustainable operations.

01 Compliance Management

Compliance System

(1) Organizational Structure

In accordance with the requirements of "hierarchical management and level-by-level responsibility system", the Executive Team, the board of directors, the management team, functional departments and subsidiaries of the Company, have improved the compliance management organizational structure, clarified compliance management responsibilities, established and improved compliance management organizational guarantees, and formed a coordinated compliance management framework with clear roles and responsibilities. The Company has established three departments under the Legal and Compliance Department: Legal Affairs, Overseas Legal Affairs and the Compliance Office. It has also integrated the requirements of law-based compliance into its governance, management, operation and development, resulting in a continuous improvement of the Company's law-based governance and compliance operation. **All major subsidiaries of the Company have appointed Chief Legal Counsel/Chief Compliance Officer responsible for guiding and strengthening compliance management, advising on the compliance of major decision-making matters, and leading in responding to major compliance risk incidents.**

(2) System construction

The Company strictly complies with all relevant laws and regulations at home and abroad, improves the compliance system, formulates the Sinochem Holdings' Compliance Management Regulations, Sinochem Holdings' Legal Compliance Management Measures, Sinochem Holdings' Chief Legal Counsel and Chief Compliance Officer Management Measures, and Sinochem Holdings' Export Control and Sanctions Compliance Management Measures. Additionally, the Company builds a role and responsibility system featuring unblocked communication, consistency and clearly specified roles and responsibilities between the headquarters, secondary units and key subsidiaries. In 2024, the Company issued the Notice on Continuously Deepening Sinochem Holdings' Construction of the Rule of Law in 2024 and the Notice on Continuously Promoting the Evaluation of the Compliance Management System, effectively strengthening the "internalization of external regulations" in compliance management.

(3) Responsibility Management

In accordance with the Compliance Obligation Convention and Integrity & Compliance Manual, in 2024 the Company launched a campaign for all employees to sign the Compliance Responsibility Letter, thereby strengthening the compliance philosophy of "compliance starts from top management; full-staff compliance, proactive compliance, and adherence to the bottom line of compliance risks; practicing compliance and creating value".

Compliance Work

The Company's Legal Compliance Work Achievements in 2024

System Improvement

Conducted on-site compliance evaluations on 15 subsidiaries to promote development of the compliance system.

Compliance Review

Proactively carry out compliance review work in daily operations and management, conduct compliance review of the Company's relevant business management behaviors, processes and documents in terms of legality, procedurality, rigor, applicability and risk, and form compliance review opinions. In 2024, the Company reviewed and analyzed more than 50 matters; reviewed more than 270 pieces of external publicity content.

Effectiveness Evaluation

Effectiveness evaluations of the compliance management system were conducted for secondary subsidiaries and key subsidiaries. Individual feedback was provided to, each subsidiary, with specific requirements for implementing corrective actions.

Contract Review

Publish 17 standard contract templates and compliance model clauses in three categories and promote their use. In 2024, the Company reviewed 440 contracts (including authorization documents) through legal review, and the legal review rate of economic contracts was 100%; the headquarters has not had any risk events or litigation or arbitration cases caused by contract disputes.

Compliance Management in Key Areas

Taking the treasury management system as a key tool, efforts were made to strengthen penetrating control over funds and build a financial management system featuring "three unifications, two enhancements, and one improvement."

Hidden danger investigations and special rectification in the procurement field were carried out, and the "Six Inspections" action plan for bidding and procurement was launched. All secondary subsidiaries established a full-process supervision mechanism consisting of "corporate self-inspection - regular inspections by headquarters - irregular spot checks - mandatory supervision inspections - intelligent inspections - strict investigation of violations."

Overseas Compliance Management

Research and analysis were conducted on different countries' legal policies and relevant geopolitical situations to enhance awareness and capabilities in preventing legal and compliance risks.

Compliance management guidelines and operation manuals were formulated.

Efforts were made to strengthen the construction of a legal culture, carry out special compliance training, and continuously improve the legal awareness and compliance execution capabilities of overseas employees.

Compliance Culture

Based on the corporate culture with Sinochem Ethos as its core content, the Company has fostered a compliance culture featuring "forging compliance thinking, practicing compliance concepts, adhering to compliance bottom lines, and creating value through compliance". The Company formulates training plans and actively organizes special compliance training sessions on ecological environmental protection, intellectual property rights, overseas anti-commercial bribery, among other things. It also carries out awareness raising activities through a number of channels including the Company's internal newspapers and WeChat official accounts, striving to enhance the compliance awareness of all employees. **In 2024, the Company conducted 13 compliance training sessions, with a total of 8,883 participants.**

Compliance Training

Index	Unit	Numbers in 2024
Number of compliance training sessions	Time	13
Number of compliance training participants	People	8,883

Compliance System

The Company has established a legal compliance management system, which includes functional modules such as domestic case management, overseas case management, compliance system evaluation, compliance report management, typical case management, illegal and irregular matters, compliance risk reminders, and SASAC compliance data submission. In 2024, the Company realized online management of legal dispute cases for its subsidiaries at all levels through the compliance management system, empowering corporate legal compliance management with digital means.

02 Risk Control

With the core goal of consolidating the three lines of defense for risk management, the Company has built a systematic risk management process and strategy, continuously implementing full-process control over risk collection, identification, analysis, evaluation, response, and closure to ensure the stable operation of the Company.

Risk Control System

In accordance with the working principles of "comprehensive unification, hierarchical classification, horizontal collaboration, and vertical integration", the Company has established a comprehensive risk management system that matches its strategic transformation. The Board of Directors is responsible for reviewing and supervising major operational risks; the Audit and Risk Committee is responsible for guiding the construction of the risk management system; the Finance Department is the responsible department for risk management, with a subordinate Risk Management Department in charge of daily risk control work; other functional departments perform corresponding risk management responsibilities based on their functional positioning; the principal responsible persons of each subordinate enterprise are the first persons responsible for risk management in their respective units and are accountable for the effectiveness of risk management.

The Company has formulated institutional documents such as the *Sinochem Holdings' Comprehensive Risk Management Measures*, *Sinochem Holdings' Credit Risk Management Measures*, and *Sinochem Holdings' Operational Risk Incident Reporting Management Measures for specific areas of risk management*. Through risk management measures covering the pre-event, in-event, and post-event phases, it has consolidated the foundation and core of risk prevention and enhanced the Company's risk prevention and control capabilities.

Risk Control Work

Risk Control Process	Main Control Contents in 2024
Risk Identification	• Adhering to the principle of "key areas and significant impacts", the Company carried out annual identification and assessment of major risks in 2024. It selected key risk monitoring indicators and early warning thresholds, and established a monitoring, early warning and feedback mechanism.
Risk Assessment	• The Company conducted the 2024 annual major risk assessment, identified the top 5 major risks at the Company level, and carried out dynamic tracking and analysis on these risks.
Risk Response	• Based on the identified and assessed systemic major risks, the Company formulated special risk management strategies and response plans, which were implemented after being reported and approved level by level in accordance with relevant regulations.
Risk Reporting	• In accordance with the *Measures for the Management of Reporting on Sinochem Holdings' Operational Risk Events*, the Company standardized the reporting of annual risk events and urged the risk liability subjects to take countermeasures promptly.
Overseas Project Management	• The Company formulated the *Measures for the Management of Foreign Contracting Engineering Projects*, emphasizing the "upgraded approval" (a mechanism where approval matters that should originally be handled by lower-level departments or institutions are elevated to a higher level for review and decision-making) for specific projects and EPC projects to effectively control project risks. • It conducted special reporting on risks and hidden problems in overseas engineering business in 2024. • It carried out special research on the *Measures for the Record-filing and Project Initiation Management of Foreign Contracting Projects*, analyzing the impact of the formal implementation of the new management measures on the Company's overseas engineering business. • It held exchange seminars on overseas engineering projects to share experiences in risk prevention, control and disposal.

03 Internal Control

Internal Control System

The Company adheres to the goal of "strengthening internal control". Given its diversified operational strcuture, the Company has established a three-level control structure of "headquarters - specialized companies - business units". It has built a hierarchical and tiered internal control system featuring "consistency of roles and responsibilities, effective checks and balances, smooth operations, vigorous execution, and scientific management".

The Company's Internal Control Levels and Functions

Headquarters	Strategic decision-making, resource allocation, risk control, operation monitoring, and assessment and evaluation.
Secondary unit	Strategic execution, operations management, coordination and scheduling, and risk control.
Production and operation units	Daily production, cost control, on-site management, and risk control.

In accordance with the requirements of relevant documents such as the *Basic Norms for Corporate Internal Control* (Finance and Accounting [2008] No. 7) and the *Implementation Opinions on Strengthening the Construction and Supervision of Internal Control Systems in Central SOEs* (SASAC's Regulatory Documents [2019] No. 101), the Company has formulated institutional documents including the Internal Control Standards of Sinochem Holdings Corporation Ltd. (2022 Edition) and Sinochem Holdings' Measures for Internal Control Management. These documents provide clear guidelines for establishing a comprehensive internal control system implemented by the Company's board of directors, management, and all employees.

Internal Control Work

The Company promotes compliant operation and management improvement through internal control evaluation. In 2024, the Company conducted standardized internal control evaluations across 1,700+ subsidiaries enhancing intermediary management, and review processes.

The Company released a special internal control publication on its internal control system optimization and improvement project. Through knowledge quizzes, case analysis, learning from other enterprises' internal control practices, and themed activities of "Top Leaders Talking about Internal Control", it accelerates the awareness of all employees' on internal control systems, ensuring the authenticity and effectiveness of internal control work.

Organizing a Special Exchange Meeting on Internal Control Evaluation

In February 2024, the Company held a special training and exchange meeting on internal control evaluation, which covered training contents such as the key focuses of SASAC's random inspection and evaluation of internal control, internal control evaluation tools and operation methods, and excellent cases of internal control evaluation work in central SOEs. More than 600 people from the headquarters and subsidiaries participated in the meeting either on-site or online, laying a solid foundation for the effective implementation of the annual internal control evaluation work.

04 Audit Supervision

Audit system

The Company has established an audit system directly led by its Executive Team and the Board of Directors, with the Chief Auditor responsible for review and the Audit Department undertaking specific work. In 2024, it centralized the audit functions of third-level and lower-level units in a coordinated manner to promote integrated audit management. By the end of 2024, all 20 secondary subsidiaries of the Company had set up audit functional departments.

The Company has formulated work systems and processes such as the *Sinochem Holdings' Detailed Rules for the Management of Financial Audit Intermediaries, Sinochem Holdings' Measures for the Management of Post-Evaluation of Investment Projects, Sinochem Holdings' Detailed Rules for the Supervision and Management of Post-Evaluation of Overseas Investment Projects, Sinochem Holdings' Key Points for Supervision of Audit Projects in 2024*, the *Manual of Policies for Auditors to Learn and Master,* and the *Implementation Plan for Comprehensively Improving the Quality of Audit Work,* so as to ensure the smooth progress of audit work at the institutional level. In 2024, the Company formulated 9 operation guidelines for audit projects and 3 work mechanisms for accountability for violations, continuously promoting the steady improvement of audit work standardization.

The Company expanded its audit capabilities by recruiting 20 experienced auditors across engineering, cost analysis, strategic management disciplines., and establishing an "expert talent pool" spanning 13 professional fields.

Audit Mechanism

The Company has established an audit mechanism of "four coordinations" to strengthen the management of all aspects of auditing and improve the quality and efficiency of audit projects.

The Company's Audit Mechanism

The Audit Department coordinates the annual audit plan, clarifies key supervision priorities, and develops an "integrated map" for major audit project plans.
It coordinates the implementation of major projects and flexibly adopt joint audits, cross-audits and other methods to improve audit quality.
It coordinates audit resources and promote cross-level, cross-company and cross-regional audit resource allocation.
It also coordinates audit rectifications, standardizes rectification procedures and standards, establishes a unified ledger for the company's audit rectifications, consolidate rectification responsibilities at different levels, and promote management improvement.

Audit Work

In 2024, the Company promoted the formulation of 1,379 rules and regulations through audit supervision; carried out 179 audit projects, with a completion rate of 118%; and achieved a 100% rectification rate of problems in a timely manner, effectively facilitating the efficient transformation of audit results into management achievements.

Overview of the Company's Audit Work in 2024

System Optimization	·The Executive Team and the Board of Directors of the Company listened to audit work reports 12 times, promoting the execution of the *Implementation Plan for Comprehensively Improving Audit Work Quality*. ·Strengthened the application of audit results. Audit issues were reported twice at the headquarters and seven times at its subsidiaries. ·Established a mechanism for post-audit interviews and accountability in areas such as bidding and procurement, and conducted interviews with relevant units.
Economic Responsibility Audit	·Adhered to the functional positioning of "economic supervision" and carried out 61 economic responsibility audits in accordance with the working mechanism of "coordination by headquarters and hierarchical responsibility".
Special Audits	·Enhanced supervision over key areas, conducted a total of 87 special audits, 5 audit investigations, and post-evaluation of 25 investment projects.
Overseas Audit	·Established a dual-reporting mechanism for the audit line of overseas enterprises. ·Developed a 4-tier progressive audit model for overseas operations, including independent audits, joint audits, entrusted audits, and shareholder audits, and continuously strengthened overseas supervision. ·The Company's domestic auditors went to overseas locations in Western Europe, South America, West Asia, and other overseas regions to conduct on-site audit work.

Audit Training

In 2024, the Company formulated an audit training work plan and carried out 202 audit team trainings and daily special trainings to enhance the professional capabilities of internal auditors. It also organized external exchanges with China Minmetals Corporation and China Petrochemical Corporation to create an industry-leading audit team focused on continuous improvement through learning.

Auditing Digitalization

In response to the call for "strengthening audits through technology" and in accordance with the work requirements of "consolidating foundations, carrying out sufficient practices, and achieving steady improvement", the Company has established an audit management system with functions such as audit plan management, project management, audit operations, rectification ledger, and comprehensive reports. In 2024, the Company optimized and upgraded modules such as system audit management, and gradually realized the connection between this system and business-financial systems including financial management and investment management. A total of 6 types of false trade models and 97 bidding and procurement models have been developed and applied in construction project audits.

05 Fair Competition

To prevent anti-competitive practices and prohibit market manipulationand commercial bribery, the Company formulated *Sinochem Holdings' Anti-Monopoly Compliance Manual and Sinochem Holdings' Anti-Commercial Bribery Compliance Manual*, which regulate and improve fair competition behaviors, acceptance and investigation of violations, accountability, and subsequent continuous improvement. **In 2024, the Company reported zero incidents of false advertising, trade secret violations, or deceptive promotional practices.**

False advertising	Trade secret violations	Deceptive promotional practices
0	0	0

Anti-Monopoly

The Company is committed to conducting fair transactions in the market, strictly complying with anti-monopoly laws and regulations globally, and enforcing strict compliance with competition laws through a "zero-tolerance" approach towards any acts that violate the *Anti-Monopoly Law* to ensure full legal compliance.

Anti-Bribery

The Company strictlyprohibits commercial bribery in all forms. Employees must comply with the *Sinochem Holdings' Anti-Commercial Bribery Compliance Manual* when participating in market competition-related activities and engaging with customers, partners, and government regulators.

Strengthen Integrity and Compliance Management

The Company prioritizes integrity and compliance management and continuously improves the relevant institutional system. Through robust anti-bribery and anti-corruption measures, the Company maintains comprehensive whistleblower protection and reporting systems while fostering a culture of integrity. It promotes the advancement of integrity and compliance through a campaign to employees called "not dare to be corrupt, not able to be corrupt, and not want to be corrupt."

Integrity Management System

· System Construction

The Company enforces strict compliance with the *Supervision Law of the People's Republic of China* and the *Law of the People's Republic of China on Administrative Discipline for Public Officials* to combat fraud, embezzlement, and corruption. It has issued documents such as *Sinochem Holdings' 2024 Work Priorities for Party Conduct, Clean Government, and Anti-Corruption*, the *2024 Work Priorities for Sinochem Holdings' Handling of Petitions via Letters and Visits*, and *Administrative Measures for Sinochem Holdings' Discipline Inspection and Supervision on Letters* and *Visits Reporting Misconduct*, and revised 48 rules such as the *Implementation Rules for Expense Management* to improve institutional mechanisms and plug institutional loopholes.

The Company has established a leading group to deal with clean governance and anti-corruption work. It also sets annual priorities for such initiatives, supported by dedicated compliance teams and trained investigators.

• **Working Mechanism**

The Company integrates discipline inspection and supervision with inspection and audit supervision, regularly conducts disciplinary review, supervisory investigation, and accountability work, and continues to intensify efforts in investigating and handling cases involving serious violations of discipline and law. The Company advances relevant work in five stages - "mobilization and deployment, self-inspection and rectification, spot checks and inspections, summary reporting, and consolidation and improvement" - to continuously improves its special rectification capabilities of disciplinary and illegal issues.

• **Prevention Mechanisms**

The Company continues to deepen supervision over its "top leaders" and leadership team, and promptly reports on the progress of clean governance in the Company. By drawing lessons from case investigations, it effectively enhances discipline enforcement and case handling capabilities.

•**Penalty Mechanism**

The Company conducts quarterly reviews of all investigation cases to ensure consistent and appropriate disciplinary actions, addressing both lenient and excessive enforcement. It also leverages case findings to strengthen compliance protocols, implement reforms, and maintain rigorous anti-corruption standards.

Building a Culture of Integrity

•**Cultural System**

The Company regards the integrity culture of "knowing rules and disciplines, advocating integrity and emphasizing virtue" as one of its six special corporate cultures. It has formulated *Sinochem Holdings' Integrity Culture Construction Plan for 2024-2026*, and made integrated efforts in three aspects: immersement in integrity culture, consolidating defenses through integrity-promoting education, and vigorously advocating integrity practices.

Building a Culture of Integrity in Three Steps and Three Years

First step 2024

Highlight the value of integrity culture:
Forged the spiritual genealogy of integrity culture, compiled the "Sinochem Holdings' Integrity Story Bank";
Held Sinochem Holdings Integrity Culture Exhibition.

Second Step 2025

Highlight the consolidation of defenses through integrity-promoting education:
Strengthen integrity training through vertical and horizontal collaboration;
Utilize new media to enhance the publicity and implementation of regulations.

Third Step 2026

Highlight the importance of integrity and strict practice:
Sort out the highlights of the construction of integrity culture and form a research report;
Launch Sinochem Holdings integrity culture brand, and construct a "1+N" integrity culture brand matrix.

•**Education and Training**

Sinochem Holdings promotes a culture of integrity through both positive reinforcement and preventive education. The Company conducts comprehensive integrity training and awareness programs across all organizational levels, organizes and holds warning education meetings, and compiles *A Collection of Warning Education Materials on Serious Violations of Discipline and Law Cases.* By using "living teaching materials" (real cases) to educate and alert all employees, it vigorously promotes a cultural atmosphere of integrity and uprightness.

Conducting Warning Education and Learning from Cases

In June 2024, the Company held a warning education conference on corporate disciplines and rules study, organizing leadership teams at all levels, supervision targets, and employees in key positions to receive special warning education. By reporting typical cases of disciplinary violations and illegal acts, it educated people with things happening around them, further strengthening their awareness of discipline and rules.

Integrity Education and Training Performance [7]

Index	Unit	2022	2023	2024
Number of warning education	Time	1	2	2
Warning education duration	Hour	3	6	6
Number of participants in warning education	Person-time	19,624	39,749	41,348

[7]Note: The statistical scope covers warning education conferences organized at the headquarters.

•**Integrity Activities**

Sinochem Holdings designates September 10th of each year as the Corporate Integrity Culture Day. In 2024, the Company carried out a series of themed activities for the Integrity Culture Day. The Secretary of the Executive Team delivered an integrity message to all employees, held touring exhibitions of integrity-themed calligraphy and paintings, organized enterprises at all levels to put up integrity posters, create integrity-themed calligraphy and paintings, and produce original integrity short videos. Through centralized online and offline publicity, it has actively fostered a sound atmosphere where everyone feels the importance of integrity and advocates it at every level.

The Company Designates September 10th as the Annual Integrity Culture Day

The Company Organizes a Series of Activities for Integrity Culture Day

Posting integrity culture-related posters

Watching integrity culture-related videos

Creating integrity culture-related works

Effectiveness of Integrity Management

•**Management Effectiveness**

The Company's Key Tasks for Integrity Construction in 2024

Strengthen the building of the leadership team	Promote the extension of the discipline inspection and supervision system reform to the grassroots level to further bolster areas of weakness, strengthen the force of specialized personnel, improve on-the-job training, and implement standardized procedures and ensure robust governance mechanisms across all levels.
Strengthen daily management	Strengthen the working mechanism of the leading group for clean governance and anti-corruption work as well as the conference mechanism for comprehensive supervision, and proactively identify problem clues.
Intensify efforts in disciplinary enforcement and case handling	Concentrate compliance oversight on high-exposure areas characterized by significant decision-making authority, substantial financial transactions, and valuable resource management, and advance the integrated implementation of "deterrence against corruption due to severe punishment, inability to be corrupt due to vigorous supervision, and no desire to be corrupt due to intense education program". Analyze compliance violations to identify systemic improvements and implement preventive measures based on case findings.
Focus on rectifying unhealthy practices	Launch focused initiatives to identify, investigate and resolve unethical practices and corruption emphasizing systematic reform and behavioral change across the organization, thoroughly review problem clues, and punish "petty corruption" with a "zero-tolerance" attitude.

Supervision and Management System

The Company takes improving the mechanism for coordinating and integrating supervision as an important means to run the enterprise. It strives to build a comprehensive supervision system, forming a pattern characterized by integrated work systems, clear division of responsibilities, and strong supervision coordination, which centers on the three major tasks of "implementing key supervision tasks", "implementing suggestions from discipline inspection, inspection and audit supervision", and "fulfilling functional supervision responsibilities". This system has played an important role in promoting the implementation of major decisions and arrangements of the central government, deepening the building of a clean governance system and the fight against corruption, and building a solid "firewall" against risks to ensure high-quality development (providing guarantees for high-quality development through measures such as risk prevention and control, and institutional building).

The Company's Comprehensive Supervision Mechanism

Building the "Three-Task Structure"

Supervise the implementation of key supervision tasks. Centering on the decisions and arrangements of the central government and the key concerns of the Company's Executive Team, "customized" key supervision tasks are formulated for each functional department at the headquarters and their implementation is supervised to ensure full completion.

Supervise the implementation of supervisory suggestions. Issues identified through supervision such as discipline inspection and supervision, inspection and patrol, and auditing, along with relevant suggestions, are taken as key tasks and the relevant functional departments are urged to rectify and implement them one by one.

Supervise the implementation of supervisory responsibilities of relevant functional departments. Focus is placed on the fulfillment of supervision responsibilities specified in the "three-set plans" (establishment, staffing, and job responsibilities) of each functional department, promoting the strengthening of penetrating supervision.

Establishing "three working mechanisms"

Sharing Mechanism
Hold quarterly joint meetings on comprehensive supervision, focus on key and difficult issues for timely communication and coordination, and arrange "one-on-one" consultations as needed.

Deployment Mechanism
At the beginning of each year, the Executive Team holds an annual work conference on comprehensive supervision to report on the work effectiveness of the previous year and deploy the work for the whole year. Functional departments formulate task lists, clarifying key matters and division of responsibilities.

Supervision mechanism
The leading department coordinates all functional departments, adheres to follow-up supervision on key matters, sorts out task progress quarterly, and conducts year-end summary and reporting of results. The head of the discipline inspection and supervision team listens to reports regularly.

Working together to vertically consolidate supervisory responsibilities

Specialized companies and directly managed units have developed comprehensive supervision mechanisms with their own characteristics

Petition and Reporting Management

The Company has established a petition and reporting management mechanism, unblocked petition and reporting channels, and strictly implemented the avoidance regulations and whistleblower protection measures and prohibited the disclosure of whistleblower privacy

in accordance with the Sinochem Holdings' Management Measures for Discipline Inspection and Supervision of Petition and Reporting Work. All whistleblowers identifying information, including name, department, location and other relevant information along with report contents and evidence and accusation shall remain strictly confidential. Investigations shall be conducted with utmost discretion to protect whistleblowers anonymity. Any deliberate false accusations or attempts to mislead investigations will face appropriate disciplinary measures to safeguard the integrity of the reporting system.

Investor Relations and Shareholders' Rights and Interests

The Company has always placed the protection of the legitimate rights and interests of investors, shareholders, and creditors at the core of its governance system. By strengthening the performance efficiency of the board of directors and building a robust internal control system, it continuously improves decision-making transparency and risk management capabilities, fulfills its fiduciary responsibilities to stakeholders, and promotes the sustainable growth of corporate value and investor returns.

Investor Relations Management

The Company has formulated the *Measures for the Management of Investor Relations of Sinochem Holdings' Listed Companies*, and continuously expanded channels for interaction between its subsidiaries and investors. It conducts two-way communication with investors through a combination of online and offline methods to deepen investors' understanding of and trust in the Company. In 2024, Yangnong Chemical, a subsidiary of the Company, won the "Golden Bull Award of the Most Investment Value"; the secretaries of the boards of directors of Haohua Technology, Sinochem International, and Win-All High-Tech Seed, also subsidiaries of the Company, received the 5A rating (the highest rating) from the China Association for Public Companies; Adisseo was selected into the "2024 Best Practices of Listed Companies' Board Offices" cases by the China Association for Public Companies; and Sinochem Equipment won the "2024 Excellence Award for Best Practices of Listed Companies' Board Offices" from the China Association for Public Companies.

Protection of Shareholders' Rights and Interests

The Company actively promotes shareholder participation in corporate decision-making, protecting the maximization of shareholders' rights and interests, while creating mutual value for both the Company and its shareholders.

Information Disclosure Management

The Company ensures transparent, accurate, and timely disclosure of material information to all stakeholders. Its Finance Department is responsible for the disclosure of financial information, and the listed companies under the Company publicly disclose information in the form of regular reports and interim reports in accordance with the *Measures for the Management of Information Disclosure of Sinochem Holdings' Listed Companies*. The Company's Corporate Management Department is responsible for sustainable information disclosure and has released sustainable development and ESG reports for four consecutive years.

Appendix 1: Index Table of Indicators

Index of the *Reference Index System for ESG Special Reports of Listed Companies Controlled by Central SOEs* Issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) -Basic Disclosure Items

Category	Primary Indicators	Secondary Indicators	Tertiary Indicators	Report Sections
Environmental (E)	E.1 Resource Consumption	E.1.3 Energy	E.1.3.1 Fossil Energy Consumption	/
			E.1.3.2 Non-fossil Energy Consumption	/
	E.2 Pollution Prevention	E.2.1 Wastewater	E.2.1.3 Wastewater Discharge	/
			E.2.1.4 Wastewater Pollutant Discharge	/
		E.2.2 Exhaust Gas	E.2.2.1 Waste Gas Emission Compliance	E. (IV) Promoting Pollution Prevention and Control - 1. Waste Gas Management
		E.2.3 Solid Waste	E.2.3.1 Compliance with Laws and Regulations for Solid Waste Disposal	E. (IV) Promoting Pollution Prevention and Control-3. Solid Waste Management
			E.2.3.4 Hazardous Waste Management	E. (IV) Promoting Pollution Prevention and Control-3. Solid Waste Management
			E.2.3.5 Hazardous Waste Disposal Volume	E. (IV) Promoting Pollution Prevention and Control-3. Solid Waste Management
	E.3 Climate Change	E.3.1 Greenhouse Gas Emissions	E.3.1.1 Sources and Types of Greenhouse Gases	/
	E.5 Resource and Environmental Management Systems and Measures	E.5.2 Resource Management Measures	E.5.2.1 Water Resources Utilization Management	E. (III) Optimizing Resource Utilization-2. Water Resource Management
			E.5.2.3 Energy Use and Energy Saving Management	E. (III) Optimizing Resource Utilization-1. Energy Management
		E.5.6 Legal Compliance in Environmental Field	E.5.6.2 Illegal and Non-compliant Incidents in Environmental Field	E. (II) Improve Environmental Management-1. Management System
Social	S1 Employee Rights	S1.1 Employee Recruitment and Employment	S1.1.1 The Company's Recruitment Policy and Implementation	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
			S1.1.2 Staff Structure	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests

Category	Primary Indicators	Secondary Indicators	Tertiary Indicators	Report Sections
Social		S1.2 Employee Compensation and Benefits	S1.2.1 Compensation Philosophy and Policy	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S1.2.3 Compensation and Welfare Benefits	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S1.2.4 Democratic Management of Employees	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
		S1.3 Employee Health and Safety	S1.3.1 Employee Occupational Health and Safety Management	S. Safeguarding Safety and Health
			S1.3.2 Employee Safety Risk Prevention and Control	S. Safeguarding Safety and Health - Work Safety - Risk Prevention and Control
			S1.3.3 Response to Safety Accidents and Work-related Injuries	S. Safeguarding Safety and Health - Work Safety
		S1.4 Staff Development and Training	S1.4.2 Employee Education and Training	S. (I) Supporting Employees' Development - Career Development - Talent Training
	S2 Product and Service Management	S2.1 Product Safety and Quality	S2.1.2 Quality Management	S-III: Craftsmanship Builds Quality
		S2.3 Innovative Development	S2.3.1 R&D and Innovation Management System	S-(IV) Innovation Empowers Development-1. Technological Innovation
	S3 Supply Chain Security and Management	S3.1 Supplier Management	S3.1.1 Supplier Selection and Management	S-VI Cultivating Responsible Supply-Supplier Management
Governance	G1 Governance Strategy and Organizational Structure	G1.1 Governance Strategy and Process	G1.1.1 Governance Strategy Formulation	G. (I) Building a Solid Foundation for Governance - 1. Governance Strategy
			G1.1.2 Governance Strategy Supervision Process	G. (I) Build a Solid Foundation for Governance - 1. Governance Strategy
			G1.1.3 Governance Strategy Approval and Review Process	/
		G1.2 Organizational Structure and Functions	G1.2.2 Organizational Structure and Functions of the Board of Directors, Supervisory Board and Management	G. (I) Build a Solid Foundation for Governance - 2. Governance Framework
			G1.2.3 Appointment Procedures and Composition of the Board of Directors, Supervisory Board and Management	G. (I) Build a Solid Foundation for Governance - 2. Governance Framework

Category	Primary Indicators	Secondary Indicators	Tertiary Indicators	Report Sections
Governance		G1.3 Compensation Management	G1.3.1 Remuneration Plan for Directors and Supervisors	G. (I) Build a Solid Foundation for governance - 2. Governance Framework
	G2 Standardized Governance	G2.1 Internal Control	G2.1.1 Internal Audit	G-(II) Improving Governance Capabilities-4. Audit Supervision
			G2.1.2 Internal Control Structure, Mechanism and Process	G. (II) Improving Governance Capabilities - 3. Internal Control
		G2.2 Integrity Building	G2.2.1 Institutional Norms for Integrity Building	G.(III) Strengthening Integrity and Compliance Management
			G2.2.2 Effectiveness of Measures for Integrity Building	G.(III) Strengthening Integrity and Compliance Management-Effectiveness of Integrity Management
		G2.3 Fair Competition	G2.3.1 Institutional Norms for Fair Competition	G. (II) Improving Governance Capabilities - 5. Fair Competition
			G2.3.2 Effectiveness of Measures for Fair Competition	G. (II) Improving Governance Capabilities - 5. Fair Competition
	G3 Investor Relations Management and Shareholders' Rights and Interests	G3.1 Investor Relations Management	G3.1.1 Investor Relations Management Strategy	G.(IV) Investor Relations and Shareholders' Rights and Interests
			G3.1.2 Communication with Investors	G.(IV) Investor Relations and Shareholders' Rights and Interests
			G3.1.3 Establishment of Investor Relations Management Department	G.(IV) Investor Relations and Shareholders' Rights and Interests
		G3.2 Shareholders' Equity	G3.2.1 Shareholders' (General) Meeting	/
			G3.2.2 Communication with Shareholders	G.(IV) Investor Relations and Shareholders' Rights and Interests
			G3.2.3 Shareholders' Right to Know and Participate in Decision-making	G-(IV) Investor Relations and Shareholders' Rights and Interests
	G4 Transparency of Information Disclosure	G4.1 Information Disclosure System	G4.1.1 Disclosure of Financial Information	G-(IV) Investor Relations and Shareholders' Rights and Interests-Information Disclosure Management
			G4.1.2 Disclosure of Non-financial Information	G-(IV)Investor Relations and Shareholders' Rights and Interests-Information Disclosure Management

Category	Primary Indicators	Secondary Indicators	Tertiary Indicators	Report Sections
		G4.2 Quality of Information Disclosure	G4.2.1 All Disclosed Information is Subject to Regular Supervision, Auditing and Evaluation	G-(IV)Investor Relations and Shareholders' Rights and Interests-Information Disclosure Management
	G5 Compliance Operation and Risk Management	G5.1 Compliance Management	G5.1.1 Compliance Management System	G-(II) Improving Governance Capabilities-1. Compliance Management
			G5.1.2 Compliance System Construction	G-(II) Improving Governance Capabilities-1. Compliance Management
			G5.1.3 Specific Process of Compliance Review	G-(II) Improving Governance Capabilities-1. Compliance Management
		G5.2 Risk Management	G5.2.1 Risk Identification and Early Warning	G-(II) Improving Governance Capabilities-2. Risk Control
			G5.2.2 Risk Control and Tracking	G-(II) Improving Governance Capabilities-2. Risk Control
			G5.2.3 Risk Reporting and Management	G-(II) Improving Governance Capabilities-2. Risk Control

Index of the *Guidelines for Sustainable Development Reporting of Chinese Enterprises CASS-ESG 6.0* issued by China Enterprise Reform and Development Research Society - Basic Indicators

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
Preface to the Report (P)	/	Reporting Specifications (P1)	P1.1	Quality Assurance	Material issue assessment
			P1.2	Information Notes	About this Report
		Senior Management Speech (P2)	P2.1	Executive's Message	Chairman's Message
		Company Profile (P3)	P3.1	Basic Information	About Sinochem-Holdings-Company Profile
			P3.2	Strategy and Culture	About Sinochem Holdings-Corporate Culture
			P3.3	Business Overview	About Sinochem Holdings-Business Ecosystem
			P3.4	Significant changes in the size, structure, ownership or supply chain of the organization during the reporting period	About Sinochem-Holdings-Development History

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
Environm-ental (E)	Addressing climate change (E1)	Addressing Climate Change (E1.1)	E1.1.1	Climate Change Governance	E. Addressing Climate Change - 1. Governance System
			E1.1.2	Climate Change Strategy	E. (I) Addressing Climate Change - 2. Strategic System
			E1.1.3	Managing Climate Change-Related Impacts, Risks and Opportunities	E. (I) Addressing Climate Change - 3. Risks and Opportunities Management
			E1.1.4	Indicators and Targets for Addressing Climate Change	E. (I) Addressing Climate Change - 4. Indicators and Targets
			E1.1.5	Climate Change Adaptation	E. (I) Addressing Climate Change - 3. Risks and Opportunities Management
			E1.1.6	Transformation plans, measures and progress to address climate-related risks and opportunities	E. (I) Addressing Climate Change - 3. Risks and Opportunities Management
			E1.1.7	Scope 1 Greenhouse Gas Emissions	/
			E1.1.8	Scope 2 Greenhouse Gas Emissions	/
			E1.1.10	Source and Quantity of Carbon Credits Used	/
			E1.1.11	Participation in Carbon Emission Trading	E. Addressing Climate Change - 5. Results of Actions
			E1.1.14	Greenhouse Gas Emissions Calculation Instructions	/
			E1.1.15	Participate in Various Emission Reduction Mechanisms	E. Addressing Climate Change - 5. Results of Actions
			E1.1.16	Emission Reduction Targets, Measures and Effects	E. Addressing Climate Change - 5. Results of Actions
			E1.1.17	Scope 1 Greenhouse Gas Emissions Reduction	/
			E1.1.18	Scope 2 Greenhouse Gas Emissions Reduction	/
	Pollution Prevention and Ecosystem Protection (E2)	Pollutant Emissions (E2.1)	E2.1.1	Environmental Management System	E. (II) Improve Environmental Management-1. Management System
			E2.1.2	Total Amount of Pollutant Emissions	/
			E2.1.3	Excessive Emission of Pollutants	E. (II) Improve Environmental Management-1. Management System
			E2.1.4	Environmental Performance Level	/
			E2.1.6	Pollution Prevention Technologies, Facilities and Implementation Effects	E. (IV) Promoting Pollution Prevention and Control
			E2.1.7	Major Pollutant Emission Reduction Targets and Measures	E. (IV) Promoting Pollution Prevention and Control
			E2.1.8	Impact of Pollutant Emissions on Surrounding Residents	E. (V) Practicing Sustainable Development-5. Biodiversity
			E2.1.9	Major Deficiencies in Environmental Monitoring Plans and Risk Management Measures	/
		Waste Disposal (E2.2)	E2.2.1	Hazardous Waste Generation	/
			E2.2.2	Hazardous Waste Discharge Density	/
			E2.2.3	Non-hazardous Waste Generation	/
			E2.2.4	Density of Non-hazardous Waste Discharge	/
			E2.2.5	Hazardous Waste Treatment and Disposal	E. (IV) Promoting Pollution Prevention-3. Solid Waste Management
			E2.2.6	Non-hazardous Waste Treatment and Disposal	E. (IV) Promoting Pollution Prevention-3. Solid Waste Management
			E2.2.7	Waste Reduction Targets and Measures	E. (II) Improve environmental management-2. Management objectives
		Ecosystem and Biodiversity Protection (E2.3)	E2.3.1	Suspension of production and removal of facilities within the ecological protection red line	E. (V) Practicing Sustainable Development-5. Biodiversity
			E2.3.2	Ecosystem Protection and Restoration	Special Topic 2-(III) Our Practices and Achievements-2. Healthier Soil
			E2.3.3	Biodiversity Conservation	E. (V) Practicing Sustainable Development-5. Biodiversity
			E2.3.4	Protection and Utilization of Biological Genetic Resources	/
			E2.3.5	Impacts and dependencies of products throughout their life cycle on ecosystems and biodiversity	/

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
		Environmental Compliance Management (E2.4)	E2.4.1	Environmental Incident Risk Assessment and Prevention	E. (II) Improve Environmental Management-3. Risk Management
			E2.4.2	General situation of emergency response plan for sudden environmental incidents	E. (II) Improve Environmental Management-4. Emergency Management
			E2.4.3	Major Environmental Emergencies and Responses	E. (II) Improve Environmental Management-4. Emergency Management
			E2.4.4	Environmental Violations and criminal Cases	E. (II) Improve Environmental Management-1. Management System
	Resource Utilization and Circular Economy (E3)	Energy use (E3.1)	E3.1.1	Total Energy Consumption	/
			E3.1.2	Energy Use Structure	/
			E3.1.3	Total energy use intensity of the Company	/
			E3.1.4	Types, Total Amount, Proportion of Clean Energy	E. (III) Optimizing Resource Use - 1. Energy Management
			E3.1.5	Energy Saving Goals and Measures	E. (III) Optimizing Resource Use - 1. Energy Management
		Water Resource Utilization (E3.2)	E3.2.1	Total Water consumption	/
			E3.2.2	Water Consumption Intensity	/
			E3.2.3	Water Conservation Goals and Measures	E. (III) Optimizing Resource Use - 2. Water Resource Management
			E3.2.4	Water Recycling	E. (III) Optimizing Resource Use - 2. Water Resource Management
		Circular Economy (E3.3)	E3.3.1	Circular Economy Goals and Plans	E. (V) Practicing Sustainable Development - 1. Circular Economy
			E3.3.2	Resource Conservation and Efficient Utilization	E. (IV) Promoting Pollution Prevention and Control-7. Clean Production
			E3.3.3	Use of Renewable Resources	E. (V) Practicing Sustainable Development - 1. Circular Economy
			E3.3.4	Waste Recycling	E. (V) Practicing Sustainable Development - 1. Circular Economy
			E3.3.5	Amount of Waste Recycled	/
			E3.3.6	Renewable Resource Consumption and its Proportion in the Total Consumption of Resources	/

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
Social (S)	Rural Revitalization and Social Contribution (S1)	Rural Revitalization (S1.1)	S1.1.1	Integrating Rural Revitalization into Corporate Strategy	S. (VII) Fulfilling Social Responsibilities-3. Promoting Rural Revitalization
			S1.1.2	Measures to Support Rural Revitalization	S. (VII) Fulfilling Social Responsibilities-3. Promoting Rural Revitalization
			S1.1.3	Total Investment in Rural Revitalization	S. (VII) Fulfilling Social Responsibilities-3. Promoting Rural Revitalization
			S1.1.4	Scope and number of groups benefited by rural revitalization	S. (VII) Fulfilling Social Responsibilities-3. Promoting Rural Revitalization
			S1.1.5	Impact of Engaging in Rural Revitalization on Corporate Brands and Business Development	/
		Social Contribution (S1.2)	S1.2.1	Social Contribution Actions and Results	S-(VII) Fulfilling Social Responsibilities
			S1.2.2	Amount of Social Contribution Investment	II. (VII) Fulfilling Social Responsibilities - 2. Carrying out Public Welfare Activities
			S1.2.3	Number of Participants in Social Contribution Activities	S. (VII) Fulfilling Social responsibilities - 2. Carrying out Public Welfare Activities
			S1.2.4	Cumulative Participation Time in Social Contribution Activities	/
			S1.2.5	Scope and number of groups benefited by social contribution activities	S. (VII) Fulfilling Social Responsibilities - 2. Carrying out Public Welfare Activities
			S1.2.6	Impact of social contribution activities on corporate brands and business development	S. (VII) Fulfilling Social Responsibilities-3. Promoting Rural Revitalization
		Supply Chain Security (S3.1)	S3.1.1	Strengthening Supply Chain Risk Management	S. (VI) Cultivating Responsible Supply-3. Supply Chain Management
			S3.1.2	Ensure Security and Stability of Supply Chain	S. (VI) Cultivating Responsible Supply - 2. Supplier Management
		Equal Treatment of Small and Medium-sized Enterprises (S3.2)	S3.2.1	Specific circumstances of overdue payments to SMEs	/
			S3.2.2	Proposed solutions for overdue accounts	/
		Product and Service Safety and Quality (S3.3)	S3.3.1	Product and Service Quality Management System	S.(III) Craftsmanship Builds Quality-1.Management System
			S3.3.2	Quality Management System Certification	/

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
			S3.3.3	Major safety and quality accidents related to products and services	S.(III) Craftsmanship Builds Quality-2. Management Effectiveness
			S3.3.4	After-sales Service	/
			S3.3.5	Product Recall	S.(III) Craftsmanship Builds Quality -3. Product Recall and Handling
			S3.3.6	Response to Customer Complaints	/
		Data Security and Customer Privacy Protection (S3.4)	S3.4.1	Data Security Management	S-(V) Promoting Digital Transformation-3. Digital Security
			S3.4.2	Data Security Incidents and Responses	S. (V) Promoting Digital Transformation - 2. Digital Transformation Results
			S3.4.3	Customer Privacy Protection	/
			S3.4.4	Customer Privacy Leakage Incidents and Responses	/
	Staff (S4)	Protection of Employee Rights and Interests (S4.1)	S4.1.1	Employment Situation	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
			S4.1.2	Creation of Flexible Jobs	/
			S4.1.3	Staff Composition	S. (I) Supporting Employees' Development - 1. Basic rights and interests
			S4.1.4	Labor Contract Signing Rate	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S4.1.5	Pay Employees' Salaries on Time	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S4.1.6	Social Insurance Coverage	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S4.1.7	Average number of paid annual leave days per capita	S. (I) Supporting Employees' Development - 3. Employee Welfare
			S4.1.8	Labor Dispute	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
			S4.1.9	Staff Turnover Rate	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
			S4.1.10	Protection of the rights and interests of flexible employment personnel	/
			S4.1.11	Ensure a compliant, fair and transparent recruitment and hiring process	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
			S4.1.12	Establish a reasonable and effective employee complaint system	S. (I) Supporting Employees' Development - 1. Basic Rights and Interests
		Occupational Health and Work Safety (S4.2)	S4.2.1	Identification and assessment of occupational safety risks and sources	S. Safeguarding Safety and Health - 2. Work Safety

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
			S4.2.2	Establishment and implementation of occupational health and safety management system	S. Safeguarding Safety and Health-1. Management System
			S4.2.3	Occupational Health and Safety Management System Qualification Certification	/
			S4.2.4	Occupational Health and Safety Related Training	S. Safeguarding Safety and Health-1. Management System
			S4.2.5	Investment amount and personnel coverage rate of work-related injury insurance and production safety liability insurance	/
			S4.2.6	Safety Incidents and Responses	S. Safeguarding Safety and Health - 2. Work Safety
		Professional Development and Training (S4.3)	S4.3.1	Position System Setting	S. (I) Supporting Employees' Development - 2. Career Development
			S4.3.2	Employee Promotion, Selection and Career Development Mechanism	S. (I) Supporting Employees' Development - 2. Career Development
			S4.3.3	Types and Implementation of Employee Training	S. (I) Supporting Employees' Development - 2. Career Development
			S4.3.4	Number of Staff Training sessions	/
			S4.3.5	Employee Training Expenditure	/
			S4.3.6	Employee Training Coverage	/
Governance (G)	Sustainable Development-related Governance Mechanisms (G1)	Sustainable Governance Mechanisms (G1.1)	G1.1.1	Sustainability Governance Structure	ESG Management - (I) ESG Governance
			G1.1.2	Sustainable Development System	/
			G1.1.3	Sustainability Expertise and Capabilities	ESG Management - (IV) ESG Work Practice
			G1.1.4	Sustainable Development Information Reporting Mechanism	G. (IV)-Information Disclosure Management
			G1.1.5	Sustainable Development Supervision and Assessment	/
			G1.1.6	Integrate Sustainable Development into Decision Making	ESG Management - (II) ESG Strategy
			G1.1.7	Strategic Planning for Sustainable Development	ESG Management - (II) ESG Strategy
			G1.1.8	Managing Sustainability Impacts, Risks and Opportunities	ESG Management - (III) ESG Impact, Risk and Opportunity Management
			G1.1.9	Identify Key Sustainable Development Issues	Material Issues Assessment
			G1.1.10	Construction and Division of Labor of Sustainable Development Indicator System	/

Level-1 Topics	Level-2 Topics	Level 3 Topics	Level-4 Indicators		Report Section
			G1.1.11	Sustainable Development Goals and Progress	E. (I) Addressing Climate Change - 4. Indicators and targets, (II) Improving Environmental Management - 2. Management Objectives
			G1.1.12	Digital Construction of Sustainable Development	S. (V) Promoting Digital Transformation - 2. Digital Transformation Effects
		Communication with Stakeholders (G1.3)	G1.3.1	Construction and Implementation of the Stakeholder Communication System	Material Issue Assessment - Stakeholder Communication
			G1.3.2	Stakeholder Communication Channels	Material Issue Assessment - Stakeholder Communication
	Business Conduct (G2))	Anti-commercial Bribery and Anti-corruption (G2.1)	G2.1.1	Anti-commercial Bribery and anti-corruption Risk Management System	G. Strengthening Integrity and Compliance Management - 1. Integrity Management System
			G2.1.2	Measures against Commercial Bribery and Corruption	G. Strengthening Integrity and Compliance Management - 3. Effectiveness of Integrity Management
			G2.1.3	Whistleblower Protection Policy	G. Strengthening Integrity and Compliance Management - 5. Petition and Reporting Management
			G2.1.4	Commercial Bribery and Corruption Risk Assessment	G. (II) Improving Governance Capabilities-2. Risk Control
			G2.1.5	Total number and percentage of directors who received anti-commercial bribery and anti-corruption training	/
			G2.1.6	Total number and percentage of management personnel who received anti-commercial bribery and anti-corruption training	/
			G2.1.7	Total number and percentage of employees who received anti-commercial bribery and anti-corruption training	/
			G2.1.8	Commercial Bribery and Corruption Incidents and Responses	/
		Anti-unfair Competition (G2.2)	G2.2.1	Anti-unfair Competition Management System	G. (II) Improving Governance Capabilities - 5. Fair Competition
			G2.2.2	Measures against Unfair Competition	G. (II) Improving Governance Capabilities - 5. Fair Competition
			G2.2.3	Unfair Competition Incidents and Responses	G. (II) Improving Governance Capabilities - 5. Fair Competition
Postscript to the Report (A)			A 1	Future Flans	Chairman's Message
			A 2	Key Performance Table	
			A 3	Index of Indicators	Appendix 1: Index Table of Indicators
			A 4	Assurance Report	/
			A 5	Rating Report	/
			A 6	Feedback	Appendix 3: Reader Feedback Form

Appendix 2: Table of Company Name Abbreviations

Abbreviation	Company Name	Abbreviation	Company Name
Sinochem Holdings	Sinochem Holdings Corporation Ltd.	Adisseo	Adisseo France S.A.S
ADAMA	ADAMA Co., Ltd.	Elkem	Elkem ASA
Elkem Xinghuo Silicones	Jiangxi Bluestar Xinghuo Silicones Co., Ltd.	Cangzhou Dahua	Cangzhou Dahua Group Co., Ltd.
Dezhou Shihua	Dezhou Shihua Chemical Co., Ltd.	ELIX Polymers	ELIX Polymers S.L.
Aeolus Tire	Aeolus Tire Co., Ltd.	Hangzhou Water Treatment	Hangzhou Water Treatment Technology Research and Development Center
Haohua Gas	Haohua Gas Co., Ltd.	Haohua Aerospace	Haohua Aerospace Chemical Co., Ltd.
Heilongjiang Haohua	Heilongjiang Haohua Chemical Co., Ltd.	Hongyuan Chemical	Yizhang Hongyuan Chemical Co., Ltd.
Sinochem Equipment	China National Chemical Equipment Co., Ltd.	CNCIC	China National Chemical Information Center Co., Ltd.
KraussMaffei	KraussMaffei Group GmbH	Bluestar Adisseo	Bluestar Adisseo Co., Ltd.
BCMC	Bluestar (Beijing) Chemical Machinery Co., Ltd.	BlueStar	China National Bluestar (Group) Co., Ltd.
Luxi Group	Luxi Chemical Group Co., Ltd.	Lanzhou Silicon Materials	Elkem Silicon Materials (Lanzhou) Co., Ltd.
Nantong Xingchen	Nantong Xingchen Synthetic Materials Co., Ltd.	Ningxia Ruitai	Ningxia Ruitai Technology Co., Ltd.
PTN	Prometeon Tyre Group Srl	Shenyang Chemical	Shenyang Chemical Industry Co., Ltd.
SYRICI	Shenyang Research Institute of Chemical Industry Co., Ltd.	Sennics	Sennics Chemical Technology Co., Ltd.
Syngenta Group (SG)	Syngenta Group Co., Ltd.	Syngenta Group China (SGC)	Syngenta Group Modern Agricultural Technology Co., Ltd.
Rubber Company	China National Tire & Rubber Co., Ltd.	Yangnong Ruiheng	Jiangsu Ruiheng New Material Technology Co., Ltd.
Yangnong Ruixiang	Jiangsu Yangnong Ruixiang Chemical Co., Ltd.	Yangnong Chemical	Jiangsu Yangnong Chemical Co., Ltd.
Yangzhou Huayu	Yangzhou Sinochem Huayu Environmental Protection Co., Ltd.	China Jinmao	China Jinmao Holdings Group Co., Ltd.
CFETT	China Foreign Economic and Trade Trust Co., Ltd.	ZCIRI	Zhejiang Chemical Industry Research Institute Co., Ltd.
Sinochem Factoring	Sinochem Commercial Factoring Co., Ltd.	Sinochem Insurance Brokers	Sinochem Insurance Brokers (Beijing) Co., Ltd.
Sinochem Dongda	Sinochem Dongda (Zibo) Co., Ltd.	Sinochem Petroleum Guangdong	Sinochem Petroleum Guangdong Co., Ltd.
Sinochem International	Sinochem International (Holdings) Co., Ltd.	Sinochem Quanzhou Park	Sinochem Quanzhou Industrial Park Development Co., Ltd.
Sinochem Quanzhou Petrochemical	Sinochem Quanzhou Petrochemical Co., Ltd.	Sinofert	Sinofert Holding Limited
Sinochem Environment	Sinochem Environment Holdings Co., Ltd.	Sinochem Agriculture MAP	Sinochem Modern Agriculture Co., Ltd.
Sinochem Commerce	Sinochem Commerce Co., Ltd.	Sinochem Rubber & Plastic Machinery	Sinochem (Fujian) Rubber & Plastic Machinery Co., Ltd.
Sinochem Information	Sinochem Information Technology Co., Ltd.	Zhuzhou Institute	Sinochem Zhuzhou Rubber Research and Design Institute Co., Ltd.
China Bluestar Lehigh	China Bluestar Lehigh Design and Research Institute Co., Ltd.	China Seed Group	China National Seed Group Co., Ltd.
Sinochem Energy	Sinochem Energy Co., Ltd.	Zhonghao Chenguang	Zhonghao Chenguang Chemical Research Institute Co., Ltd.
Southwest Institute	Southwest Research and Design Institute of Chemical Industry	Sinochem Zhoushan	Sinochem Petroleum Zhoushan Co., Ltd.
Lantian Fluorine Materials	Sinochem Lantian Fluorine Materials Co., Ltd.	Jingtai Environmental Protection	Jingtai Environmental Protection Technology Co., Ltd.
Sinochem Yunlong	Sinochem Yunlong Co., Ltd.	Taian Sennics	Taian Sennics Chemical Co., Ltd.
Fuyang Huacheng	Fuyang Sinochem Huacheng Environmental Protection Technology Co., Ltd.	Shenyang Huacheng	Shenyang Sinochem Huacheng Environmental Protection Technology Co., Ltd.
Tianhua Institute	Tianhua Institute of Chemical Machinery & Automation Co., Ltd.	China Bluestar Chengrand Research Institute	
			China Bluestar Chengrand Research Institute of Chemical Industry Co., Ltd.
Haohua Technology	Haohua Chemical Technology Group Co., Ltd.	Sinochem Lantian	Sinochem Lantian Group Co., Ltd.
Win-All High-Tech	Anhui Win-All Hi-Tech Seed Co., Ltd.	Guangxi Dahua	Guangxi Bluestar Dahua Chemical Co., Ltd.
Jianghuai Horticulture	Anhui Jianghuai Horticulture Seeds Co., Ltd.		

Appendix 3: Reader Feedback Form

Dear readers,

Thank you very much for taking the time to read this report. We highly value and look forward to hearing your feedback on it. Your opinions and suggestions serve as an important basis for us to continuously improve our ESG information disclosure, as well as enhance our ESG management and practical capabilities. We would be grateful for your valuable insights.

1.Which of the following stakeholders do you belong to?

Government agents	Regulatory authorities	Shareholders and investors	Staff	Clients
Suppliers and partners	Community Residents	ESG practitioners	Peer enterprises	Peer enterprises

2.What is your overall evaluation of this report?

Excellent	Good	Satisfactory	Unsatisfactory	Very unsatisfactory

3.What do you think of the quality of the ESG information disclosed in the report?

Very high	High	Average	Low	Very low

4.What do you think of the structure arrangement of the report?

Very reasonable	Reasonable	Satisfactory	Unsatisfactory	Very unsatisfactory

5.What do you think of the format design of the report?

Very reasonable	Reasonable	Satisfactory	Unsatisfactory	Very unsatisfactory

6.What do you think of the readability of the report?

Excellent	Good	Satisfactory	Unsatisfactory	Very unsatisfactory

7.You are welcome to give your opinions and suggestions on Sinochem Holdings' ESG work and the report here: