



2025 | Environmental, Social and Governance (ESG) Report

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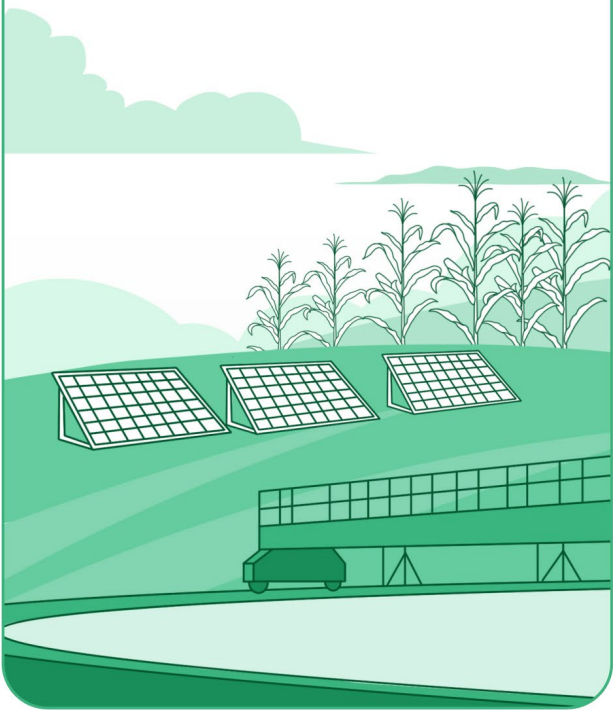
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About this Report



Report Overview

This is the sixth ESG Report (Sustainability Report) issued by Sinochem Holdings Corporation Ltd. (hereinafter referred to as “Sinochem Holdings”, the “Company” or “we”). Targeted at all stakeholders of Sinochem Holdings, this report complies with the principles of completeness, authenticity, materiality, quantifiability and fairness, and discloses the Company's ESG practices and performance throughout 2025.



Reporting Period

The reporting period is from January 1, 2025 to December 31, 2025. To ensure narrative integrity and consistent information disclosure, the report may reference events occurring outside this reporting timeframe.



Reporting Scope

Unless otherwise specified, this report covers Sinochem Holdings and its wholly-owned and controlled subsidiaries.



Preparation Basis

This report is compiled with reference to the following standards and requirements:

- The *Guidelines on Central SOEs' High-standard Fulfillment of Social Responsibilities in the New Era* and the *Special Reference Indicator System for ESG Reports of Central SOE-controlled Listed Companies*, issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
- *Corporate Sustainability Disclosure Standards - Basic Standards (Trial)*, *Corporate Sustainability Disclosure Standard No. 1—Climate (Trial)* and *Application Guidelines for Corporate Sustainability Disclosure Standards - Basic Standards (Trial)* issued by the Ministry of Finance
- China Corporate Sustainability Reporting Guidelines (CASS-ESG 6.0) issued by the Chinese Academy of Social Sciences
- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)
- ISO 26000 Guidance on Social Responsibility issued by the International Organization for Standardization (ISO)



Data Disclosure Notes

Unless otherwise stated, all information and data cited in this report are derived from the Company's primary operational data, internal statistical reports and relevant documents, ESG information and data compiled and verified by the Company, as well as public data released by government authorities and third-party institutions. Unless specified otherwise, all financial figures in this report are denominated in Renminbi (CNY). The Company warrants that all data contained herein are true, valid and accurate. Unless otherwise specified, data in the Environmental (E) chapter (Leading Low-Carbon Development to Drive Green Transition) of this report relate only to Sinochem Holdings' operations within China.



Report Access

This report is published in both Simplified Chinese and English. In case of any discrepancy or ambiguity, the Simplified Chinese version shall prevail. You may visit the Company's official website at <https://www.sinochem.com/> to view or download the electronic version of this report and learn more about the Company's ESG efforts.

About Sinochem Holdings

Company Profile

Sinochem Holdings was formed through the restructuring of Sinochem Group Co., Ltd. and China National Chemical Corporation. It was officially inaugurated on May 8, 2021, and is a key state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

Corporate Scale and Influence

Sinochem Holdings employs over 160,000 staff members, of whom overseas employees account for more than 33%. Headquartered in Xiong'an New Area, Hebei Province, China, the Company operates production bases, R&D facilities and a comprehensive marketing network across over 150 countries and regions worldwide. In 2025, the Company obtained credit ratings of “A” from Fitch, “A3” from Moody's and “A-” from S&P Global, all with a Stable outlook.

The Company's business portfolio covers eight major areas: Life Science, Materials Science, Petrochemicals, Environmental Science, Rubber & Tire, Machinery & Equipment, Urban Operation and Industrial Finance. It stands as a globally leading integrated chemical enterprise.

In 2025, the Company
obtained credit ratings of



A

from Fitch

A-

from S&P Global

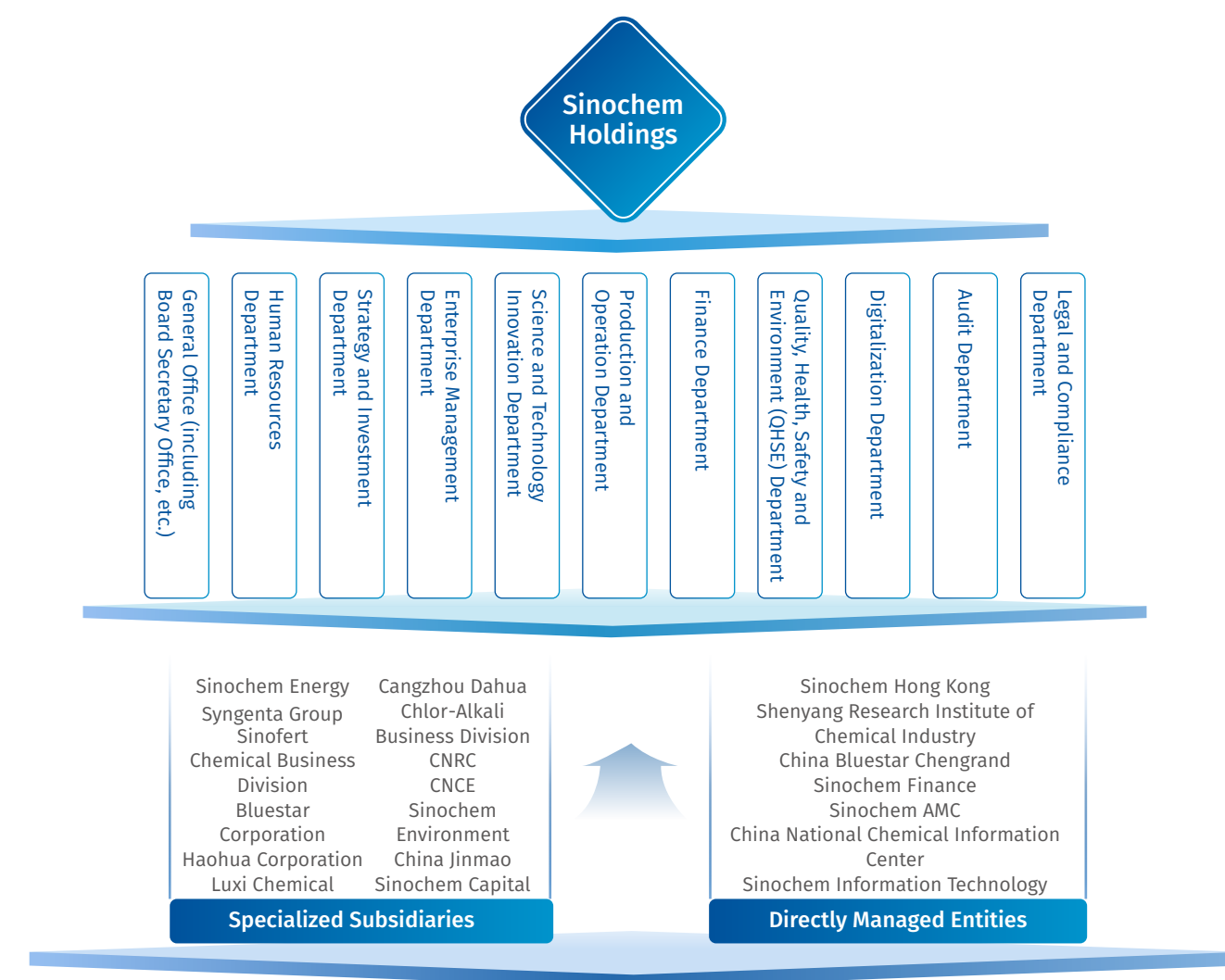
A3

from Moody's

Organizational Structure

Sinochem Holdings has 14 specialized subsidiaries and 7 directly-managed entities under its administration, and controls 15 listed companies at home and abroad, including Yangnong Chemical (600486.SH), Adama (000553.SZ), Adisseo (600299.SH), Sinochem International (600500.SH), Luxi Chemical (000830.SZ), Haohua Technology (600378.SH) and China Jinmao (00817.HK).

Organizational Structure of Sinochem Holdings



Note: Elkem (ELK.OL) was divested on 30 April, 2026.

Corporate 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 portfolio: 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

Business Segment Overview



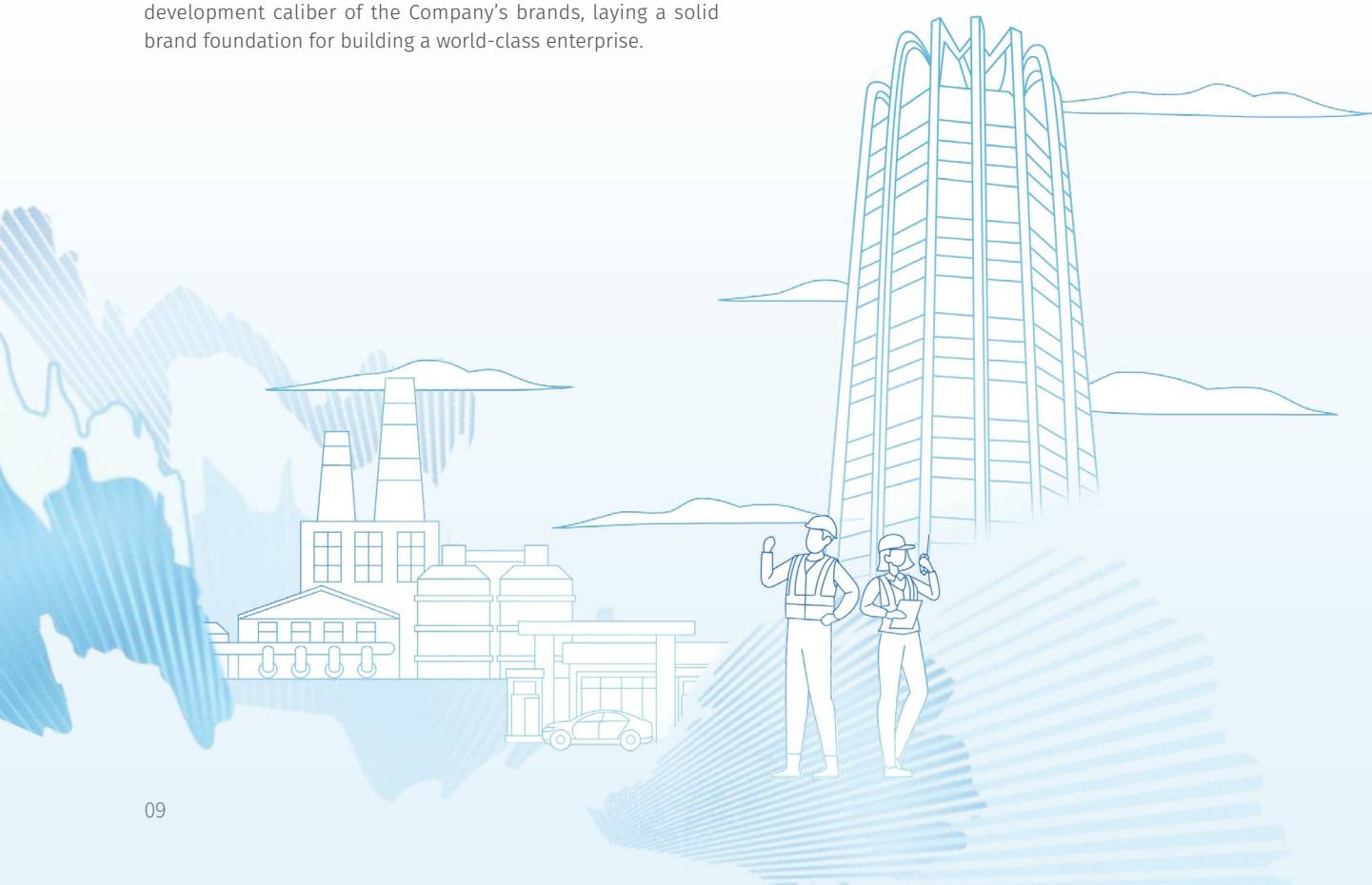
Brand Building

Brands represent critical intangible assets of an enterprise and a comprehensive reflection of its competitiveness. As we forge ahead to advance high-quality brand development in the new era, Sinochem Holdings closely focuses on the core epochal tasks of bolstering brand development, boosting brand value and building distinguished brands. We consistently deepen the implementation of our Brand-Driven Initiative, leverage our strengths in global operations, steadily increase the added value of brands and brand leadership, and provide strong backing and a solid footing for the Company's high-quality growth and the improvement of its core competitiveness.

Sinochem Holdings regards brand development as a key component of the Company's in-depth reform and high-quality growth, integrating it into the overall planning of corporate development. Aligned with the requirements of the Brand-Driven Initiative, the Company ensures brand development is planned and advanced in tandem with core reform and development priorities as well as production and operational activities. Meanwhile, adhering firmly to the essence of value creation, we attach great importance to the coordinated elevation of the "Five Values", which include brand value. Through comprehensive brand management practices, we explore a specialized and systematic framework for brand development, facilitate the transition from "product strengths" to "brand strengths", and translate "technological breakthroughs" into "market value" and "brand benefits". These efforts help lift the technological sophistication and development caliber of the Company's brands, laying a solid brand foundation for building a world-class enterprise.

In 2025, Sinochem Holdings focused on its strategic goal of developing the Sinochem Holdings master brand and product brand cluster into outstanding brands and a brand cluster featuring Sinochem characteristics, sound governance, remarkable contributions and leading value that align with the Company's realities. The Company comprehensively improved its capacity for overall brand strategy coordination, systematic brand development framework, efficiency of brand management and international presence of its brands, marking the steady conclusion of the Brand Leadership Initiative.

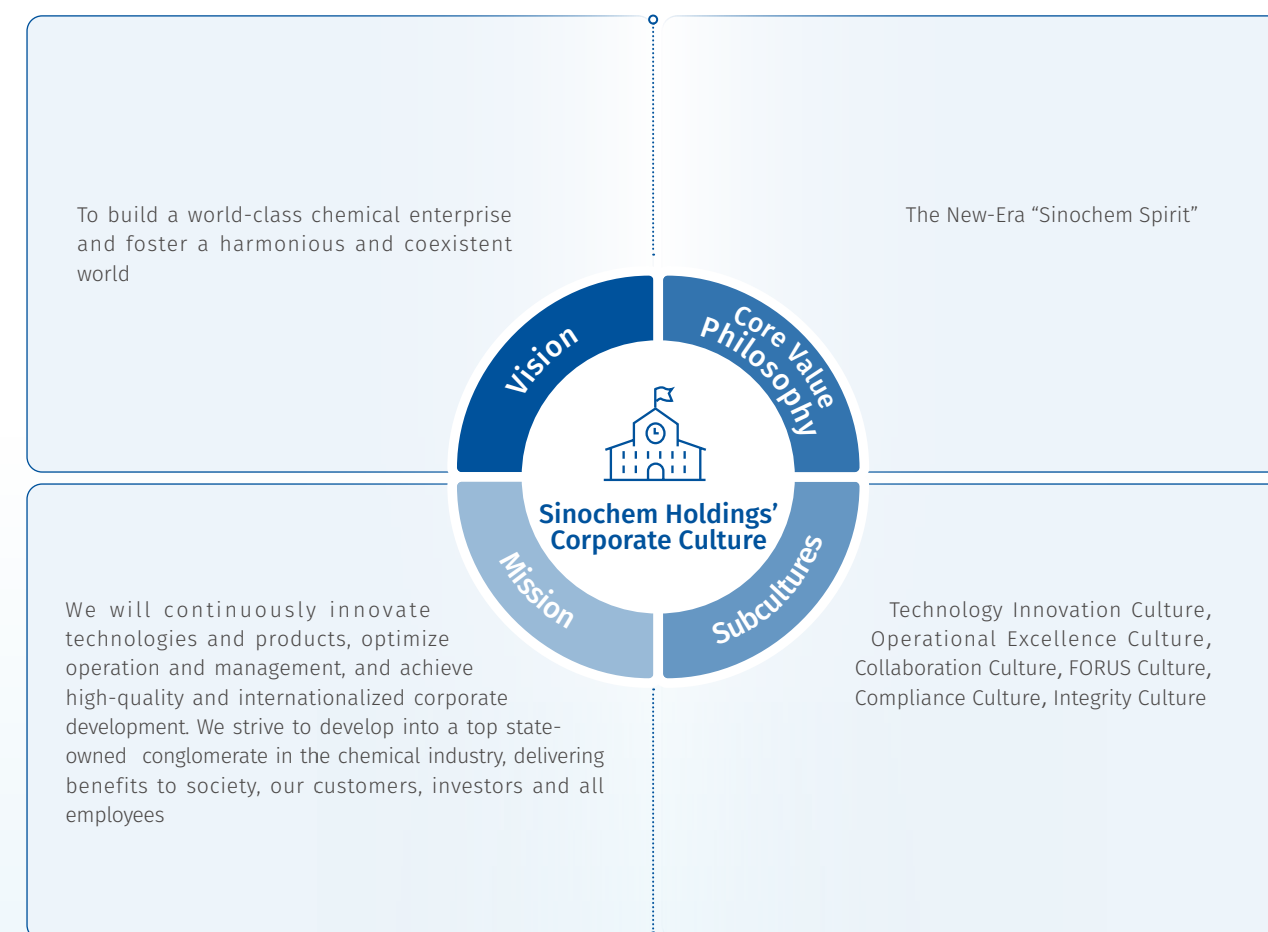
Sinochem Holdings hosted the launch event for the first batch of "Sinochem Holdings TOP 50 Brands". By setting benchmarks, scaling up successful practices and leveraging exemplary models, it continued to foster premier brands to steer the Company's high-quality development. Sinochem Holdings ranked 30th in the 2025 Central SOE Brand Strength Report issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and was included in the 2025 Central SOE Top 60 Brand Value List. Meilinmei and Sennics were recognized as outstanding achievements from the second batch of the Central SOE Brand Leadership Initiative.



Corporate Culture

Sinochem Holdings consistently strengthens corporate culture development and establishes a unified corporate culture system in the Company. We have defined the New-Era Sinochem Spirit, which consists of three core dimensions: a mindset of hard work and pioneering innovation, a value orientation of bold accountability and selfless dedication, and a work style of truth-seeking pragmatism and down-to-earth execution. The Company actively fosters specialized sub-cultures covering technological innovation, operational excellence, collaboration, safety (FORUS¹), compliance and integrity.

In 2025, the Company delivered over 300 corporate culture promotional lectures. Three research papers on corporate culture were awarded First Prize at the 16th National Corporate Culture Achievements Awards. Two subsidiaries were newly honored as National Civilized Entities, while three others retained this title; eleven subsidiaries received the Provincial Civilized Entity accreditation.



¹ For an introduction to Sinochem Holdings' FORUS System, please refer to the chapter "Strengthening Occupational Safety Defenses" in this report.

2025 Milestones

Headquarters Relocation to Xiong'an New Area

Actively responding to major national strategic initiatives, Sinochem Holdings deeply engages in the development of Xiong'an New Area. On September 28, 2025, the Company fully launched daily office operations at its headquarters in Xiong'an New Area. On October 9, 2025, Sinochem Holdings held a flag-raising ceremony to mark its official settlement at Sinochem Tower in Xiong'an New Area.



Safeguarding Food Security

As a core player in the agricultural sector, Sinochem Holdings fully advanced the seed industry revitalization initiative and took part in potash fertilizer import negotiations to fully bolster national food security.



Breaking Technical Barriers in Advanced Chemical Materials Sector

Sinochem Holdings faithfully fulfilled its strategic mission to shore up weaknesses in the new chemical materials sector and overcame technical barriers for a batch of critical materials in 2025.



Boosting Scientific and Technological Innovation

Fully implementing the innovation-driven development strategy, Sinochem Holdings achieved systematic breakthroughs in strengthening sci-tech innovation and fostering new productive forces, with its overall innovation capacity and influence remarkably enhanced in 2025.



Expanding Industrial Project Footprint

Groundbreaking progress was achieved in the advancement of industrial projects in 2025. Multiple key projects commenced construction or were put into operation, further consolidating the foundation for development and injecting fresh impetus for future growth.



Landmark Breakthroughs in Domestic Aviation Tire Sector

In 2025, Sinochem Holdings pushed forward civil aviation tire R&D, product verification and market access in parallel, attaining a series of landmark achievements that marked a new stage for the industrialization of domestically produced aviation tires.



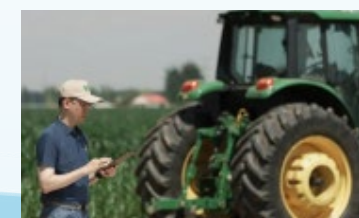
Strengthening Operational Excellence

Sinochem Holdings continued to refine its operational excellence system and made substantial progress in safety management, sustainable development, competence improvement and brand development in 2025.



Accelerating Digital Transformation

In response to practical demands for industrial upgrading and management optimization, Sinochem Holdings accelerated the building of the "Digital & Intelligent Sinochem" initiative in 2025. The Company scored top marks for two consecutive years in SASAC's assessment of the reform task of developing digital capabilities for state-owned asset supervision.



Expanding Global Operations

In 2025, Sinochem Holdings' global operations entered a new phase of in-depth integration and value co-creation. By exporting high-end products, delivering major overseas projects and coordinating global supply chains, the Company established a new framework for global operation featuring coexistence and win-win outcomes.



Third-Party Acknowledgements

Syngenta Group – Syngenta Group China

Its agricultural ESG practices were selected for the 2025 Report on ESG Development of Chinese Agricultural Enterprises

Chinese Academy of Agricultural Sciences

November 2025

The case of *Implementing National Priorities: Technology-Driven Initiatives to Boost Maize Yield* included in the 2025 Blue Book on Social Responsibility of Central SOEs

SASAC

December 2025

Syngenta Group – Syngenta Hong Kong

Outstanding Issuer Award for Green & Sustainable Loans

Hong Kong Quality Assurance Agency (HKQAA)

December 2025

Management Award for Net-Zero Contribution

Hong Kong Quality Assurance Agency (HKQAA)

December 2025

Pioneering Contribution Award for ESG Disclosure

Hong Kong Quality Assurance Agency (HKQAA)

December 2025



Syngenta Group – Yangnong Chemical

2025 Outstanding Responsible Care Practitioner in China's Pesticide Industry

China Crop Protection Industry Association (CCPIA)

May 2025



Bloomberg Businessweek

2025 "SSE Eagle Golden Quality" ESG Award

Shanghai Securities News

December 2025



Sinofert-Sinochem Yunlong

2025 Leading Environmental Project of the Year

Bloomberg Businessweek

November 2025



Chemical Business Unit – Sinochem International

New ESG Benchmark Enterprise Award

Stockstar

July 2025

Eco-Friendly (E) Pioneer Enterprise Award

Clis.cn

October 2025

Chemical Business Unit – Sennics

Sustainability Performance Award

BSI (British Standards Institution)

June 2025



China Haohua – Haohua Technology

Top 100 Winners, 3rd Guoxin Cup ESG Golden Bull Award

China Securities Journal & China Reform Holdings

November 2025



China Jinmao

Shortlisted for the 2025 Top 100 Central SOE Listed Companies Leading in ESG Performance

China Media Group

November 2025

Strengthening ESG Governance to Deliver Sustainable Value included in ESG Blue Book of Central-Controlled Listed Companies (2025)

SASAC

December 2025

Sinochem Capital – FOTIC

Award for ESG Competitiveness – Rural Revitalization

GoldenBee

June 2025



Chairman's Message

2025 marked the pivotal closing year of the 14th Five-Year Plan and laid the groundwork for formulating the 15th Five-Year Plan. It was also a crucial year for Sinochem Holdings to stay firmly on its strategic course and forge ahead with fortitude. Over the past year, amid a complex domestic and international landscape and challenges in corporate reform and development, we strove tenaciously, shouldered our responsibilities courageously and forged ahead with proactive initiatives. Through solid work in fulfilling our mission, advancing green transition, boosting scientific and technological innovation, upgrading corporate governance and serving society, we delivered strong results in high-quality and sustainable development.



Sinochem Holdings focused on core businesses to serve national strategic priorities in 2025

Centering on our core missions of bolstering high-quality agricultural development and shoring up weak areas in the new chemical material sector, we proactively assumed responsibilities and delivered tangible outcomes. In the agricultural sector, we intensified R&D breakthroughs in seed technology and the breeding of high-performing crop varieties, rolling out premium varieties such as Quanyou 607 and Huiliangyou 985. Meanwhile, we secured the stable supply of vital agricultural inputs such as fertilizers and pesticides to consolidate the foundation for steady growth in grain output. In the new materials sector, we tapped into emerging industry segments and allocated R&D and industrial resources to build a modern industrial system for advanced new chemical materials featuring high-end positioning, intelligent manufacturing and integrated development, and rolled out a series of competitive new products to the market.



Sinochem Holdings fostered green development and accelerated low-carbon transition last year

We stayed committed to the green and low-carbon development philosophy and made coordinated efforts in energy conservation and carbon reduction, pollution prevention and circular resource utilization. We ramped up R&D of green technologies. The project "Technological Development and Industrialization of High-Grade Hexamethylenediamine via Caprolactam Route" won the First-Class Science and Technology Progress Award from China Petroleum and Chemical Industry Federation, demonstrating our robust strength in green innovation. We implemented a full suite of energy-saving

initiatives. A total of 105 energy conservation projects were rolled out throughout the year, yielding annual energy savings equivalent to 145,500 tonnes of standard coal. We completed carbon footprint accounting for 105 products and released 10 group standards for product carbon footprints, further consolidating the leading edge of our competitive industrial segments. We launched a dedicated solid waste environmental management platform to enable full-lifecycle oversight of hazardous waste at key subsidiaries. The comprehensive utilization rate of general industrial solid waste exceeded 80% over the past year, while the industrial water recycling rate hit 98.13%.



Sinochem Holdings pursued innovation-driven growth to fuel industrial advancement in 2025

We prioritized scientific and technological innovation as the top driver of high-quality development, empowering sustainable growth through technological breakthroughs. The Company's R&D investment reached 21.43 billion yuan in 2025, yielding a string of landmark advances across multiple sectors. Guilin Lanyu, a subsidiary of the Company, supplied domestically manufactured aircraft tires that accompanied China's large passenger aircraft on its maiden flight. We released iMAP, China's first AI large model for agricultural cultivation, which has been applied to farmland covering over 5 million mu (0.33 million hectares). Artificial intelligence has powered the smart transformation of agriculture and lifted grain yields. Upholding the spirit of scientific inquiry, we produced world-class research outputs: multiple foundational studies were published in top journals such as Nature and Science. Our fundamental research on parthenogenesis in sunflowers was selected as one of the Top 10 Iconic Achievements of Central SOEs' Original Technology Source Bases, further amplifying the driving force of scientific and technological innovation.



Sinochem Holdings refined governance systems to consolidate the foundation for growth in 2025

We improved our corporate governance framework and accelerated the development of a modern governance structure featuring clear responsibilities and efficient coordination, advancing the modernization of our governance system and governance capacity. We adhered to the "Three Lines of Defense" for compliance and risk control, upheld strict business ethics, deepened integrity development, and refined risk prevention and emergency response mechanisms to further shore up our bottom line of compliance and risk control. Through standardized governance, systematic management and regular oversight, we consolidated the Company's foundation for steady growth and safeguarded high-quality development.



Sinochem Holdings fulfilled its social responsibility and supported the construction of Xiong'an New Area in 2025

We firmly delivered on our social responsibilities, supported national sustainable development strategies, including the development plan of the Xiong'an New Area, and embodied the accountability of a central SOE. Leveraging our agricultural technological strengths, we extended modern agricultural services to rural fields to help farmers boost output and income. We delivered solid targeted assistance, with dedicated support staff stationed at the grassroots level to work alongside local villagers and advance rural revitalization. We sustained investment in public welfare, stepping forward in critical events such as flood control and disaster relief, public health responses and emergency supply assurance, and improving people's wellbeing with concrete actions. We completed our relocation to Xiong'an New Area at high standards, supporting the national strategy of relocating non-capital functions from Beijing and the coordinated development of the Beijing-Tianjin-Hebei region. We empowered high-quality development of Xiong'an New Area through green buildings, clean energy and industrial empowerment.

As an ancient maxim puts it, those who embark on a new journey must see it through to the end; those who aim for success must plan thoroughly from the outset. 2026 marks the launch year of the 15th Five-Year Plan and the starting point of a new journey. On this new path, Sinochem Holdings will steadfastly deliver on its strategic missions, advance green transition, strengthen scientific and technological innovation, deepen comprehensive reform, honor social responsibilities, and unswervingly pursue a path of sustainable development.

Sinochem Holdings stands ready to work hand in hand with all sectors of society, honor its mission through concrete action and light up the future through innovation, to make new and greater contributions to building a world-class enterprise and advancing sustainable development for humanity.

Li Fanrong,
Chairman, Sinochem Holdings

Materiality Assessment

Sinochem Holdings integrates sustainable development concepts into all dimensions of its operational and management processes. We proactively strengthen communication and collaboration with stakeholders, develop sustainable business models, and strive to deliver greater value to all stakeholders.

Engagement with Stakeholders

Adhering to the principles of candor, transparency and openness, the Company maintains regular and diversified communication channels with all stakeholders. In 2025, Sinochem Holdings systematically identified seven core stakeholder groups that exert material impacts on the Company's sustainable development. Through a multi-dimensional engagement matrix combining online and offline channels, we regularly collect stakeholders' opinions and suggestions regarding our sustainable development, ensuring our sustainable operations and governance practices effectively address their concerns.

Stakeholders	Core Concerns & Expectations	Communication Channels & Frequency	Corporate Responses & Actions
 Governments and Regulatory Authorities	- Implement macroeconomic policies - Operate with integrity and in full compliance with laws - Pay taxes in accordance with the law - Boost employment growth - Drive economic development - Deliver on carbon peaking and carbon neutrality goals and meet environmental protection requirements	- Regular work briefings - Conferences and major events - Information disclosure and official document submissions - On-site supervision, inspections and rectification feedback mechanisms	- Paid taxes totaling about 44.44 billion yuan in compliance with tax laws - Supported the construction of Xiong'an New Area to advance this millennium-long national strategy - No instances of pollutant discharge exceeding permitted limits were recorded during the reporting period - Actively supported research projects. CNCIC, a subsidiary of the Company, completed the research project titled the <i>Research on the Planning Strategy of Biomanufacturing for Central SOEs</i>
 Shareholders and Investors	- Steady growth of operating performance - Compliant information disclosure - Mitigation of operational risks - Protection of shareholders' rights and interests	- Periodic reports and ad-hoc announcements - Performance briefings - Responses to investor inquiries	- Released the ESG Report to disclose sustainable development information to the public - Disclosed financial information via periodic reports including monthly operation bulletins, quarterly and semi-annual financial statements, annual financial statements, as well as ad-hoc announcements
 Customers and Consumers	- Product quality and safety - High-quality service delivery - Technology R&D and innovation - Customer privacy protection	- Annual customer satisfaction surveys - Regular client visits and technical exchanges - Closed-loop management of customer complaints and feedback - Customer information security protection mechanisms	- We extensively collect customer feedback through on-site sales visits, customer service hotline follow-ups and senior management field surveys, and and sincerely solicit opinions and gain in-depth insight into customer needs - We have established an efficient customer complaint handling mechanism with fully standardized procedures covering complaint acceptance, investigation and verification, solution implementation and post-resolution follow-ups, to ensure all customer demands are properly addressed

Stakeholders	Core Concerns & Expectations	Communication Channels & Frequency	Corporate Responses & Actions
 Employees	- Safeguard employees' legitimate rights and interests - Ensure occupational health and safety - Unblock career advancement pathways - Optimize compensation and benefits packages - Promote work-life balance - Management of overseas staff	- Hold regular dialogues with management teams - Convene annual employee representative congresses - Conduct annual employee satisfaction surveys - Deliver regular training and education programs - Visit and provide support to vulnerable employees - Launch care programs for overseas employees - Maintain ad-hoc communication channels	- Convened 2 corporate-level Employee Representative Congresses and 3 HQ-level Employee Representative Congresses - Rolled out comprehensive employee training initiatives, including special development programs such as training sessions for newly appointed managers, young and middle-aged managers, new recruits, and technical talent bootcamps, as well as thematic seminars themed "Pool Wisdom and Take Innovative Actions". Continuously upgraded the Sinochem i-Learning online learning platform, which recorded 15.5 million online learning visits - Provided support to 213 employees facing difficulties, with consolation funds and materials worth a total of 179,600 yuan granted
 Suppliers and Partners	- Integrity and compliance with laws - Responsible procurement - Foster the growth of supply chain partners - Information confidentiality	- Open tendering and centralized procurement - High-level exchanges and strategic collaboration - Supplier access & performance evaluation - Supply chain ESG audits and training - Supplier conferences and cooperation forums - Supplier appeal and reporting channels	- Formulated core management systems such as <i>Sinochem Procurement Management Regulations</i>, <i>Sinochem Tendering Management Measures</i>, <i>Sinochem Centralized Procurement Management Measures</i>, and <i>Sinochem E-Procurement Operation Specifications</i>, to standardize the full procurement and tendering workflow - Issued a series of systems and guidelines such as <i>Sinochem Supplier Management Measures</i>, <i>Implementation Rules for Freezing and Exit of Sinochem Suppliers</i>, <i>Sinochem HSE Risk Control Standards for Suppliers</i>, and <i>Rules for Assessment and Evaluation of Third-Party E-commerce Suppliers on Sinochem Procurement Mall</i>, enabling electronic and dynamic full-lifecycle management of suppliers - Terminated cooperation with 104 unqualified suppliers
 Peers and Industry Associations	- Fair competition - Science and technology R&D innovation - Drive industrial advancement	- Industry forums - Mutual site visits & exchanges - Collaboration and communication	- Hosted the 2025 Symposium on Modern Seed - Industry Chain Development and the Strategic Coordination Conference for Yazhou Bay National Laboratory - Completed the <i>Comprehensive Chemical Industry Development Report (2025)</i> and 27 key preliminary research projects
 Media and Local Communities	- Transparent operations - Cultural exchange initiatives - Participation in community development - Support for public welfare undertakings - Rural revitalization	- Timely information release via official website and new media matrix - Public welfare programs and volunteer services - Community services and emergency response	The Company organized media interview events such as "Sinochem Headquarters Settling in Xiong'an New Area" and "Supporting Inner Mongolia to Build Model High-Yield Farmlands". It launched a series of special reports such as "Quality Products in Sinochem", "Sinochem ESG" and "Review of the 14th Five-Year Plan". Overseas social media accounts were launched to conduct systematic international communication campaigns. A range of high-quality feature content for global audiences was rolled out, including "Sinochem's Exclusive Insights", "A Close Look at Sinochem ESG" and "Co-Create a Shared Future with Sinochem"

Materiality Assessment

The Company attaches great importance to ESG issue management. It regularly identifies and assesses material ESG topics, and adjusts relevant topics on an ad-hoc basis in response to shifts in business development and regulatory disclosure requirements. In 2025, the Company drew on industry characteristics and business realities to evaluate its performance on relevant topics as well as the actual and potential economic, social and environmental impacts arising from its operations.

Materiality Assessment Process



Basic Information Analysis

The Company analyzes internal operations and business connections, and takes full account of external objective contexts including macroeconomic policies, industrial policies, regulatory requirements, ESG disclosure standards, industry hotspot issues and key concerns of stakeholders to define assessment objectives and scope.

Drawing on regulatory requirements, industry benchmarks, corporate development trends and excellent practices of peers, the Company supplements corporate-specific topics to finalize the list of material topics. A total of 26 relevant material topics were identified during the reporting period.



Establishment of Material Topics List



Materiality Evaluation of Topics

Through stakeholder interviews and questionnaire surveys, the Company consolidates feedback from diverse stakeholders and incorporates recommendations from internal and external experts to derive the final materiality assessment outcomes.

The Company synthesizes the comprehensive stakeholder evaluation results and expert suggestions on topic materiality to develop the materiality matrix.



Review and Confirmation of Material Topics

Materiality Assessment Results

Following identification and analysis, the materiality assessment results of the Company for 2025 are shown in the matrix below:

Materiality Matrix of Sinochem Holdings



- #### Environmental
- 1 Climate Change Mitigation
 - 2 Circular Economy
 - 3 Environmental Compliance Management
 - 4 Emissions Management
 - 5 Energy Management
 - 6 Water Resource Management
 - 7 Biodiversity Conservation
 - 8 Green Operations

- #### Social
- 9 Employee Training & Development
 - 10 Occupational Health & Work Safety
 - 11 R&D and Innovation
 - 12 Products, Services and Quality Management
 - 13 Supply Chain Management
 - 14 Intellectual Property Management
 - 15 Customer Relationship Management
 - 16 Employee Rights, Interests and Benefits
 - 17 Information Security and Privacy Protection
 - 18 Digital Transformation
 - 19 Philanthropy and Community Contribution
 - 20 Rural Revitalization

- #### Governance
- 21 Sustainability Governance
 - 22 Risk, Internal Control and Compliance
 - 23 Anti-Corruption and Integrity Management
 - 24 Fair Competition and Business Ethics
 - 25 Engagement with Stakeholders
 - 26 Governance Strategy and Organizational Structure

Special Topic

Practices in Advancing Green Transition



Our Philosophy

As a leading comprehensive chemical enterprise, Sinochem Holdings regards sustainable development as an inherent corporate gene and a key component of its core competitiveness. We embed sustainability concepts into every aspect of corporate growth and daily operations, and advance green transition through R&D of low-carbon technologies, clean manufacturing, green product certification, and coordination across the upstream and downstream industrial chains.



Our Practices



Green R&D: Driving Green Upgrade of Processes and Products

Drawing on accumulated R&D strengths in silicone chemicals, coal chemicals, new materials and environmental technology sectors, Sinochem Holdings integrates "green R&D" into the full lifecycle of process and product development. Sustained technological breakthroughs fuel the eco-friendly upgrading of production processes and product portfolios.

Green R&D Achievements of the Company

Scientists from Elkem Silicones, a subsidiary of the Company, and its partners delivered innovative R&D breakthroughs in 2025. For the first time, waste silicone materials were converted into chlorosilanes at a temperature close to room temperature (40°C) using high-efficiency gallium catalysts, with the reaction rate boosted by one million-fold. This delivers a groundbreaking solution for the green circular utilization of global silicon resources. The relevant research paper the *Gallium-catalyzed recycling of silicone waste with boron trichloride to yield key chlorosilanes* has been officially published in Science, a top international academic journal.



The Southwest Research & Design Institute of Chemical Industry (SWRDICI), a subsidiary of the Company, achieved breakthroughs in complete sets of methanation technologies for coal-to-SNG. The independently developed "wide-temperature shift methanation process with low circulation ratio" and supporting catalysts were applied for the first time in large-scale coal chemical enterprises in China, and the matching catalysts achieved stable long-cycle operation.



Coal-to-SNG methanation unit

Sennics, a subsidiary of the Company, embedded green development concept into the full production chain of methyl isoamyl ketone (MIAC), a key feedstock for high-end anti-aging agents. Adopting a green production process featuring mild reactions, intrinsic safety, low energy consumption and minimal emissions, the enterprise realized green feedstock supply and nearly zero discharge of wastewater, waste gas and solid waste during production.



Sinochem Environment, one of the Company's subsidiaries, upgraded wastewater and waste gas treatment processes via two self-developed technologies: ozone catalytic oxidation and low-carbon circulating heat storage coupled high-temperature oxidation. The ozone catalytic oxidation technology delivers a substantial reduction in chemical oxygen demand (COD). Compared to conventional processes, it cuts energy consumption by over 20%, with an ozone utilization rate exceeding 95%, suitable for treating refractory wastewater from petrochemical, pharmaceutical and other industries. The heat storage coupled high-temperature oxidation technology achieves efficient degradation of volatile organic compounds (VOCs) with a removal rate of no less than 99.5% and cyclic energy utilization at a heat recovery efficiency of above 95%. It can slash fuel consumption by 70%-85% and carbon emissions by 90%, applicable to high-concentration waste gas treatment in petrochemical, coating, pharmaceutical and other sectors.

Clean Production: Achieving Green Transition in Manufacturing Processes

Relying on the adoption of green feedstocks, energy-saving technical retrofits of equipment and refined management, Sinochem Holdings cuts resource consumption and pollutant emissions during production processes.

The Company is committed to realizing green production

With energy-saving renovations, waste heat recovery and smart management, products such as sulfuric acid from Sinochem Chongqing Fuling Chemical, PVC from Dezhou Shihua Chemical and off-the-road tires from Aeolus Tyre were honored as "Energy Efficiency Benchmark Leaders". Over **90%** of production capacity for key products such as caustic soda and synthetic ammonia has reached benchmark energy efficiency levels.

Luxi Chemical, a subsidiary of the Company, set an annual target of cutting steam consumption by **200** tonnes per hour. Multiple measures were rolled out, including process optimization, waste heat recovery, equipment upgrading, application of thermal coupling technologies and switching steam-driven equipment to electric drives.



Xinghuo Silicones optimized its circulating water system, saving **48,900** tonnes of fresh water and **3.35** million kWh of electricity each year.

The Taiyuan base of Aeolus Tyre carried out a nitrogen vulcanization transformation by upgrading mechanical vulcanizers to hydraulic ones. The project is expected to save nearly **40,000** tonnes of steam and over **3** million cubic meters of natural gas annually, while cutting carbon dioxide emissions by approximately **6,400** tonnes.

Application of Green Feedstocks



Cangzhou Dahua, a subsidiary of the Company, replaced solvent-based paste with water-based paste as feedstock for non-woven fabrics. This measure can cut production heating temperature by **24%**, lower feedstock consumption by **70%**, and deliver a substantial reduction in VOCs emissions.

Green Certifications: Turning Green Credentials into Commercial Value

Sinochem Holdings is committed to developing green products and green projects. Relevant achievements have secured third-party certifications.

Green Certifications Obtained by the Company



Breakthroughs in Product Certifications

- FEISHI® PC manufactured by Cangzhou Dahua, a subsidiary of the Company, has obtained IATF 16949 certification, EU REACH and Global Recycled Standard (GRS-V4.0) certifications. The product is sold widely across the EU, East Asia and other regions and is recognized as a well-known brand product at home and abroad.
- ELIX ABS HH 3110 from Sinochem International passed RecyClass certification, making it the world's first ABS product to obtain RecyClass certification.
- Three rubber anti-aging agents (6PPD, IPPD and TMQ), produced by Sennics, a subsidiary of the Company, have obtained ISCC PLUS certification (International Sustainability and Carbon Certification).
- The mixing compound (GX-562u) developed by China Bluestar Chengrand Research Institute obtained a product carbon footprint certificate following independent verification by a third-party institution.
- Two products of Aeolus Tyre, namely truck and bus radial tires (TBR) and off-the-road radial tires (OTR), each received separate product carbon footprint certificates after independent third-party verification.



Certifications & Accreditations for Carbon Reduction Performance

- SILCOLEASE RE series products, the Company's first 100% recycled silicone products launched by Elkem Silicones, won the Sustainable Product of the Year Award issued by BIG (Business Intelligence Group).



The SILCOLEASE RE product series win the Sustainability Award 2025

Green Industrial Chain: Spreading Eco-Upgrades from Single Nodes to Entire Value Chains

As a core hub of the industrial ecosystem, Sinochem Holdings rolls out green procurement standards to upstream partners, optimizes in-house clean manufacturing, and empowers low-carbon applications for downstream users. The Company has built an ecological model featuring coordinated carbon reduction across the whole industrial chain.

The Company Boosts Coordinated Carbon Reduction Across the Entire Industrial Chain

Upstream Sector: Green Procurement and Supply

- The Company encourages its subsidiaries to incorporate ESG indicators into supplier access standards and performance evaluations, requiring core suppliers to hold certifications such as ISO 14001 and ISO 45001.
- Luxi Chemical, a subsidiary of the Company, adheres to green procurement principles. It prioritizes energy-efficient equipment in procurement: all purchased motors reach Class 1 energy efficiency standards, high-efficiency energy-saving heat exchangers are purchased, and wooden pallets are promoted as replacements for conventional pallets.
- Sinochem Commerce assists purchasers in appropriately incorporating energy-saving, eco-friendly and low-carbon requirements into bidding documents in line with procurement demands to advance green procurement practices.

Midstream: Green R&D Centers and Factories

- Syngenta Biotechnology (Beijing) Co., Ltd., a subsidiary of the Company, has obtained Zero-Carbon R&D Center certification.
- The Youke plant of Yangnong Chemical has been certified as a Zero-Carbon Factory.
- Heilongjiang Haohua, a subsidiary of the Company, has been recognized as a national-level Green Factory.
- Aeolus Tyre has been awarded the title of Henan Provincial Green Factory.

Downstream sector: Empowering Customers' Low-Carbon Transition

- New energy materials:** SINAPARA® para-aramid manufactured by Sinochem International boasts lightweight properties. It can cut the weight of power battery housings by 20%–30% and optimize overall vehicle energy consumption. The product won the Climate-Friendly Product of the Year award from Southern Weekly and can greatly lower the carbon footprint of automobiles.
- Tires:** Prometeon, a subsidiary of the Company, launched a new generation of sustainable low rolling resistance tire series, helping customers substantially reduce fuel consumption and carbon emissions during vehicle operation.
- Biologics:** Syngenta Group continuously launches high-efficiency, low-dose chemical crop protection products and accelerates the development of nature-based biological agents, delivering safer and more sustainable integrated pest management solutions.
- Methionine:** Adisseo introduced its innovative sustainable methionine product Rhodimet® AT88 Sustainable to support carbon reduction in the livestock industry.
- Digital platform:** CROPWISE®, the digital platform under Syngenta Group, covers 75.9 million hectares of farmland worldwide. It empowers growers to quantify greenhouse gas emissions and access actionable customized emission reduction recommendations.

Special Topic

Practices in Safeguarding Food Security



Our Philosophy

Rooted in its core businesses, Sinochem Holdings adheres to the philosophy of "Empowering Agriculture Through Seed Industry, Consolidating Foundations with Agricultural Inputs". It devotes intensive efforts to seed research breakthroughs and the breeding of high-quality varieties, coordinates stable production and supply of key agricultural inputs such as fertilizers and pesticides, and consolidates the foundation for stable and increased grain yields. The Company strives to drive China's agricultural system toward greater sustainability and efficiency to address the dual challenges of maintaining stable grain output growth and climate change impacts, delivering benefits to farmers, society and the planet.



Our Practices

Strengthening "Innovation at the Source" to Revitalize Domestic Seed Industry

The Company has built a high-quality seed innovation system structured as "2+2+N", focusing on breeding crop varieties with superior quality, high yield and stress resistance to boost its innovation capacity in the modern seed industry. It collaborates with research teams such as the Institute of Genetics and Developmental Biology, Chinese Academy of Sciences to tackle core technologies and spearhead innovative development of the industry. The Company also actively participates in key domestic and international industry events, including the Asian Seed Congress, China Seed Congress and National Seed Trade Fair. It endeavors to improve the industrial system integrating research, breeding, multiplication and promotion to translate fundamental research into industrial applications.

In 2025, the Company's research outputs were published in the world's top academic journals Nature, Science and Cell. A total of 143 conventional varieties passed national crop variety approval within the year. Innovative varieties such as Quanyou 822, Quanyou 607 and Heinong 84 ranked among China's Top 10 Crop Varieties. Quanyou 607 and Huiliangyou 985 were named Super Rice Varieties of 2025. The project "Research and Application of Transgenic Disease-Resistant and Herbicide-Tolerant Corn" won the First Prize of the 2025 Yazhou Bay Biological Breeding Innovation and Entrepreneurship Competition. Proprietary trait brands such as Weirui (ZL) and Weishi (WG) accelerate the industrial application of biological breeding technologies, effectively enhancing crop stress resistance and resource utilization efficiency. The Company partners with enterprises such as Yuyu Seed Industry to conduct trait introgression cooperation and speed up the launch of new corn varieties featuring high yield, stress resistance and wide adaptability. Syngenta Beijing Innovation Center, a subsidiary of the Company, passed the audit on production and supply module under the authoritative international certification "Excellence Through Stewardship (ETS)". It is the first and only domestic biological breeding institution to obtain this certification.

Innovative varieties such as Quanyou 822, Quanyou 607 and Heinong 84 ranked among China's Top 10 Crop Varieties

Quanyou 607 and Huiliangyou 985 were named Super Rice Varieties of 2025

The project "Research and Application of Transgenic Disease-Resistant and Herbicide-Tolerant Corn" won the First Prize of the 2025 Yazhou Bay Biological Breeding Innovation and Entrepreneurship Competition

Breakthroughs in Cutting-edge Technologies

- The parthenogenesis of sunflower egg cells was uncovered for the first time worldwide. Relevant research findings were published in Nature, a top international academic journal. The discovery is expected to trigger revolutionary advances in sunflower breeding, substantially cutting breeding costs and lifting breeding efficiency.
- Two strigolactone transporter protein genes, SbSLT1 and SbSLT2, were identified in sorghum for the first time. The corresponding research results were published in Cell, a leading global academic journal, holding significant application potential for boosting crops' resistance to parasitic weeds and mitigating yield losses caused by parasitism.
- Major breakthroughs were made in research on Rpp6907, a broad-spectrum and durable soybean rust resistance gene, laying a solid germplasm foundation for developing higher-yielding and more stable-yielding soybean varieties in the next phase and safeguarding the security of oilseed crops.

Commercialization of New Varieties

- The rice variety Quanyou 607 features wide adaptability, comprehensive stress resistance, heat tolerance, high and stable yield, and consistently superior grain quality. It has been applied to more than 10 million mu (0.67 million hectares) of farmland, with a yield of over 900 kilograms per mu (666.67 square meters). It was awarded the title of "2025 Super Rice Variety" by the National Agricultural Technology Extension Service Center.
- The rice variety SYN18 obtained registration approval and achieved commercialization in Vietnam, with sales exceeding 100,000 kilograms in its first year of launch.



R&D breakthrough: Sorghum-soybean intercropping system boosts yields on saline-alkali land

In June 2025, a research team from Syngenta Group China, a subsidiary of the Company, collaborated with researchers from China Agricultural University and multiple institutions to publish a research paper titled the *Development and breeding of herbicide-resistant sorghum for effective cereal-legume intercropping* in the journal Advanced Science. The research realized precise screening of sorghum germplasm with high resistance to imidazolinone (IMI) herbicides and highly tolerant soybean germplasm, and innovatively established a new sorghum-soybean intercropping system that delivers remarkable full-field weed control with a single herbicide application at the seedling stage. This planting model has now been demonstrated in trial plots on saline-alkali land in Ningxia, offering a practical innovative solution for the efficient utilization of saline-alkali soil and coordinated yield growth of grain and oil crops.



Ningxia Saline-Alkali Land Experimental Field



The Company successfully hosts 2025 Sinochem Holdings Modern Seed Industry Chain Development Exchange Event

In December 2025, the Company hosted the 2025 Forum on Modern Seed Industry Chain Development and Strategic Collaboration Promotion Conference with Yazhou Bay National Laboratory. Centered on the theme of "Integrating R&D and Industry to Strengthen Industrial Chains and Revitalize Agriculture", the event systematically presented the achievements jointly made by Sinochem Holdings and Yazhou Bay National Laboratory in seed industry technological innovation and co-development of the modern seed industry chain, and released the 2025 Blue Book on the Development of Modern Crop Seed Industry Chain.



Strategic Coordination Promotion Conference on the Development of Modern Seed Industrial Chain and Yazhou Bay National Laboratory



Release of the 2025 Blue Book: Focusing on Innovative Practices Across the Industrial Chain

Securing supply of agricultural materials to keep fertilizer supply chains uninterrupted

R&D on Chemical Fertilizers

Focused on the research and development of eco-friendly and high-efficiency chemical fertilizers, the Company leverages technological approaches such as biological synergism, precision formulation and integrated field regulation to continuously advance the green upgrading, efficient supply and stable provision of fertilizer products, thereby boosting crop quality and yields.

In 2025, the Company rolled out two new biological phosphorus water-soluble fertilizers, Meilinmei and Linbao. Field trials showed that application of water-soluble Meilinmei lifted cotton yield by 88 kilograms per mu (666.67 square meters); for corn, it reduced barren ear tips and increased ear length by 7%. Water-soluble Linbao delivered a yield increase of 93 kilograms per mu in cotton demonstration plots.

In 2025

Water-soluble Meilinmei lifted cotton yield by **88** kilograms per mu

For corn, Meilinmei reduced barren ear tips and increased ear length by **7%**

Water-soluble Linbao delivered a yield increase of **93** kilograms per mu in cotton demonstration plots

Potash Fertilizer Supply

Drawing on its profound expertise in the fertilizer sector, the Company actively conducts annual import commercial negotiations to lock in competitive purchasing prices. Aligning with the critical spring farming fertilizer demand window, it releases potash fertilizer reserves in an orderly manner to curb abnormal price fluctuations and ease farmers' difficulties in accessing fertilizers. As a member of the International Fertilizer Association (IFA), the Company deepens strategic cooperation with industry peers and global partners to jointly maintain stable market operations and build a diversified and reliable potash fertilizer supply landscape.

The Company's Initiatives to Guarantee Potash Fertilizer Supply in 2025

Stable Costs

The Company renewed a three-year exclusive distribution agreement with Canpotex of Canada and signed a memorandum of understanding for cooperation covering 2026–2028 with Jordan Arab Potash Company. By deepening partnerships with Canadian and other overseas suppliers, it secured long-term potash fertilizer supply at favorable prices.

Smooth Logistics Circulation

The Company fully utilizes major potash fertilizer loading and unloading ports nationwide to ensure potash supplies efficiently reach key agricultural provinces in surrounding regions. It delivers streamlined coordination across the full workflow of potash fertilizer vessel unloading, bagging and delivery. The daily average vessel unloading capacity exceeds 10,000 tonnes; truck pick-up is available within 24 hours and barge loading proceeds without demurrage, greatly boosting overall potash fertilizer circulation efficiency.

Joint Supply Guarantee

The Company partners with leading domestic potash fertilizer manufacturers to carry out joint supply security efforts. Leveraging Sinoferf's nationwide distribution network, it delivers high-quality potash fertilizers to core spring farming regions to guarantee farmers access to suitable, premium fertilizers.



II Crop Protection Innovation

Targeting a full range of key crops, the Company carries out systematic R&D and application verification on innovative chemical active ingredients, biological agents, soil health and crop protection formulations. It provides integrated solutions for the management of crop diseases, pests and weeds, effectively safeguarding stable and higher crop yields.

Introduction to Selected Crop Protection Products of the Company

It is a broad-spectrum fungicide that efficiently controls a wide range of prevalent diseases affecting wheat, rapeseed, cotton and vegetables. A single application delivers 35 days of long-lasting control against Septoria tritici blotch in wheat. In addition, it significantly extends the green retention period of over 70% of wheat flag leaves. Its core mode of action received official recognition from the Fungicide Resistance Action Committee (FRAC) in May 2025.



Gilboa™-Sprayed Wheat

Gilboa™

It is an innovative vector control product developed based on PLINAZOLIN® technology. It targets the nervous system of mosquitoes and disrupts nerve signal transmission, achieving highly effective pest elimination while drastically slowing the development of resistance. This product has obtained WHO prequalification.

Sovrenta®

II Full-chain Collaboration to Upgrade the Agricultural Service Ecosystem

Building on original innovation at the source, the Company delivers technical services directly to farm fields and carries out professional agricultural lectures and training at grassroots levels. Technical teams are dispatched to fields to guide growers on scientific fertilization and rational irrigation and elevate their scientific farming capabilities. During the 2025 spring farming season, the Company hosted a total of 48 live online agriculture-supporting sessions and over 300 offline technical training and disease prevention guidance workshops.

In 2025



During the 2025 spring farming season, the Company hosted a total of

48 live online agriculture-supporting sessions



over **300** offline technical training and disease prevention guidance workshops



Boosting Growers' Per-unit Yield: MAP-driven Bumper Harvest Campaign

In September 2025, Sinochemagri MAP joined hands with growers and partners to host the event themed "MAP Drives Bumper Harvest – Technical Observation Conference for Per-unit Yield Improvement".

At the MAP demonstration farm in Datong, Shanxi province, the Company's staff provided hands-on technical briefings and on-site demonstration of application results. Over 50 large-scale growers gathered at the MAP demonstration farm in Chifeng, Inner Mongolia, to observe the field performance of high-quality crop varieties and precision water and fertilizer integrated management technology. In Heilongjiang province, the Zhaodong MAP Technical Service Demonstration Park was officially inaugurated. The demonstration park has a daily grain drying capacity of 500 tonnes and grain storage capacity of 30,000 tonnes.

Through the above events, technologies for raising per-unit grain yield were popularized and full-cycle agricultural services were rolled out, enabling farmers to easily understand, master and apply relevant technologies.



E Leading Low-Carbon Development to Drive Green Transition

Sinochem Holdings integrates green and low-carbon development into its corporate strategy and all business segments. The Company continuously optimizes its environmental management system, keeps pace with global climate governance initiatives, and systematically advances energy conservation and carbon reduction, pollution prevention and emission abatement, ecological restoration and circular economy practices. By steadily elevating its green development capacity, Sinochem Holdings contributes to the sustainable development goal of harmonious coexistence between humanity and nature.

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Strengthening Environmental Compliance

Sinochem Holdings has established and refined a sound environmental compliance management system, clarifying environmental protection accountabilities for all entities at each level. The Company intensifies control over environmental compliance risks, advocates the development of environmental institutional frameworks, enhances environmental supervision and monitoring, and delivers environmental protection training and education. It builds an environmental management framework featuring full employee participation, whole-process control and full-area coverage, ensuring all production and operation activities comply with laws and regulations and adopt green practices.

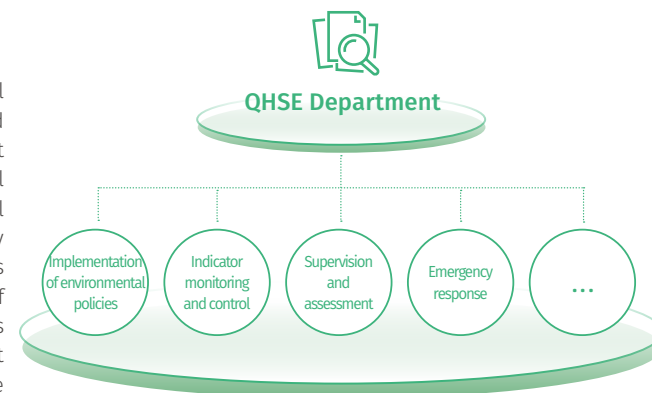
Strategy

Upholding the philosophy of "Prioritizing Ecology and Pursuing Green Development" and adhering to the principle of "Prevention First", the Company formulates environmental protection plans aligned with its five-year development blueprint, identifies annual key priorities, and fully integrates environmental protection and compliance requirements into every stage of production and operation.

Governance

Organizational Structure

The Company has built an environmental management organizational system with clearly defined powers and responsibilities and closed-loop control. The Quality, Health, Safety and Environment (QHSE) Department acts as the lead department for environmental management, coordinating the implementation of environmental policies, indicator control, supervision and assessment, emergency response and other relevant work. All specialized subsidiaries and directly-managed entities have established a full-staff environmental accountability system covering all business lines and management tiers. Dedicated environmental management departments have been set up to clarify environmental performance requirements to all management levels and positions, ensuring tangible delivery of environmental management outcomes.



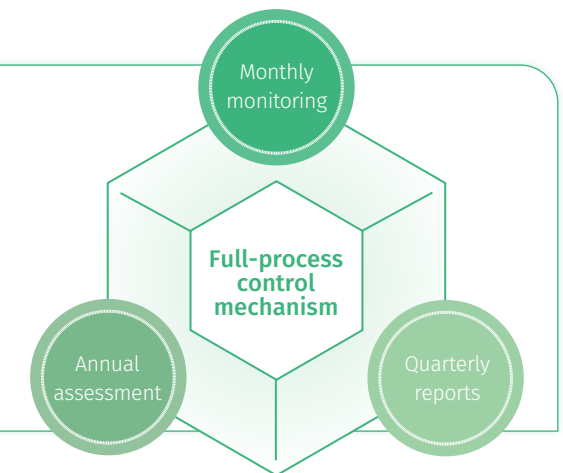
Institutional Framework

The Company abides by relevant laws, regulations and regulatory requirements including the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China*. Guided by the FORUS system, it has formulated institutional norms covering multiple environmental management areas. The framework is underpinned by a series of core documents, such as the *Sinochem HSE Management Provisions*, the *Sinochem Environmental Protection Administrative Measures*, the *Sinochem Standards for Environmental Incident Management*, the *Sinochem Standards for Environmental Statistics Management*, the *Sinochem Ecological and Environmental Protection Accountability System*, and the *Sinochem Standards for HSE Risk Prevention and Control Management*.

Environmental management is embedded into the Company's entire business operation cycle through this institutional system.

Management Mechanism

Environmental protection and low-carbon indicators are incorporated into the annual performance appraisal system. At the start of 2025, the Company set out environmental and carbon control targets and key tasks for all subsidiaries. A full-process control mechanism is implemented via "monthly monitoring – quarterly reviews – annual assessment". Subsidiaries with outstanding energy conservation and environmental protection performance receive extra appraisal points, while those lagging behind receive early warnings and are urged to carry out rectification. Assessment results are factored into the annual performance evaluation of subsidiaries' senior leaders. These rigorous measures are adopted to elevate the quality and efficiency of environmental management.



Risk Management

Risk Identification

The Company identifies environmental risks with the aid of Failure Mode and Effects Analysis (FMEA).



For semi-quantitative assessment

Methodologies such as Environmental Impact Assessment (EIA), Fault Tree Analysis (FTA) and Event Tree Analysis (ETA) are applied. Logical deduction is used to identify basic events and their logical correlations, so as to uncover accident root causes and formulate preventive measures.

Risk Assessment

The Company adopts a comprehensive risk assessment framework integrating qualitative and quantitative approaches. For qualitative assessment, Hazard Identification (HAZID) and qualitative risk assessment are deployed to identify potential hazards.



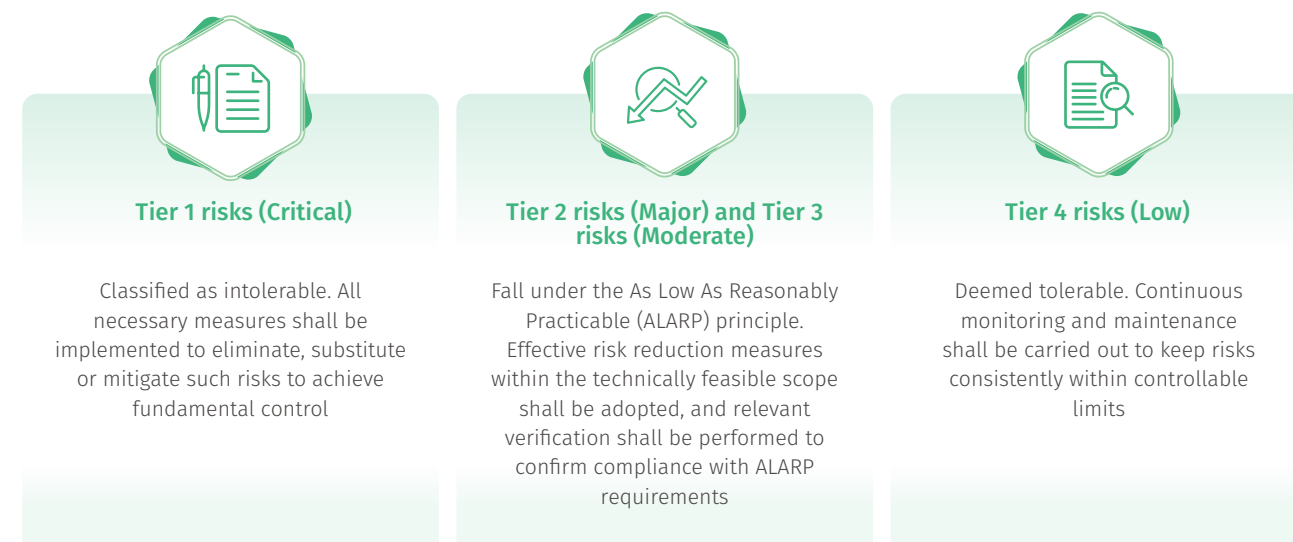
For quantitative assessment

The Company conducts simulation modelling based on atmospheric emission analysis and environmental pollution evaluation to estimate the impacts of atmospheric discharges and wastewater discharges on soil and groundwater respectively. Quantitative Risk Assessment (QRA) is also implemented to generate numerical results of individual risk and societal risk, supporting scientific decision-making.

The Company applies a standardized risk matrix for graded risk management. The matrix covers two dimensions: severity of consequences (S) and likelihood of occurrence (L). Consequences are classified into five levels: Minor, Low, Moderate, Major and Critical; likelihood is divided into five grades: Very Low, Low, Medium, High and Very High. This matrix enables the Company to intuitively determine the score and tolerance threshold of each type of risk, providing quantitative support for the formulation of subsequent control strategies.

Risk Control

Based on identified HSE risk factors, the Company has established a three-tier risk prevention, control and tolerance mechanism.



This tiered control system enables the Company to effectively manage and mitigate associated risks while driving business growth.

Targeting high-risk scenarios prone to frequent sudden environmental incidents, the Company organizes targeted emergency drills to raise all employees' awareness of environmental risk prevention and improve coordination in emergency response.

Risk Monitoring

In compliance with the *Measures for Self-Monitoring and Information Disclosure of National Key Polluting Enterprises* and other relevant policies, the Company has formulated scientific environmental monitoring plans. Standardized self-monitoring is conducted via online monitoring devices, and monitoring data is submitted to the official supervision platform of ecological environment authorities as mandated, achieving traceable and manageable oversight of environmental risks across all stages.

Indicators and Targets

The Company has set reduction targets for key air pollutants, water pollutants and solid waste, and continuously tracks and reviews the progress of emission reduction projects as well as the delivery of relevant reduction targets. By the end of 2025, the Company had fulfilled the air and water pollutant emission reduction targets specified in the *National Cleaner Production Implementation Plan* for the 14th Five-Year Plan Period.

Annual Progress

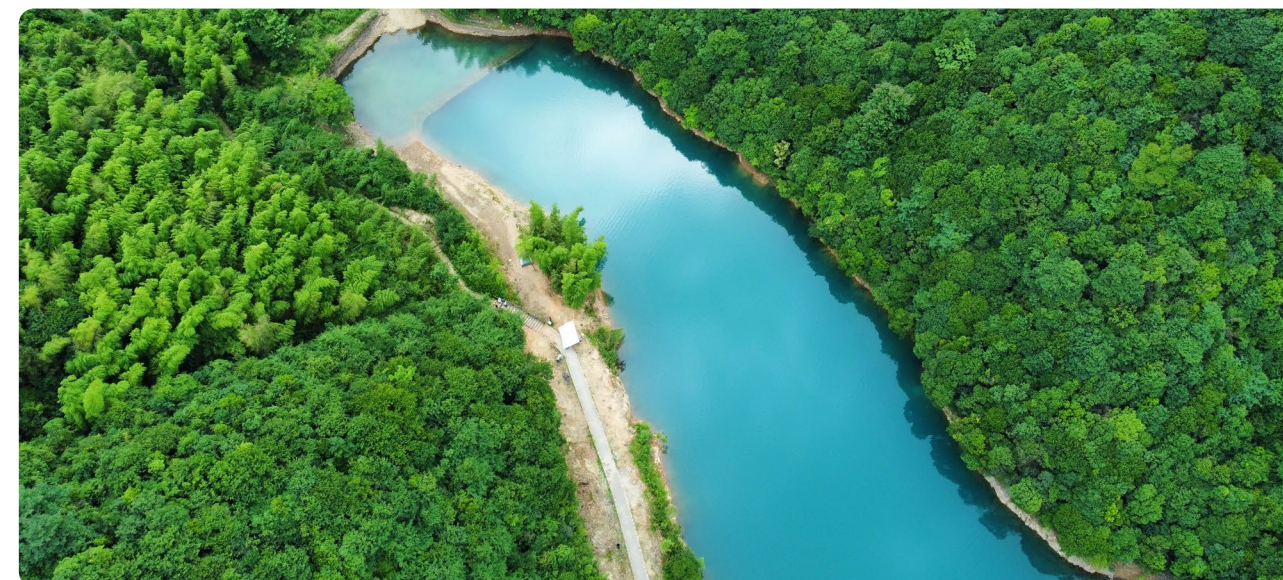
The Company delivers regular, multi-dimensional and multi-level special environmental protection training. In 2025, it organized policy briefings, typical case analyses and hands-on training covering a range of themes, including legal training on ecological environmental protection, ecological civilization development, online environmental monitoring management, rectification of issues raised by central environmental protection inspectors, and energy and carbon management capabilities. The Company also rolled out themed environmental protection campaigns on occasions such as World Earth Day, World Environment Day, National Low Carbon Day and National Energy Conservation Week. It also hosted environmental-themed photography contests and public welfare afforestation activities to raise all employees' awareness of ecological conservation.

Addressing Climate Change

Sinochem Holdings actively responds to China's carbon peaking and carbon neutrality ("Dual Carbon") initiatives, assesses climate-related opportunities and risks, and improves its "Dual Carbon" governance framework and management mechanisms. Centering on key priorities such as energy mix optimization and greenhouse gas emission reduction, the Company continuously strengthens its climate resilience and climate risk management, and delivers on its climate commitments through systematic green and low-carbon transformation initiatives.

Strategy

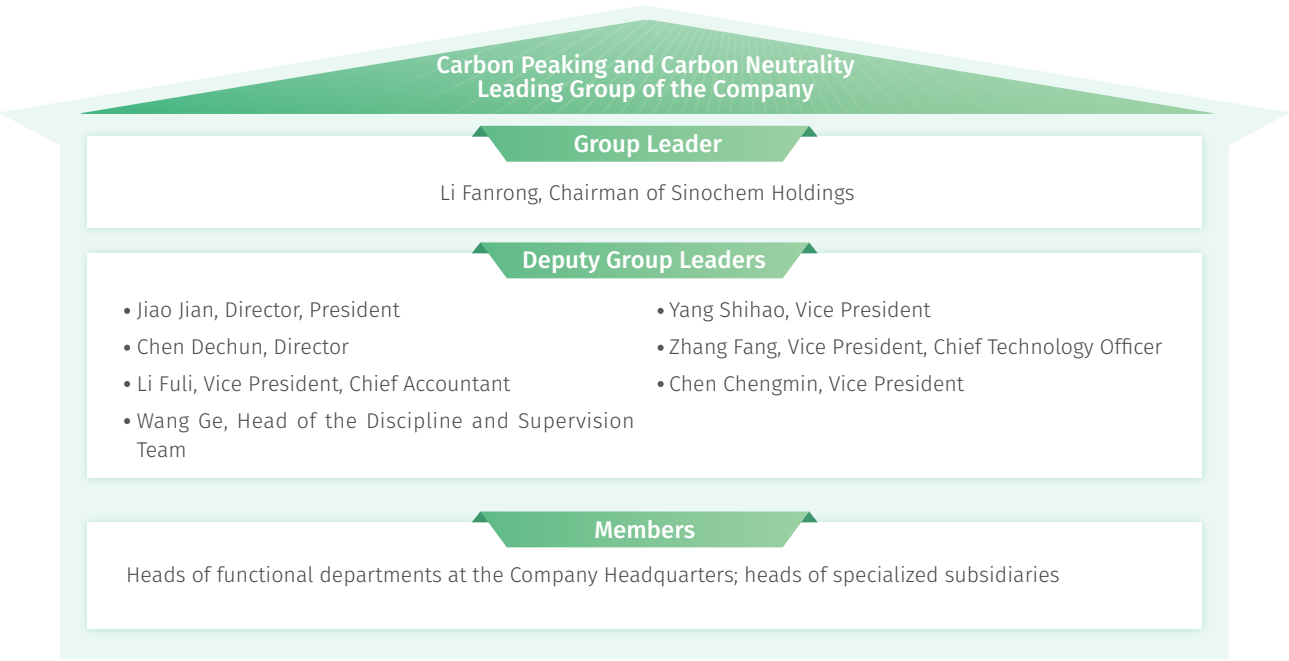
The Company regards green and low-carbon development as a core pillar of its sustainability strategy, fully integrating such concepts into top-down planning and long-term development. It has established a multi-tier low-carbon strategic planning system spearheaded by the *Sinochem Holdings Carbon Peaking Action Plan* and the *Sinochem Holdings Low-Carbon Development Strategic Plan*.



Governance

Organizational Structure

The Company has incorporated climate change response into its governance and decision-making system and established a top-down three-tier management framework consisting of the Group Headquarters, specialized subsidiaries and grassroots operating entities. A Carbon Peaking and Carbon Neutrality Leading Group has been set up, headed by the Chairman. The Leading Group is responsible for formulating climate-related management strategies as well as reviewing and evaluating climate-related matters. A working group under the Leading Group oversees the implementation and advancement of carbon peaking and carbon neutrality initiatives.



Institutional System

The Company thoroughly implements national policy requirements such as the *Opinions on Fully and Accurately Implementing the New Development Philosophy to Advance Carbon Peaking and Carbon Neutrality* and the *Opinions on Shifting from Dual Control over Total Energy Use and Energy Intensity to Dual Control of Carbon Emissions Step by Step*. It also rigorously executes the arrangements stipulated in internal documents including the Sinochem Energy Conservation and Low-Carbon Management Measures, the Sinochem Carbon Emission Monitoring, Statistics and Reporting Management Standards, the *Sinochem Carbon Asset Management Standards*, the *Sinochem Guiding Opinions on Energy Conservation and Carbon Reduction Actions (2024–2025)*, and the *Implementation Plan for the Construction of Sinochem Product Carbon Footprint Management System (2025–2027)*, incorporating green and low-carbon concepts into all stages of operation and management.

Management Mechanisms

The Company regularly assesses external expectations for management’s capacity to address climate change, and delivers climate-related training to enhance executives’ climate knowledge and professional expertise. It issues the monthly *Sinochem Holdings Carbon Peaking Action Briefing*, convenes quarterly HSE Committee meetings, and conducts annual green development evaluations to periodically review progress on “Dual Carbon” initiatives and guarantee their implementation. “Dual Carbon” indicators have been incorporated into the performance appraisal system for heads of secondary subsidiaries, driving management to fulfill their responsibilities in climate strategy, risk management, energy conservation and emission reduction.

Risk Management

Recognizing the major impacts of climate change on its business operations and the entire value chain, the Company systematically identifies, analyzes and evaluates climate-related risks and opportunities, and optimizes response measures for key risks and opportunities to underpin low-carbon transition. In 2025, the Company refined risk transmission pathways and upgraded corresponding response plans.

Risk Type	Potential Impacts	Time Horizon	Sinochem Holdings’ Response Measures
Physical Risks			
Acute Risks: Extreme weather events such as typhoons, sandstorms, floods and heavy rainstorms	Damage to production facilities, supply chain disruptions, threats to personnel safety, and higher emergency response expenses	Short-term Medium-term	• Optimize preemptive risk control measures and emergency response plans, revise the <i>Sinochem Emergency Response Plan for Sudden Environmental Incidents</i> , and scale up emergency drills
Chronic Risks: Shifts in weather patterns such as global warming and water scarcity	Higher operating costs (cooling water and raw material expenses), depreciation of fixed assets in coastal regions	Medium-term Long-term	• Continuously monitor climate data, develop water-saving solutions and revamp water-intensive processes. Measures such as reclaimed water reuse and compliance inspections of water intake help drive consistent reductions in water withdrawal per ten thousand yuan of output value
Transition Risks			
Policy & Legal Risks	Tightened carbon allowances, stricter environmental standards, upcoming expansion of the carbon market covering the chemical sector, and rising compliance costs	Medium-term	• Conduct research on domestic and international policies and forward-looking strategic planning; issue the <i>Implementation Plan for the Construction of Sinochem Product Carbon Footprint Management System (2025–2027)</i> and optimize carbon reduction solutions for export-oriented products • Fully complete carbon allowance surrender for six self-owned power plants, with a 100% compliance fulfillment rate
Market Risks	Rising market demand for low-carbon products and falling demand for traditional high-carbon products	Medium-term Long-term	• Develop products and services in line with customers’ green preferences, and secure international green certifications for eco-friendly products such as epoxy resin, PC and aramid fiber • Accelerate penetration in emerging industries and launch sustainable tires and bio-based products to meet the low-carbon demands of automobile and new energy sectors

Risk Type	Potential Impacts	Time Horizon	Sinochem Holdings' Response Measures
Technology Risks	Rapid iteration of low-carbon technologies; failure to transform in a timely manner will lead to equipment obsolescence and sunk R&D costs	Medium-term Long-term	•Boost R&D and commercialization of energy-saving and carbon reduction technologies, and collaborate with upstream and downstream partners to build a sustainable supply chain ecosystem. The Company independently developed high-efficiency catalytic organosilicon recycling technology applicable at near-ambient temperature, delivering a groundbreaking solution for the green recycling of global silicon resources. The Key Technology and Application of New Membrane Water Treatment project undertaken by the Company won the First Prize of the National Science and Technology Progress Award, providing core technologies for seawater desalination in China
Reputational Risks	Stakeholders are increasingly focusing on climate change and low-carbon development, with higher expectations for emission reduction progress	Long-term	•Maintain proactive communication with all stakeholders, release ESG reports for several consecutive years, improve the transparency of ESG disclosure, and strengthen stakeholders' confidence in the Company
Opportunities			
Resource Use Efficiency	Energy cost reduction through energy-saving technical renovation, waste heat recovery and circulating water optimization	Short-term Medium-term	•Improve resource efficiency in production and operation. The Company issued the <i>Sinochem Water Conservation Work Plan</i> and implemented 105 energy-saving projects, achieving an annual energy saving equivalent to 145,500 tonnes of standard coal
Energy Sources	Higher uptake of green power and self-built photovoltaic power generation, reducing reliance on fossil fuels and lifting the share of clean energy	Short-term Medium-term	•Proactively adopt clean energy to cut carbon emissions and energy costs in its operations. The Company's cumulative installed capacity of distributed photovoltaic power stations has reached 74 MW, and the proportion of renewable electricity consumption hit 17% in 2025
Products and Services	As the trend of innovative products replacing conventional ones becomes more prominent, the Company will intensify efforts in developing innovative products	Medium-term Long-term	•Develop diversified innovative products and strengthen product differentiation •Conduct carbon footprint accounting for 105 key products to respond to market demand for green and low-carbon products

Risk Type	Potential Impacts	Time Horizon	Sinochem Holdings' Response Measures
Market Opportunities	Accelerated green and low-carbon transformation of economy and society; rapid growth of green industries and transformation of traditional sectors create new revenue streams	Medium-term	•Seize market opportunities arising from industrial low-carbon transition and develop specialty products for silicon chemical, fluorochemical, electronic and electrical sectors
Adaptation & Resilience	Jointly build a resource-conserving and eco-friendly sustainable supply chain to enhance the Company's and business segments' climate change adaptation capacity	Long-term	•Strengthen internal operational climate adaptation capacity and improve the green operation management system •Enhance the value chain's real-time responsiveness to climate change, and participate in the formulation of industrial standards and research projects. Having filed 10 group standards for product carbon footprint, the Company is pushing forward the application for a national standard for glyphosate carbon footprint

Indicators and Targets

The Company has established a two-stage climate target framework for the period from 2030 to 2060, striving to reach carbon peaking before 2030.

The Company's carbon dioxide emissions mainly stem from fossil fuel combustion, industrial process emissions, and net purchased electricity and heat. In 2025, its total CO₂ emissions stood at about 42.99 million tonnes. The comprehensive carbon emission intensity based on industrial output and non-industrial revenue dropped by 21.4% compared with the 2020 baseline.

Overview of the Company's CO₂ Emissions

Indicator	Unit	2025 Figure
Carbon Emission Intensity (Scope 1 + Scope 2)	tCO ₂ per 10,000 yuan	Down 21.4% compared with 2020

Note: The full-caliber total industrial output value is adopted for calculation; the denominator covers industrial output plus operating revenue.

Annual Progress

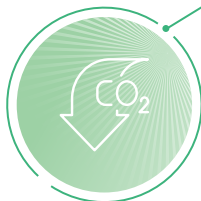
The Company steadily advances its carbon peaking initiatives. By improving carbon efficiency, it promotes clean and efficient energy utilization and upgrades process energy efficiency to continuously boost energy consumption quality and the performance of green low-carbon development. By reducing carbon emissions, it deepens energy conservation and carbon reduction at all operational processes, phases out high-energy consuming and low-efficiency production capacity, strictly controls greenhouse gas emissions, and accelerates the low-carbon transition of energy and industrial structures. By expanding carbon utilization, it focuses on CO₂ utilization, circular economy and research on green technologies to explore value-added pathways for carbon conversion. By strengthening carbon management capacity, it refines the Company's carbon peaking and carbon neutrality governance framework, improves carbon accounting and management systems, scales up professional capability development and digital support, and consolidates the foundation for carbon peaking work. In 2025, the Company published the *2024 Green Development Report*, which systematically demonstrates the achievements of its green development practices.

The Company's Low-Carbon Initiatives and Achievements in 2025



Improving Carbon Efficiency

- Accelerate low-carbon industrial transformation: Focus on low-carbon industries such as new materials and new energy, and advance the launch of multiple high-quality projects with low carbon emission intensity such as para-aramid and electronic chemicals.



Reducing Carbon Emissions

- Roll out energy-saving and carbon reduction campaigns: Coordinate 114 key energy-consuming subsidiaries to carry out carbon and energy-saving risk identification, and steadily implement various carbon reduction renovation projects.



Expanding Carbon Utilization

- Develop carbon capture projects: Launch the R&D project on carbon capture, utilization and storage. The Company has made breakthroughs in core technologies such as CO₂ phase-change absorption, acrylic acid synthesis from acetic acid and formaldehyde, and ethylene-to-MMA process, underpinning domestic carbon capture and utilization development.



Strengthening Carbon Management Capacity

- Upgrade low-carbon management: Issue the construction plan for product carbon footprint management system, annual targets and ten key tasks.
- Conduct product carbon footprint accounting: Complete carbon footprint accounting for 105 products and initially build a carbon footprint factor database. Having submitted 10 group standards for product carbon footprint, the Company pushed forward the application for a national standard for glyphosate carbon footprint led by its subsidiary Shenyang Research Institute of Chemical Industry (SYRICI).
- Fulfill carbon market compliance obligations: Six captive power plants under the Company completed carbon allowance surrender, with a 100% compliance fulfillment rate.
- Implement carbon verification: Entrust third-party institutions to conduct carbon inventory audits; the deviation between verified data and the Company's information system data stands at only 0.03%.
- Optimize low-carbon digital information system: The Company has established a statistical and accounting system covering 8 major business segments, 80 sub-sectors and over 4,000 emission sources.

Optimizing Resource Utilization

Sinochem Holdings continues to refine its resource management systems and procedures, strengthen target-based management and accountability implementation, optimize the use of energy, water and raw materials, steadily improve resource use efficiency in its production and operation, thereby fostering an eco-friendly and resource-conserving enterprise.

Energy Management

Strategy

Upholding the guideline of prioritizing energy conservation, high efficiency and low-carbon development, and adhering to the principles of energy consumption reduction and intensive utilization, the Company defines annual key energy-saving and carbon reduction tasks, and fully integrates energy control and energy efficiency improvement requirements into all stages of production and operation.

Governance

The Company strictly abides by relevant laws and regulations, including the *Renewable Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*. It has formulated energy management and assessment systems such as the *Guiding Opinions on Further Strengthening Energy Conservation and Carbon Reduction for New Projects* and the *Sinochem Energy Conservation and Low-Carbon Management Measures*, clarifying management standards, sorting out responsibility boundaries and standardizing workflows. This sound institutional framework ensures all energy-saving and carbon reduction measures deliver tangible results.

The Company conducts regular energy conservation inspections and energy efficiency reviews of key products to guarantee compliant and efficient energy use. In 2025, it carried out energy efficiency audits on 29 key products.

Indicators and Targets

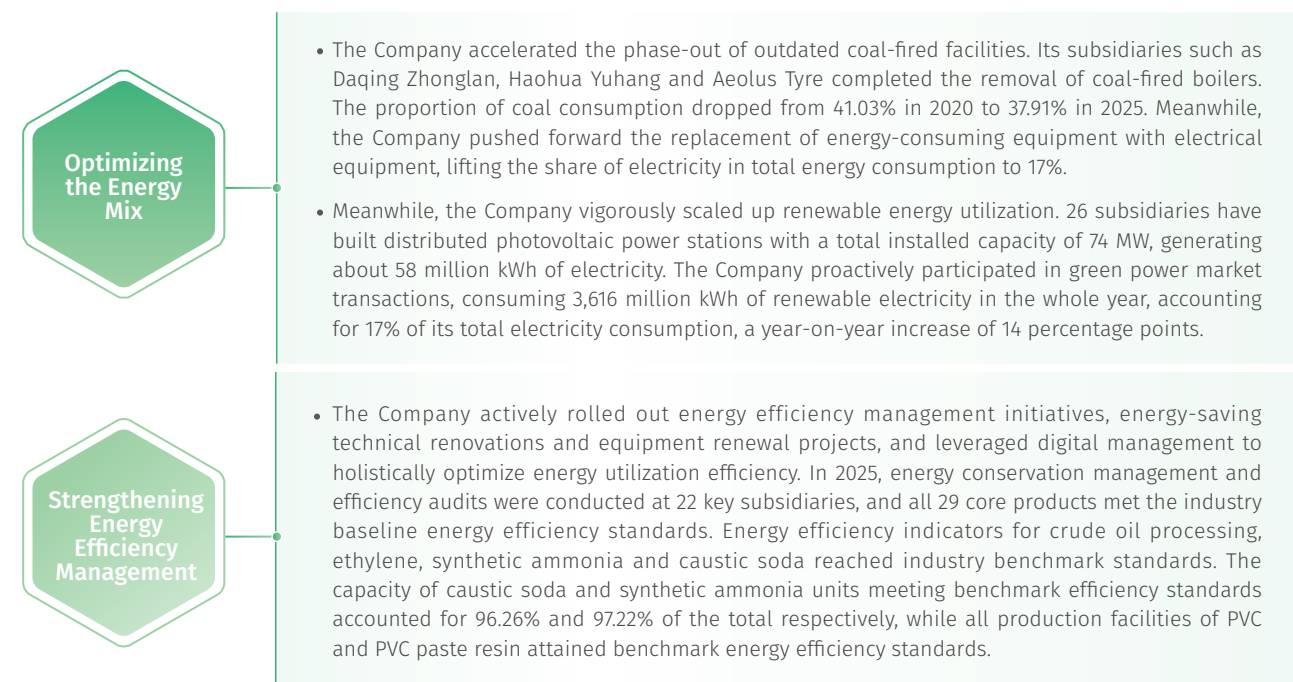
The Company has set its energy management targets: it will further reduce comprehensive energy consumption per 10,000 yuan of output value by 2030, and lift the energy efficiency of high-energy-consuming segments such as ammonia and caustic soda to top-tier industry benchmarks. In 2025, the Company's comprehensive energy consumption per 10,000 yuan of output value decreased by 21.4% compared with the 2020 baseline.

Energy Consumption Profile of the Company

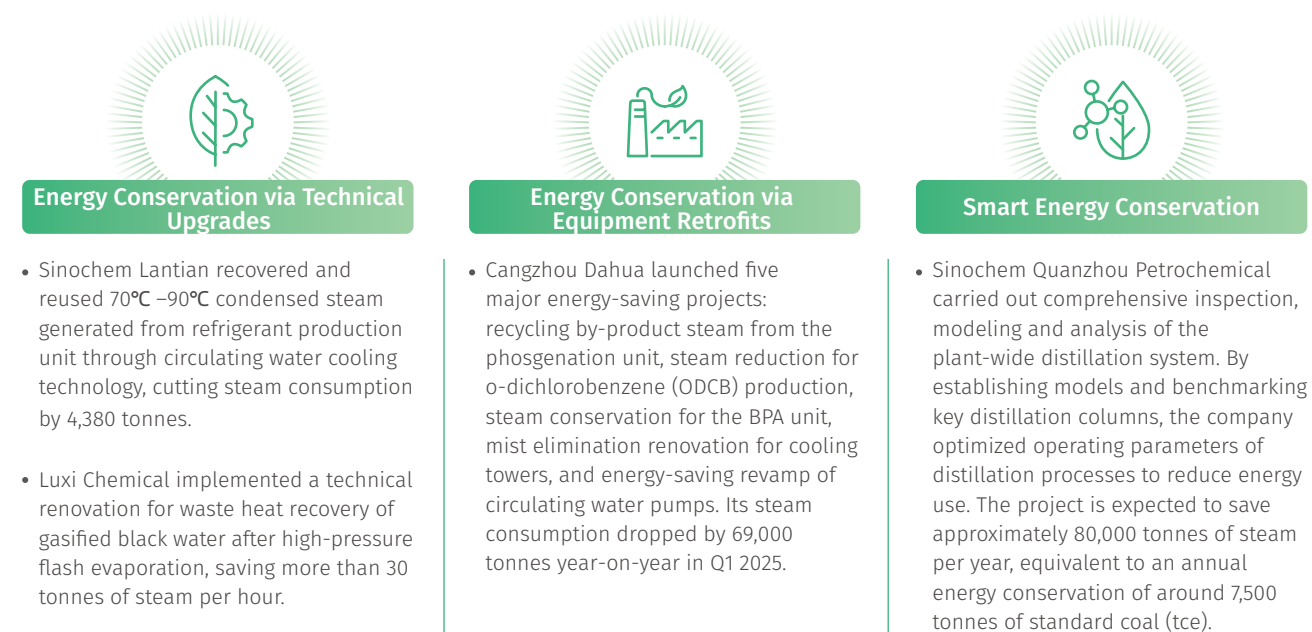
Indicator	Unit	2025 Figure
Comprehensive energy consumption per RMB 10,000 output value	tce per 10,000 output value	Down 12.86% YoY
Renewable energy consumption	100 million kWh	36.1
Share of renewable electricity consumption	%	17

Annual Progress

The Company's direct energy consumption mainly covers natural gas, coal and coke, while indirect energy consumption includes outsourced electricity and steam. In 2025, the Company optimized its energy mix and raised the share of clean energy, strengthened energy efficiency management and boosted overall energy utilization efficiency. A total of 105 energy-saving projects were implemented throughout the year, delivering an annual energy saving equivalent to 145,500 tonnes of standard coal.



Achievements in Energy Conservation Projects in 2025



Water Resource Management

Strategy

The Company strictly complies with the following principle: determining urban scale, land use, population size and industrial layout based on the carrying capacity of water resources, so as to fully tap water-saving potential.

Governance

The Company strictly abides by relevant laws and regulations, such as the *Water Law of the People's Republic of China* and the *Circular Economy Promotion Law of the People's Republic of China*. It has formulated the *Sinochem Water Conservation Work Plan* and the *Sinochem Industrial Water Management Measures*, clarifying responsibilities at all levels, standardizing industrial water management covering institutional development, water-consuming process control and water conservation supervision, and it has established a complete industrial water management system.

Indicators and Targets

The Company mainly draws water from municipal water supply systems for production, operation and daily living demands. In 2025, its water consumption intensity stood at 4.91 tonnes per 10,000 yuan of comparable output value, and the industrial water reuse rate reached 98.13%. 43 subsidiaries have been certified as water-saving enterprises, among which 32 consumed over 500,000 tonnes of fresh water, and the certification rate of key water-consuming enterprises reached 80%. No major direct or indirect impacts on water resources arising from changes in water intake, consumption or discharge were recorded.

Water Resource Utilization Status of the Company

Indicator	Unit	2025 Value
Industrial water reuse rate	%	98.13
Proportion of certified water-saving enterprises	%	80
Proportion of fresh water consumption	%	1.87
Fresh water consumption intensity	Tonnes per 10,000 yuan output value	4.91

II Annual Progress

The Company continues to pursue refined management of water resources. In 2025, while scaling up water-saving technical renovations, it actively promoted the utilization of industrial wastewater and innovative brackish water desalination practices, steered water resource management toward higher efficiency and digital intelligence, and underpinned the enterprise's sustainable development through high-standard water conservation and protection.

Water Resource Management Measures and Achievements of the Company in 2025

Management Focus	Management Measures	Management Outcomes
 Technical Renovation	Cangzhou Dahua carried out mist elimination renovation for cooling towers to reduce supplementary circulating water	Saved 60 cubic meters of water per hour in winter; all water vapor fully recovered instead of being evaporated
 Water Recycling & Reuse	Yangzhou Huayu independently invested in a reclaimed water reuse project to realize resource utilization of industrial wastewater	Cut wastewater discharge by 1.22 million tonnes annually; replaced imported membranes with self-developed membrane modules of the Company
	Yangnong Ruixiang treats muddy water from the pretreatment system, and the backwash water of the desalination system is filtered and reused as water source	Saved approximately 90 cubic meters of water per hour and improved overall water utilization efficiency
 Brackish Water Desalination	Hangzhou Water Treatment rolled out a brackish water desalination pilot project to convert brackish water into irrigation water	Produced around 140,000 cubic meters of desalinated water during the irrigation season; cotton yield increased to 400 kilograms per mu (666.67 square meters)
 Construction of Water Efficiency Benchmark Enterprise	Quanzhou Petrochemical drastically cut water intake per unit product by optimizing production processes, tightening water consumption control and expanding wastewater reuse	Achieved a water intake index of 4.34 cubic meters per tonne of ethylene, and was included in the 2024 Water Efficiency Leader List for Key Products issued by China Petroleum and Chemical Industry Federation



Yangzhou Huayu Reclaimed Water Reuse Project Boosts Ecological Governance in the Yangtze River Basin

In August 2025, the reclaimed water reuse project of the Company's subsidiary Yangzhou Huayu officially broke ground. Upon completion, the project will cut annual wastewater discharge by 1.22 million tonnes and supply recycled water to enterprises in surrounding industry parks such as Sinochem High Fiber, delivering both ecological and economic benefits.



Yangzhou Huayu Reclaimed Water Reuse Project Site



Advancing Science-based Pollution Prevention and Control

Sinochem Holdings consistently prioritizes ecological and environmental protection as an overarching principle to guide corporate strategy formulation, industrial planning and business development. The Company strictly complies with relevant laws and regulations, including the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China* and the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*. It has established a comprehensive full-process pollutant control system to minimize the environmental impacts of pollutant emissions.



Air Emissions Management

II Strategy

The Company thoroughly implements the guidelines of the National Conference on Ecological and Environmental Protection to continuously strengthen its air pollution prevention and control capacity. It issued the *Sinochem 2025 Action Plan for Tough Battle Against Air Pollution*, which covers five major initiatives and 15 key tasks. The Company solidly advances key tasks such as comprehensive VOCs treatment and odor pollution control to foster a cleaner and safer operating environment.

II Governance

The Company complies with industrial standards such as the *Integrated Emission Standard of Air Pollutants*. In 2025, it further revised the *Sinochem Working Standards for Air Pollution Prevention and Control*, pushing forward upgrading and retrofitting of pollution control equipment and phasing out outdated facilities. It also implemented emergency response measures during severe air pollution events at enterprises in key air pollution control regions to ensure compliance with emission limits.

II Indicators and Targets

Air emissions of the Company mainly consist of industrial flue gas generated from production activities and domestic waste gas within plant sites. Key air pollutants include sulfur dioxide (SO₂), nitrogen oxides (NO_x), volatile organic compounds (VOCs), etc. The Company sets annual emission reduction targets for these major air pollutants. In 2025, the discharge volume of all major air pollutants decreased significantly.

In 2025, the discharge volume of all major air pollutants **decreased significantly.**



Annual Progress

In 2025, the Company carried out odor control initiatives, intensified comprehensive VOCs emissions control, imposed stringent control over key air pollutants such as sulfur dioxide, phased out inefficient and ineffective air pollution control technologies, and further advanced comprehensive treatment of boilers and kilns. It strengthened the prevention and control of ammonia slip during flue gas desulfurization and denitrification at its plants, and steadily advanced the campaign to keep skies blue.

In 2025, the Company's subsidiaries invested a total of 456 million yuan in more than 100 air pollution prevention and control projects. In terms of coal-fired boiler retrofits, ultra-low emission retrofit was completed for all coal-fired boilers with a capacity of 35 tonnes per hour and above.



Wastewater Management

Strategy

Sinochem Holdings has intensified efforts in the tough campaign against water pollution. Adhering to the principle of "prevention first, integrated prevention and treatment, and comprehensive governance", the Company prevents, controls and mitigates wastewater pollution and ecological damage.

Treatment and Governance

The Company has formulated the *Sinochem Holdings Working Standards for Wastewater Pollution Prevention and Control*, implementing end-to-end supervision and management covering wastewater collection, storage, transportation, recycling, treatment and discharge. It standardizes management requirements for wastewater treatment facilities and pollutant discharge.

Indicators and Targets

The Company's wastewater mainly consists of process wastewater and domestic sewage from plant sites, with chemical oxygen demand (COD) and ammonia nitrogen as primary pollutants. In 2025, it continued to cut the total discharge volume of pollutants such as COD and ammonia nitrogen as well as total wastewater discharge.

Water Pollutant Discharge Indicators of the Company

Type of Water Pollutant	Unit	2025 YoY Change
Total Wastewater Discharge	Tonne	Down 14.67%
In breakdown: COD Discharge	Tonne	Down 14.18%
Ammonia Nitrogen Discharge	Tonne	Down 22.16%

II Annual Progress

The Company continued to advance the campaign to safeguard clear water bodies in 2025. On one hand, it pressed ahead with tough ecological protection initiatives for the Yangtze and Yellow River basins. It carried out special rectification campaigns targeting the three phosphorus-related industries, steadily advanced pollution control projects for industrial sites and tailings ponds, and strictly enforced the requirement of "determining production capacity by available water resources" in the Yellow River Basin. On the other hand, the Company intensified efforts in industrial wastewater treatment: it upgraded wastewater treatment facilities, adopted advanced processes to pursue wastewater zero discharge, and deepened advanced treatment and recycling of high-salinity and high-concentration refractory organic wastewater. Through the above initiatives, the Company achieved coordinated progress in pollution and carbon reduction alongside cost reduction and efficiency improvement.

Campaign to Safeguard Clear Water Bodies

Key Tasks	Core Measures	Governance Outcomes
 Ecological Protection of the Yangtze and Yellow River Basins	Carry out special rectification campaigns for the three phosphorus-related industries	Its subsidiaries such as Adama Jingzhou Base, Adama Anbang and Yangnong Youshi have fully implemented pollution prevention and control for phosphorus-related pollutants
	Advance pollution control projects covering industrial facilities, vessels and tailings ponds	Enterprises with direct wastewater discharge such as Haohua Chenguang have implemented upgrades, including elevated direct discharge pipelines and interlocking shut-off valves for rainwater and wastewater separation
	Strictly implement the "production capacity determined by water availability" policy in the Yellow River Basin	The Company has rectified irregular industrial water intake and consumption, and permanently shut down self-provided water wells with violations such as unapproved water intake permits and missing water metering devices
 Campaign for Industrial Wastewater Treatment	Upgrade wastewater treatment facilities	Subsidiaries including Xinghuo Silicones and Nantong Xingchen have upgraded their wastewater treatment plants to lift the wastewater recycling rate
	Adopt advanced wastewater treatment technologies	Yangnong Ruixiang's 1.2 Mt/a high-salinity wastewater recycling technical renovation project applies eco-friendly processes to treat wastewater with high salinity and high TOC content. Diaphragm caustic soda production and traditional evaporation processes have been phased out. The treated brine meets the standards for direct reuse, enabling efficient resource recycling Syngenta Kunshan Plant applies MVR, ultrafiltration (UF) and reverse osmosis (RO) technologies to achieve 100% wastewater recycling
	Promote advanced treatment and comprehensive utilization of industrial wastewater	Dezhou Shihua has utilized an advanced high-salinity wastewater treatment system, with 80% of the feed water converted into product water that meets intermediate water reuse standards, achieving plant-wide wastewater zero discharge
	Boost emergency response capacity against water pollution	The Company has built a three-level environmental emergency prevention and control system for sudden water pollution incidents in chemical parks, and organized regular water pollution emergency drills to improve the efficiency and capability of emergency response

 Solid Waste Management

II Strategy

The Company steadily advances its Waste-Free Conglomerate pilot initiative. Considering its extensive industrial chain, numerous subsidiaries and diverse waste streams, the Company formulated the *Sinochem Holdings Indicator System for the Pilot Project of Zero-Waste Conglomerate Development*, establishing multi-dimensional, all-round and comprehensive evaluation indicators. It also focuses on eight distinctive indicators covering typical waste streams such as phosphogypsum, chemical waste salt and waste acid, delivering more targeted and operable guidance for building a "Waste-Free Conglomerate".

II Governance

The Company complies with industry standards such as the *Standard for Pollution Control on Hazardous Waste Storage*, and further revised the *Sinochem Working Standards for Solid Waste Pollution Prevention and Control* in accordance with the *National Catalogue of Hazardous Wastes (2025 Version)*. Based upon on-site conditions, its subsidiaries formulated tiered and categorized technical standards for pollution control, resource recovery and comprehensive utilization products for key solid wastes such as gypsum waste, chemical waste salts and waste acids, to strengthen environmental risk prevention during solid waste utilization and disposal.

In 2025, Sinochem Holdings officially launched the solid waste environmental management system, realizing IT-based solid waste management featuring "unified data platform, integrated visual map and interconnected management network". Nearly 170 waste-generating subsidiaries and their management entities are covered by the system, laying a digital foundation for the construction of the Waste-Free Conglomerate. Meanwhile, the system was interconnected with the national solid waste management platform to form an integrated government-enterprise data network for hazardous waste, enabling full life-cycle management of hazardous waste at key supervised entities.



Sinochem Holdings Solid Waste Environmental Management System

Indicators and Targets

The Company has achieved remarkable results in building the Waste-Free Conglomerate. In 2025, it developed 24 solid waste disposal and recycling technologies, cutting waste salt output by nearly 3,000 tonnes and recycling over 40,000 tonnes of waste acid and alkaline waste. The comprehensive utilization rate of general solid waste of the Company exceeded 80%.

Annual Progress

The Company pressed ahead with the construction of a Waste-Free Conglomerate in 2025. Centering on source reduction of waste generation, maximization of resource utilization and harmless cyclic recycling of waste components, it systematically advanced technological innovation and jointly explored new management models, yielding positive outcomes. The full tailings backfill mining technology independently developed by China Bluestar Lehigh Engineering, a subsidiary of the Company, has been included in the *Catalogue of Advanced and Applicable Technologies for Conservation and Comprehensive Utilization of Mineral Resources*. This technology has been applied to 15 tailings backfilling and comprehensive utilization projects at phosphate mine bases nationwide. A number of subsidiaries such as Quanzhou Petrochemical and Xinghuo Silicones have been certified as Waste-Free Enterprises.

Noise Management

The Company formulated the *Sinochem Working Standards for Noise Pollution Prevention and Control* to realize noise abatement. All subsidiaries subject noise pollution to unified management via pollutant discharge permits, prioritize low-noise construction equipment listed in the *Guiding Catalogue of Low-Noise Construction Equipment*, and adopt noise reduction measures such as enclosures, sound absorption, silencing, vibration isolation and damping to lower noise emissions. In 2025, all noise emission values of the Company stayed below the statutory limit standards.

Soil and Groundwater Environmental Management

The Company further revised the *Sinochem Working Standards for Soil and Groundwater Pollution Prevention and Control* to standardize relevant management practices. It implements full life-cycle management of soil and groundwater to establish a long-term pollution prevention and control mechanism, proactively carries out risk prevention and control, and continuously enhances its capacity for soil and groundwater environmental governance.

In 2025, the Company launched pilot projects for source control of soil pollution to mitigate soil and groundwater contamination risks. It carried out special soil pollution remediation campaigns on chemical industrial sites vacated within one kilometer along river banks, adopting risk control or restoration measures to strictly block pollutant runoff into rivers. The three-pronged pollution prevention approach of source reduction, source containment and source purification practiced by Haohua Chenguang has been recognized by the Ministry of Ecology and Environment of China.

Driving Green Transition

Green Buildings

The Company integrates green concepts into the full lifecycle of its construction projects, and it constructs green buildings via innovative ultra-low energy consumption technologies and zero-carbon operational solutions. In 2025, Block A of Sinochem Holdings Tower (Xiong'an) was recognized as a Zero-Carbon Building Pilot Project in the Second Batch assessed by the China Association of Building Energy Efficiency.

Green Building Practices of the Company in 2025

Benchmark Project of Green Buildings: Sinochem Holdings Tower

- **Decorative Materials:** Glass Fiber Reinforced Gypsum (GRG), rigid composite boards and glass fiber panels are adopted to replace highly polluting traditional materials. Dry-hanging installation and glue-free construction techniques, as well as inorganic coatings, are widely applied to drastically cut pollutant emissions at the source.
- **Soft Furnishings & Furniture:** All wood panels for furniture meet the ENF formaldehyde emission standard ($\leq 0.025 \text{ mg/m}^3$). Water-based coatings and adhesives are used to substantially lower risks of volatile organic compound (VOC) release.
- **Indoor Air Treatment:** Customized comprehensive remediation schemes are tailored for the tower's irregular and enclosed spaces, achieving over 90% removal efficiency for formaldehyde and total volatile organic compounds (TVOC).



Sustainable Products Used to Construct Green Buildings

- Shengnai PVF, a high-performance polyvinyl fluoride (PVF) film developed by Sinochem Lantian, boasts outstanding weather resistance, ultraviolet resistance and anti-corrosion performance. It addresses the aging and corrosion pain points of conventional metal roofing materials, delivering remarkable energy conservation and emission reduction outcomes in energy and construction sectors.

Green Certification Achievements

- By the end of 2025, China Jinmao, the Company's urban operation subsidiary, had completed 326 green building certified projects and obtained 328 green building certifications and labels of various types.

Green Finance

The Company actively channels social capital into green and low-carbon sectors. For green bond businesses, the Company prioritizes sectors such as water conservancy, clean energy, green buildings and green transportation. For green equity investments, it focuses on high-growth sustainable industries such as agriculture, forestry, animal husbandry, fishery, clean energy, information technology and high-end manufacturing. As of the end of 2025, the Company held 239 outstanding securities and trust products linked to green bonds with a market value of 26 billion yuan, alongside 200 outstanding securities and trust products linked to green equities valued at 21.1 billion yuan.

The Company's Green Finance Practices in 2025

The "Light Energy Series" distributed photovoltaic trust, the industry's first household PV trust product launched by Sinochem Capital,

with cumulative investment of approximately **5.6** billion yuan, benefiting nearly **50,000** rural households, lifting each household's annual income by over **3,000** yuan

with a projected annual installed power capacity of **1.5** GW, cutting carbon dioxide emissions by about **1.63** million tonnes, saving **623,100** tonnes of standard coal each year



It was selected as one of the **Top 10 Green Trust Cases of 2025 by the China Trustee Association.**



A green finance initiative launched by Sinochem Factoring, which delivered innovative financial solutions for a modern agricultural enterprise, was named a Typical Green Finance Case for the Real Economy under Tianjin's 2024–2025 Commercial Factoring Industry Awards.



Sinochem Factoring partnered with Deutsche Bank to launch an innovative green finance solution focused on sustainable development projects in China's healthcare sector, which won the Best ESG Solution Award at The Asset Triple A Sustainable Investing Awards 2025.



Sinochem International successfully issued the second tranche of its Sustainability-Linked Medium-Term Notes in 2025 with an issuance size of 1.5 billion yuan, offering an interest rate more favorable than comparable high-quality corporate issuers in the market.

Biodiversity Conservation

The Company attaches great importance to its business activities' impacts on ecosystems and biodiversity. We strictly comply with relevant laws, regulations and policy documents, including the *Wildlife Protection Law of the People's Republic of China*, *Regulations on Wild Plant Protection*, *Regulations on Nature Reserves of the People's Republic of China*, and *China National Biodiversity Conservation Strategy and Action Plan (2023–2030)*. We actively align our practices with the *Convention on Biological Diversity* and the *Kunming-Montreal Global Biodiversity Framework*, and commit to refraining from any production or construction activities within ecological conservation red lines, fulfilling its ecological civilization responsibilities of a central SOE through tangible actions.

In 2025, the Company carried out a series of effective initiatives in saline-alkali land ecological restoration, sustainable marine fishery utilization and pollinator protection, forming a multi-dimensional biodiversity conservation framework covering terrestrial, marine and agricultural ecosystems.

The Company's Biodiversity Conservation Practices in 2025



Rice-duck Co-cultivation Model

Sinochem Agri MAP has promoted the rice-duck co-cultivation model in Zhijiang, Hubei province for three consecutive years across approximately 500 mu (33.34 hectares) of demonstration paddy fields to build multi-species symbiotic systems. Ducks feed on weeds and pests while loosening topsoil, and their manure is converted into organic fertilizer to form a circular planting-breeding system. This model enables the coverage rate of green pest and disease control to remain steadily above 85% and cuts chemical pesticide application by 30%, effectively mitigating non-point source pollution and enhancing farmland biodiversity and ecosystem stability.

In July 2025, Syngenta Group, a subsidiary of the Company, partnered with Zhejiang University to conduct a subtropical paddy field biodiversity survey in Yuyao, Ningbo, Zhejiang province. The research covered three intercropping systems: early rice-soybean, sesame-rice and zinnia-rice, collecting a total of 484 arthropod specimens spanning 65 families and tribes.

The study found that plots planted with nectar source crops (sesame and zinnia) generally recorded higher natural enemy-to-pest ratios than monoculture rice fields, with sesame plots delivering an optimal ratio of 2.75–4.50 natural enemies per pest and showing a significant aggregation effect on predatory insects. Compared with zinnia and soybean, sesame demonstrates superior capacity to attract and sustain natural enemy populations. Community similarity analysis preliminarily verified the spillover effect of natural enemies from nectar source strips to adjacent rice paddies. The research confirms that intercropping with nectar plants can boost farmland biodiversity and biocontrol potential, providing scientific evidence for sustainable agricultural development.



Survey Site for Paddy Field Biodiversity

Circular Economy

Governance

The Company regards circular economy as a core driver for green and low-carbon transformation, and fully implements the principles of reduction, reuse and recycling (the 3Rs). We strive to raise the waste recycling rate and the substitution ratio of recycled materials, minimizing overall resource consumption and environmental footprints.

Indicators and Targets

The Company advances high-efficiency industrial resource circulation. In 2025, the comprehensive utilization volume of general solid waste reached 7,801,472 tonnes, representing a year-on-year growth of 7.64%.

Waste Utilization Volume		
Indicator	Unit	2025 YoY Change
Comprehensive utilization volume of general solid waste	Tonne	Up 7.64%

Annual Progress

Guided by its green and low-carbon development goals, the Company coordinates full value chain planning and adopts a number of measures to promote the implementation of circular economy models.



Launch the "Huayun Waste Disposal" One-Stop Platform for Idle and Scrap Asset Disposal

In 2025, Sinochem Commerce, a subsidiary of the Company, made notable progress in the disposal of surplus and waste assets by developing the "Huayun Waste Disposal" one-stop platform. The platform has consistently elevated the standardization, transparency and marketization of idle and scrap asset disposal, helping all subsidiaries revitalize idle stock assets, mitigate compliance risks and improve the efficiency of resource recycling.

By the end of 2025, 126 subordinate enterprises had registered on the platform, with 288 disposal projects completed. This shift has transformed the management of surplus and waste materials from scattered individual transactions into standardized, specialized and platform-based operations.

By the end of 2025



126

subordinate enterprises had settled on the platform



with 288

disposal projects completed



Pioneering a New Mechanical Recycling Route for Silicone Rubber to Boost Circular Utilization of Organosilicon Materials

In September 2025, Elkem Silicones completed the proof-of-concept validation for an innovative mechanical recycling process for cured high-consistency rubber (HCR). The technology enables cross-linked HCR waste to be recovered and reintroduced into new formulations with recycled material proportions exceeding 50%, while retaining outstanding mechanical performance of finished products. Supported by advanced material engineering technologies, the scalable circular utilization of high-performance silicone elastomers is realized to cut waste generation and carbon footprint.



R&D on Mechanical Recycling Process of Silicone Rubber



Joint Release of the 2025 Blue Book on Circular Economy Development of the Petrochemical Industry with Central SOE Think Tanks

In October 2025, China National Chemical Information Center (CNCIC), a subsidiary of the Company, co-hosted the 2025 Petrochemical Industry Circular Economy Development Conference & 3rd Green Low-Carbon Development Summit of Shanghai Chemical Industry Park with research institutes of CNPC, Sinopec and CNOOC, Shanghai Chemical Industry Park, Beijing University of Chemical Technology and the China Circular Economy Association. Themed "Sci-Tech Powers Circular Chains, Green Initiatives Empower Petrochemical Industry", the conference held in-depth discussions on plastic recycling, bio-based chemical and material innovation, green technology and zero-carbon industrial parks, and sustainable management talent development. The 2025 Blue Book on Circular Economy Development of China's Petrochemical Industry was officially released during the event, providing systematic strategic guidance and implementation pathways for the green transformation of the industry.



2025 Conference on Circular Economy Development of Petroleum & Chemical Industry and the 3rd Green Low-Carbon Development Summit of Shanghai Chemical Industry Park

S Fulfilling Our Mission and Shouldering Social Responsibilities

Sinochem Holdings pursues shared value creation in its global operations. We respect and care for employees to support their growth, consolidate the foundation of development through occupational safety and health, win customers' trust with premium products, empower supply chains via sustainable management, and give back to society through responsible actions, so as to steadily achieve coordinated progress in economic and social benefits.

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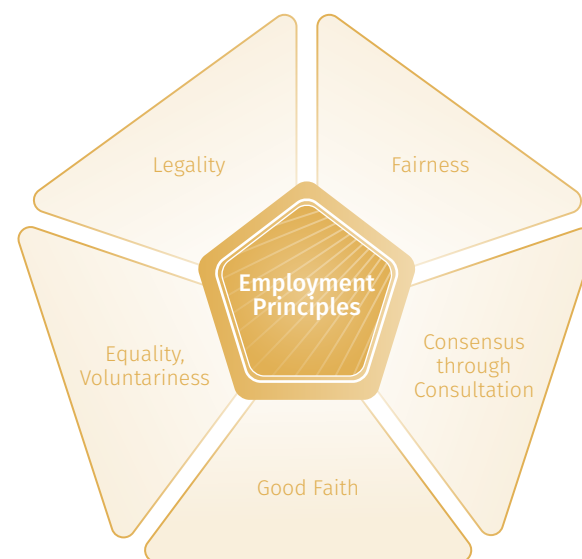


Safeguarding Employees' Rights and Interests

Sinochem Holdings is committed to building a fair, equitable, inclusive and diverse workplace. We have established a full-lifecycle system covering employee rights protection, career development and welfare support, to effectively safeguard staff's legitimate rights and interests and realize mutual growth and two-way empowerment between employees and the Company.

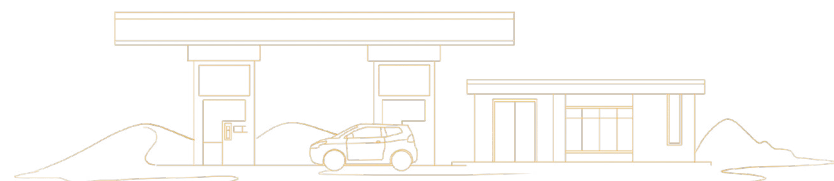
Strategy

The Company regards talent as a core strategic resource for its sustainable development and implements the core strategy of "Talent-Driven Enterprise Development". We uphold the human rights and labor standards stipulated in the International Labor Organization's *Declaration on Fundamental Principles and Rights at Work*. We strictly comply with the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Regulations on the Prohibition of Child Labor* and other laws and regulations applicable to all domestic and overseas business sites. We adhere to employment principles of legality, fairness, equality, voluntariness, consensus and integrity and good faith. We commit to equal job and development opportunities for all employees and prohibit discrimination based on gender, age, ethnicity, region, religion or disability in recruitment, talent training, performance appraisal, compensation and benefits, and career advancement. We have formulated standardized local employment rules for overseas operations to deliver equal career prospects to staff from all backgrounds.



Governance

The Company's Human Resources Department serves as the lead department for employee rights protection, coordinating with the General Office and all subsidiaries on workforce management. The Company has formulated a complete set of internal policies, including *Sinochem Holdings' Administrative Measures for Labor Employment*, *Sinochem Holdings' Administrative Measures for Staff Recruitment and Transfer*, *Measures for Attendance Management of Headquarters Employees of Sinochem Holdings*, *Talent-Driven Enterprise Development Program of Sinochem Holdings*, *Measures for Post and Rank Management of Sinochem Holdings Employees*, *Trial Measures for the Administration of Employee Care Funds of Sinochem Holdings Trade Union*, *Provisions on the Administration of Trade Union Work of Sinochem Holdings*, *Implementation Measures for Employee Care and Assistance*, *Measures for the Administration of Employee Representative Congresses of Sinochem Holdings*, *Measures for the Application of the Integrated Smart Human Resources Platform of Sinochem Holdings*. These documents cover all dimensions such as labor contract signing, occupational protection, fair recruitment, compensation and benefits, talent development, democratic management and personal data privacy protection, ensuring standardized and compliant implementation of employee rights protection work.



Annual Progress

|| Diversified and Equal Recruitment

The Company has built a standardized full-process recruitment system. Social recruitment follows the principle of open, graded and classified hiring; campus recruitment adopts unified organization, unified platforms and mandatory written examinations for all candidates to eliminate employment discrimination and guarantee fair, impartial and transparent recruitment. In 2025, the Company recruited talent via social recruitment, campus recruitment and internal competition channels, adding 6,390 new employees in total. The entire recruitment process fully met compliance requirements, with no complaints or violations related to recruitment recorded. The Company maintained full labor compliance in 2025 with zero incidents of child labor or forced labor, and a 100% labor contract signing rate.

As of the end of 2025, the Company had a total workforce of 161,746, including 107,604 domestic employees, 53,992 overseas employees and 150 expatriates. The localization rate of overseas staff reached 99.72%, which demonstrates a globally compliant talent deployment system.

As of the end of 2025



Human Resources Indicators²

Indicators		Unit	2023 Figure	2024 Figure	2025 Figure
Total Global Workforce		Headcount	209,468	202,356	161,746
Domestic Workforce		Headcount		107,429	107,604
Breakdown by Gender	Male employees	Headcount	86,008	81,210	80,906
	Female employees	Headcount	28,218	26,219	26,698
Breakdown by Age Group	Employees aged 30 and below	Headcount			22,435
	Employees aged over 30 and under 50	Headcount			71,151
	Employees aged 50 and above	Headcount		13,824	14,018
Breakdown by Educational Background	Employees with Doctoral Degrees	Headcount			951
	Employees with Master’s Degrees	Headcount	11,698	11,949	12,142
	Employees with Bachelor’s Degrees or below	Headcount	102,528	95,480	94,511
Breakdown by Job Rank	Senior Management Personnel	Headcount	8	9	9
	Middle Management Personnel	Headcount	379	402	415
	Frontline Staff	Headcount	113,839	107,018	107,180
Headquarters Senior Management	Male senior managers at Headquarters	Headcount			8
	Female senior managers at Headquarters	Headcount			1
Number of newly recruited employees		Headcount			6,390

²Note: The 2025 global workforce figure did not include Pirelli’s headcount; categorized employee statistics only cover domestic staff.

Compensation and Benefits

Sinochem Holdings has formulated special systems covering salary administration, performance appraisal and medium- and long-term incentives, establishing an integrated six-dimensional incentive framework consisting of fixed salary, performance bonuses, medium- and long-term incentives, welfare benefits, honor recognition and career development. HSE and low-carbon performance assessments are incorporated into salary management to strengthen the incentive orientation for ESG performance.

The Company has built a comprehensive welfare system covering medical care, food, housing, daily supplies and transportation. It strictly implements statutory working hours and leave policies, providing employees with statutory holidays, family visit leave, marriage leave, maternity leave, parental leave and parent-teacher conference leave, as well as employer liability insurance and enterprise annuities. In 2025, the social insurance coverage rate reached 100%, and the average annual paid leave per employee stood at 9.45 days.

Employee Care and Support

The Company has built a full-range employee care system covering assistance for disadvantaged staff, support for special groups, cultural and sports activities and living guarantees, to effectively address employees’ most pressing concerns.

2025 Employee Care Initiatives

Support for Needy Employees

- During the New Year and Spring Festival period, 213 employees received consolation visits, with cash subsidies and materials worth a total of 179,600 yuan distributed

Heatstroke Prevention & Summer Support

- The Company launched the "Deliver Health in Summer" campaign during high-temperature seasons, issuing heat allowances and equipping frontline staff with new heat prevention supplies

Care for Women and Children

- The "Women Achievers" selection and commendation event was held, honoring 25 outstanding individuals and 7 advanced teams
- Exclusive physical examination packages for female employees were provided to fully safeguard their physical and mental health

Support for Employees Relocated to Xiong'an

- Universal vouchers for the four major cultural and sports venues in Xiong'an were offered to employees transferred to the new headquarters
- Special briefings on Xiong'an's education policies were organized, with dedicated staff providing one-on-one consultation to resolve children's school admission issues for employees

Cultural & Sports Development

- The 1st Sinochem Holdings Staff Sports Meeting was held
- Employee Family Open Days were organized to build communication bridges between the enterprise and employees' families





Deepen Bond Between Enterprise and Staff Families Through Family Open Days

In 2025, Yangnong Youjia and Yangnong Youchuang, subsidiaries of Syngenta Group under the Company, held separate Employee Family Open Days to cater to the emotional needs of staff and their families. Featuring factory tours and face-to-face exchanges, the events built emotional ties between the Company, employees and their families, enhancing staff and their family members' sense of identity and belonging to the enterprise.



Yangnong Youchuang Open Day Event

Democratic Employee Management

The Company continues to refine the democratic management system centered on the Employee Representative Congress (ERC). We standardize ERC convening procedures, employee director election and review procedures for major matters, and optimize trade union development mechanisms. Clear provisions define employees' rights and channels for democratic participation, supervision and administration, safeguarding their rights to know, participate, express opinions and supervise.

Meanwhile, the Company improves a multi-channel labor dispute resolution system and sets up a three-tier mediation framework. A labor dispute mediation committee composed of employee representatives, enterprise representatives and trade union representatives has been established to unblock channels for staff to submit appeals. All labor disputes are handled in full compliance with laws to protect the legitimate rights and interests of both the enterprise and employees, maintaining generally harmonious labor relations.

In 2025, 2 Company-level and 3 HQ-level Employee Representative Congresses were held following standardized procedures, and by-elections for employee directors were completed. Key agendas such as corporate development plans, salary adjustments and work-related benefits for managers were reviewed. Trade union coverage across the entire Company reached 100%.

In 2025



2 Company-level



3 HQ-level Employee Representative Congresses were held



Trade union coverage across the entire Company reached **100%**

Employee Privacy Protection

The Company has established a full-lifecycle employee information security management mechanism with standardized control rules for personal information collection, storage, usage, access authorization and data security to prevent information leakage risks. Relying on the Integrated Smart Human Resources Platform, we realize digital, standardized full-lifecycle management of employee data, with hierarchical access permission strictly enforced to fully protect employee privacy.

Professional Talent Nurturing

The Company opens diverse career advancement pathways and develops three parallel career ladders: Management (M), Professional Technical (T) and Production Skill (W). We launch specialized professional and international talent programs, and advance three flagship talent projects: Leading Sci-Tech Talents Program, Craftsman Skilled Workers Program and New Talent Development Program, offering clear, equal and diversified career paths for all employees.

The Company improves the training, evaluation and incentive system for skilled personnel to boost the development of industrial worker teams. In 2025, the Company-wide Skills Competition shifted from elite-only contests to all-staff events, attracting more than 20,000 viewers and greatly upgrading the professional proficiency of frontline industrial workers.



Opening Ceremony of Sinochem Holdings 2025 Vocational Skills Competition

The Company adheres to the training principles of covering all employees, prioritizing key groups, tiered accountability and tailored teaching. We deliver targeted training programs for staff at all levels and across all positions, combining the online "Sinochem i-Learning" platform with offline workshops to roll out special development initiatives such as training courses for newly appointed managers, young and middle-aged managers, new employee orientation programs and sci-tech talent bootcamps, so as to enhance employees' professional expertise and comprehensive literacy.



Focus on Practical Job Skills to Improve Operational Competence of Frontline Employees

Luxi Chemical, a subsidiary of the Company, delivers regular on-the-job practical training to its employees. A total of 7,725 employees completed skill assessments covering 382 posts with a 99% pass rate. The enterprise organized 90 special operation training sessions for 2,893 participants, and completed vocational skill grading evaluations for 793 practitioners across 9 trades, and its staff won numerous team and individual awards at various skill competitions.



Covering **382** posts

A total of **7,725** employees completed skill assessments



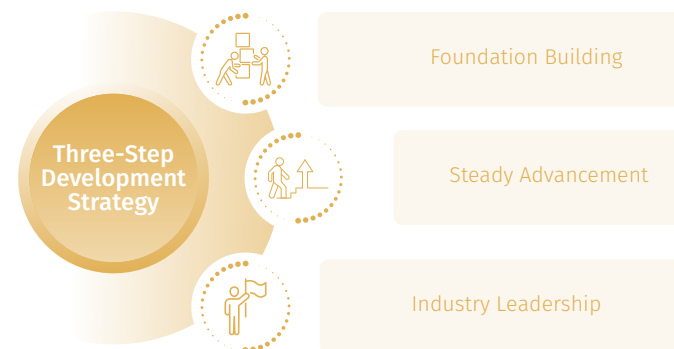
Pass rate **99%**

Consolidating Occupational Safety Defenses

Sinochem Holdings attaches great importance to its employees' occupational health and safety. We continuously refine the safety management system, advance the standardization of work safety, rigorously control safety risks throughout production processes, and organize regular safety training and emergency drills to safeguard staff health and safety in all respects, laying a solid safety foundation for the Company's high-quality development.

Strategy

The Company has rolled out the HSE Leading Strategy with the vision of becoming a Global HSE Leader. Three consecutive five-year HSE plans have been formulated under a three-phase roadmap of "Foundation Building, Steady Advancement and Industry Leadership" to drive the Company's safe, healthy and sustainable development.



Governance

|| Governance System

The Company has established the FORUS System centered on HSE risk management. It delivers systematic arrangements covering the full lifecycle of business activities, including projects, equipment, processes and products across safety and health domains, offering holistic solutions for a healthy and safe working environment for employees. In 2025, the Company implemented 28,000 FORUS star-rated enterprise construction initiatives. The average FORUS rating of all its subsidiaries reached Level 5.2, representing a year-on-year improvement of 0.7 levels.



|| Institutional Framework

The Company has built an institutional system covering all businesses and workflows, issuing special standards and plans such as the *Sinochem Holdings Standards for HSE Risk Prevention and Control*, *Standards for the Administration of Work Safety Incidents*, *Standards for the Investigation of HSE Accountability*, and *Sinochem Holdings Special Rectification Plan for Potential Safety Hazards of Key Personal Protective Equipment*.

These documents clarify work safety and occupational health responsibilities as well as operational specifications at all tiers. A full-chain work safety mechanism featuring overall coordination by the headquarters, professional control by specialized subsidiaries, on-site implementation by affiliated units, and participation of all employees has been established, alongside a complete occupational health system covering source control of occupational hazards, in-process protection, health surveillance and health promotion. HSE management has been fully standardized and formalized.

|| Management Mechanisms

The Company enforces the full-staff work safety accountability system and adopts grid-based safety management while continuously optimizing staffing for specialized HSE teams. A performance appraisal, reward and penalty mechanism for safety and health performance is also in place. Total bonuses distributed in 2025 reached 9.8 million yuan, surging 460% year on year.



Risk Management

Upholding the policy of "putting safety first, prioritizing prevention and pursuing comprehensive management", the Company has rolled out a full-lifecycle risk management cycle: identification – assessment – control – verification – improvement. We conduct regular risk identification and targeted rectification focused on high-risk areas such as hazardous chemical production, aging installations, special operations and contractor administration. For occupational hazards such as dust, noise and toxic substances, full-process risk identification, testing and assessment and source abatement are carried out. By implementing dual mechanisms of hierarchical control over work safety risks and hidden danger inspection and rectification, the Company effectively safeguards its employees' legitimate occupational health rights and interests.

Annual Progress

Hazard Inspection and Rectification

In 2025, the Company compiled the HSE Hazard Comparison Atlas to advance standardized and visualized hazard management. Targeted inspection and rectification campaigns were carried out covering re-evaluation of aging installations, clamp inspections, malfunctioning equipment, tightly regulated high-risk processes, and retirement and upgrading of aged fire engines. Special upgrades were implemented for forklifts, warning signs, and fixed hot work zones at hazardous chemical sites. Monthly average forklift-related hazards dropped by 31%, while irregularities concerning warning signs fell by nearly 80%. The Company also optimized the coordination model of online monitoring and on-site inspections to improve round-the-clock real-time surveillance by stepping up monitoring intensity and random spot-check frequency. The Thunderbolt Campaign for Work Safety was fully rolled out. After rectification, the average monthly number of issues captured by the Company's HSE online monitoring system decreased by nearly 40%.

Emergency Management

Improving Emergency Response Plans

Its subsidiaries were guided to refine emergency plans in line with the *Comprehensive Emergency Response Plan for Work Safety Accidents of Sinochem Holdings and Emergency Response Plan for Sudden Environmental Incidents of Sinochem Holdings*.

Work on Safety and Emergency Management in 2025

Special Capacity Enhancement

Following the Ten-Step Methodology, the Company provided professional guidance to enterprises handling typical hazardous chemicals such as hydrogen sulfide, ammonium nitrate and liquefied hydrocarbons to upgrade their emergency response capabilities.

Conducting Emergency Drills

Guided by the *Guidelines for Multi-Level Linked Emergency Drills of Sinochem Holdings (Trial)*, various drills were organized in 2025, including cross-tier joint emergency exercises, tabletop drills for large production sites and commercial complexes, and abnormal condition response drills for workshop teams, totaling 28,000 sessions.



Honoring Emergency Missions and Honing Rescue Capabilities – Sinochem Zhoushan Successfully Participated in National Tank Fire Rescue Drill

In 2025, the Sinochem Zhoushan rescue team deployed one large-flow remote water supply fire-fighting system (4 vehicles), 2 troop carriers and 30 firefighters to take part in the special emergency rescue drill for large tank fire and explosion accidents titled Emergency Mission · 2025, hosted by the National Committee for Disaster Prevention, Mitigation and Relief and the Work Safety Committee of the State Council. The team demonstrated its professional emergency rescue proficiency in this drill.



Sinochem Zhoushan Team Participated in National Emergency Rescue Drill

Safety Training

The Company further developed the training system of "Five Understandings, Five Masteries and Five Capabilities" in 2025. Regular, full-coverage tiered and categorized safety training continuously reinforces all employees' awareness of the red line for safety. In 2025, warning education campaigns such as the Monthly Themed Sessions, Accident Warning Day and the standardized Seven Initiatives safety awareness program were held to conduct in-depth analysis of root causes of accidents and firmly prevent the recurrence of similar incidents. Throughout the year, 6,048 work safety training sessions were delivered, with a 100% employee coverage rate.

As of the end of 2025



Throughout the year,
6,048 work safety
training sessions were delivered

1.34 million cumulative
attendances



Training coverage rate
100%

Leadership Training

Training programs on safety leadership improvement were held for principal persons-in-charge of hazardous chemical enterprises. 105 corporate principals attended on-site, and nearly 600 management team members of hazardous chemical subsidiaries participated via online live broadcast simultaneously.

Professional Team Training

Special training on risk analysis tool application and abnormal condition handling was delivered. Nearly 900 team leaders of hazardous chemical enterprises and more than 1,500 key contractor personnel received regular rotational training. All 33 full-time fire brigades of the Company launched intensive Winter Training Campaigns.

Safety Training Activities in 2025

Special HSE Training

Subsidiaries of the Company delivered over 10,000 HSE training sessions.

Work Safety Campaigns

A wide range of activities were organized in 2025, such as on-the-job practice drills, skill competitions and Mentor-Apprentice Programs.



Workplace Safety Month Campaign: Tighten every screw to build an impenetrable safety shield

In June 2025, the Company hosted safety leadership enhancement training for principals of hazardous chemical enterprises, with courses covering theories and practices of safety leadership, interpretation of relevant regulatory policies, and innovative application of microchannel reaction technology.



Training on Safety Leadership Improvement for Principal Persons-in-Charge of Hazardous Chemical Enterprises

Occupational Health



Occupational Health & Safety Performance

Indicator

Implementation rate of rectification for excessive occupational hazard factors

Occupational health physical examination coverage rate

Transfer rate of staff with occupational contraindications

2025 Figure

100%

100%

100%



Luxi Chemical Identifies Stress Signals and Guides Employees' Mental Wellbeing

Luxi Chemical attaches great importance to female employees' mental health and hosted the lecture Care for Your Mind, Blossom with Beauty. Psychological experts analyzed psychological conditions and typical troubles for women at different life stages through self-portrait interpretation and interactive psychological experience activities, and shared practical stress relief and self-adjustment techniques.



Luxi Chemical Pays Close Attention to Women's Mental Health

The Company's Occupational Health Management Practices in 2025

Source Control

- The Company vigorously carried out rectification of work posts with excessive hazard levels, open operations and high noise. A total of 67 source control projects were delivered in 2025, markedly improving workplace environments.
- Subsidiaries submitted 97 good practice cases on occupational hazard abatement, among which 16 were recognized as Company-level exemplary practices. The *Collection of Good Practices for Occupational Hazard Control in Sinochem Holdings during the 14th Five-Year Plan Period* was compiled.

Screening for Occupational Contraindications

- Special screening and rectification targeting occupational contraindications were rolled out. A long-term regular mechanism was established to eliminate risks of personnel with occupational contraindications taking up incompatible posts.

Third-Party Institution Administration

- Sinochem Holdings' Quantitative Assessment Standard for Occupational Hazard Testing Reports* was formulated. Full-coverage quantitative assessments of testing reports were conducted. Third-party testing agencies failing to meet standards after rectification were blacklisted.

Personal Protective Equipment (PPE) Management

- In strict compliance with requirements issued by three national ministries and commissions on special rectification of hidden risks concerning key PPE, the Company formulated *Sinochem Holdings' Special Rectification Plan for Potential Safety Hazards of Key Personal Protective Equipment*. All affiliated units carried out full-chain inspection and rectification covering procurement, acceptance, distribution, usage and scrapping, reinforcing the occupational health protection barrier for frontline employees.



Capacity Building

- The Company commissioned the Work Safety Science Research Institute to deliver rotating hands-on training on occupational health management. The training empowered occupational health management teams focusing on practical operational skills, implementation of laws and standards, and risk prevention practices.
- A Company-wide survey on awareness of occupational health knowledge was organized.

Health Promotion

- The Healthy Enterprise initiative was advanced. Seven provincial-level and four municipal-level Healthy Enterprises were accredited. Heilongjiang Haohua, a subsidiary of the Company, was awarded a national outstanding case.
- The 2nd FORUS Cup Occupational Health Star Skills Competition was held. 22 teams from 19 secondary subsidiaries with 88 employees competed against each other. The event boosted learning and practical proficiency through competition, widely disseminating health awareness and improving employees' hands-on capabilities in occupational health protection.
- During the Publicity Week of the Occupational Disease Prevention and Control Law, 1,991 themed lectures were delivered, and 33,964 publicity materials distributed, covering an audience of 111,263.

The Company prioritizes employees' mental health within the occupational health system. It provides dedicated mental health support channels, including a psychological counseling hotline and themed counseling sessions to relieve employees' mental stress and resolve psychological conflicts.

Cultivating Premium Product Supply

Upholding the principle of quality first, Sinochem Holdings rigorously enforces product quality control standards and commits to delivering safe, efficient, intelligent and reliable products and services to its customers.

Product Safety and Quality

Strategy

The Company issued the *Sinochem Holdings Quality Strategic Plan (2025–2035)*, establishing the core philosophy that quality generates benefits, builds credibility and shapes brand reputation. We follow a three-stage development roadmap: foundation consolidation, steady advancement and quality leap forward. By delivering five key priorities — strategic guidance, system guarantee, full-process control, risk management and digital quality-driven development — as well as thirteen strategic initiatives such as strengthened quality strategic leadership and enhanced quality supervision, the Company strives to become a pacesetter in advanced industry quality practices, a main force of outstanding domestic quality brands, and a global leader in world-class quality management systems.

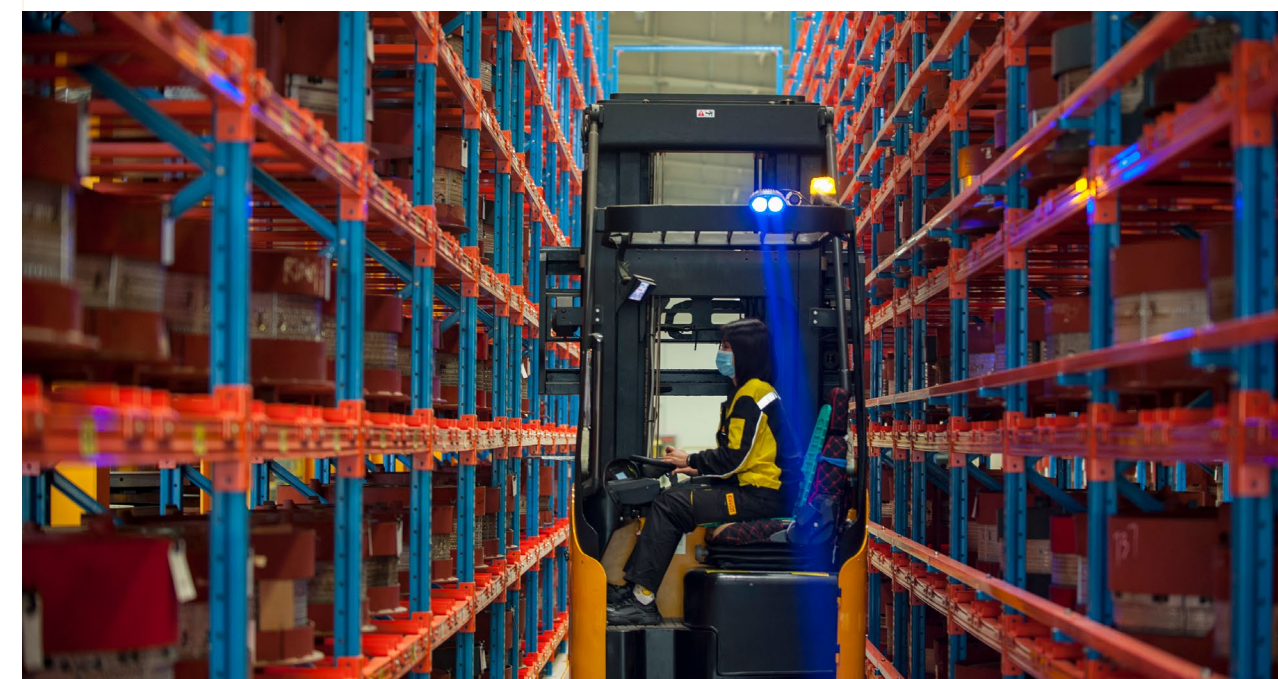
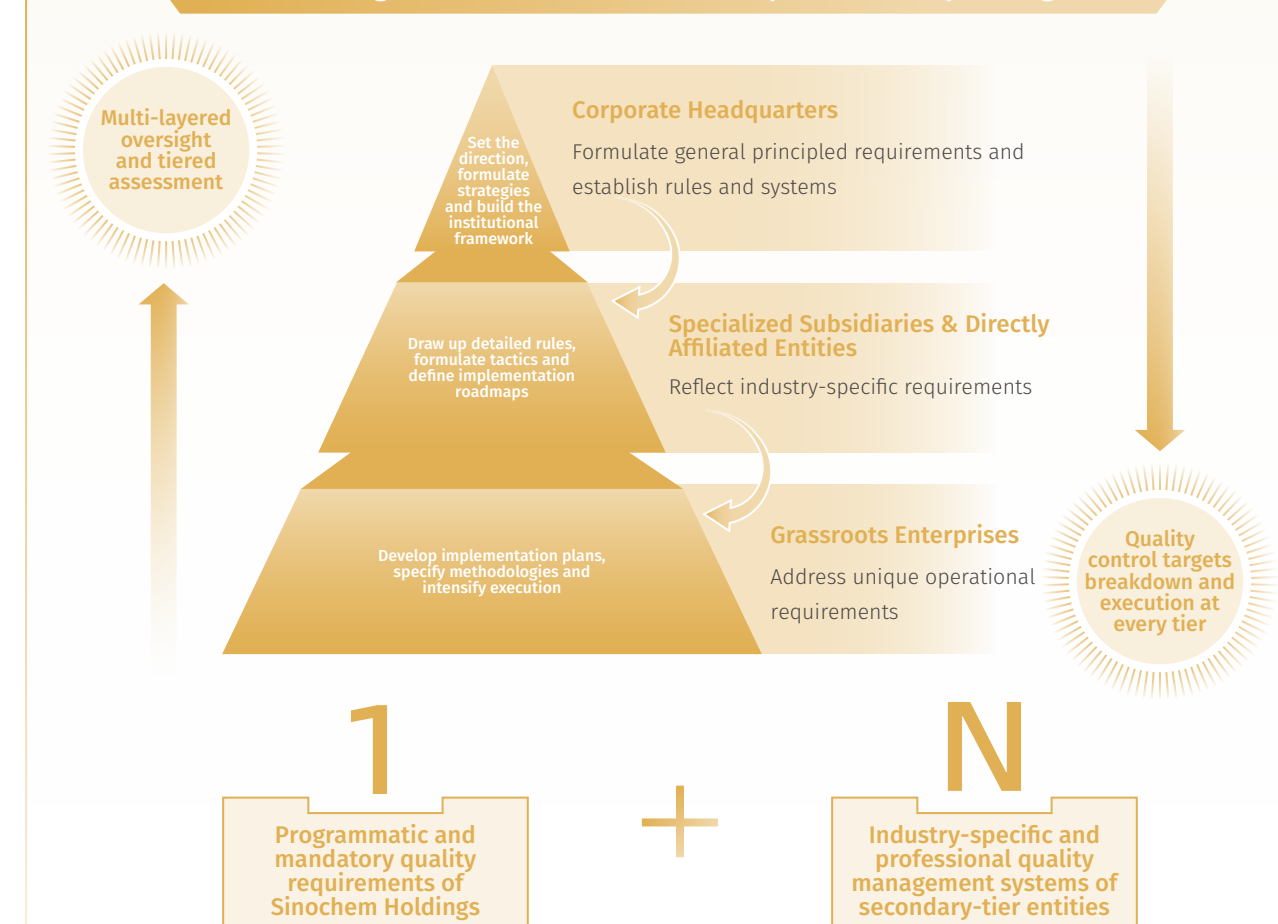
The Company's Quality Management Vision



Governance

The Company has established a quality management framework featuring clear authority and responsibility, full industrial chain coverage and closed-loop control, and developed a three-tier vertical management system defined as "Headquarters sets the overall framework, secondary subsidiaries formulate detailed rules, and tertiary grassroots units enforce rigorous implementation". A "1+N" quality control model adapted to diversified businesses has been rolled out to clarify quality management responsibilities and standards for all entities at each level. Core regulations such as the *Sinochem Holdings Quality Management Provisions and Standards for Quality Incident Administration* have been issued, forming a quality management workflow system with clear functional interfaces and standardized procedures, so that every stage of quality control follows established rules and is implemented in a standardized manner.

Three-tier Organizational Structure for Corporate Quality Management



The Company's "1+N" Quality Control Model



By the end of 2025, a number of its subsidiaries had obtained certifications for quality management systems such as ISO 9001, IATF16949 and AS9100D, and the Company's quality management competence won high recognition from the industry and market.



Certificates of Quality Management System Certification for Subsidiaries of the Company (Shandong Fertilizer, Sinochem Changshan, Sinochem Yunlong, Sinochem Ecology, Sinochem Fuling)



Risk Management

The Company has refined its quality risk control mechanism, conducting identification, assessment, control and monitoring of quality risks throughout all procedures and full product lifecycles. It has boosted quality emergency response capacity and tightened incident management, and has standardized bottom-up reporting procedures and criteria for quality incidents, and realized closed-loop management of all quality risks.

In 2025, core quality risks identified included quality fluctuations across the industrial chain, unstable supply of raw and auxiliary materials, deviations in production process control, and compliance risks arising from upgraded industrial standards. Targeted tiered control and special rectification campaigns were carried out for the above risks to prevent major quality accidents.

Annual Progress

In 2025, the Company improved its product quality stability by advancing full product lifecycle quality management, developing customized differentiated products and services, and launching Quality Month campaigns. Three subsidiaries — Anhui Shenghao, Lianyungang Shenghao and Shandong Shenghao — were selected as Typical Cases for Quality Improvement in the Petrochemical Industry 2025 by the China Petroleum and Chemical Industry Federation. Tai'an Shenghao and Shandong Shenghao were awarded the Four-Star Customer Satisfaction Enterprise 2025 by the China Association for Quality.

The Elite QC Team of North Chemical Machinery, affiliated to the Group's Equipment Company, won a Progressive-level Award at the 2025 National Quality Innovation and Improvement Achievement Exchange Event for its project Development of SPC Control Chart Software. Two projects claimed Third Prizes at the 8th Central SOE QC Team Achievement Presentation Competition: Alignment Optimization of Green Tire Building Machine Body Feeding Rack by the Pilot Innovation QC Team at Guilin Base of Sinochem Rubber Machinery, and Reduction of Defect Rate on Electrolyzer Production Line by the Excellence Optimization QC Team of North Chemical Machinery. The Wastewater Section of Yangnong Ruixiang under the Chemical Division was honored as a Trustworthy Quality Team by the China Petroleum and Chemical Industry Federation.



QC achievements from the Company's subsidiaries win the Third Prize at the 8th Central SOE QC Group Achievement Presentation Competition

Full Lifecycle Product Quality Management

The Company implements quality management covering the entire product lifecycle



Product Design

Aeolus Tyre, one of the Company's subsidiaries, moves quality control forward to the product design phase. Based on customers' actual application scenarios, it manages critical quality characteristics at the conceptual design stage to guarantee product performance and consistent quality from the source.



Raw and Auxiliary Material Procurement

Luxi Chemical, a subsidiary of the Company, has realized informatized and automated management of testing procedures. Its Laboratory Information Management System (LIMS) is interconnected with Luxi Intelligent Platform, SRM System and Logistics Platform. The system automatically generates and issues over 3,000 central control testing plans. Online transmission is enabled for test data covering 154 bulk raw and auxiliary materials, with over 200 key testing devices of 42 types realizing automatic data collection to avoid manual errors. Testing reports for over 80 product categories complete three-level reviews online and are issued automatically, enabling traceable and transparent full-process management to effectively support quality decision-making and production control.



Production Process

Nantong and Kunshan production bases under Syngenta Group, a subsidiary of the Company, adopt intelligent systems for quality control. The Manufacturing Execution System (MES) enables full-process quality traceability from raw materials to finished products, substantially improving product quality stability. Cangzhou Dahua, another subsidiary, optimized intelligent control programs and maintained a 100% product pass rate for three consecutive years.



Inspection and Testing

Sinochem High Performance Fiber leverages an online aramid fiber fuzz inspection system to achieve continuous full-process monitoring of the spinning process. The detection rate of micro fuzz exceeds 98%, cutting manual re-inspection workload by over 70% and supporting precise quality traceability at the single-spindle level.



Warehousing and Logistics

Sinochem Energy Logistics, a subsidiary of the Company, upgraded storage tank facilities to keep oil storage losses below the industry average. Digital supervision technology enables real-time online monitoring of tank inventories, delivering safe and reliable warehousing services to customers.

"Quality Month" Campaign

Centering on the *Outline for Building a Quality Powerhouse* and the *Sinochem Holdings Quality Strategic Plan*, Sinochem Holdings organized company-wide training and communication campaigns in 2025 to foster a corporate culture where all staff value and participate in quality management. A series of quality improvement initiatives were rolled out, including technical problem-solving via QC teams, construction of Trustworthy Quality Teams, and innovative application of quality management tools, shifting quality improvement from ad-hoc periodic campaigns to long-term regular practices. A full suite of quality improvement activities, such as QC group technical tackling, construction of quality-trusted teams and innovative deployment of quality management tools, were launched to drive the transformation of quality improvement from "phased initiatives" to "long-term regular practice".



Sinochem Equipment, a subsidiary of the Company, carried out a series of themed activities for the Quality Month, including posting promotional posters, creating quality bulletin boards and organizing special training sessions

Customer Services and Consumer Rights

|| Strategy

Adhering to a customer-centric philosophy, the Company continuously enhances its full-value-chain customer service system covering pre-sales, in-sales and after-sales stages. It streamlines customer communication channels, safeguards customer private data, optimizes customers' product experience, and fosters a mutually beneficial business ecosystem.

II Governance

The Company's subsidiaries have established dedicated product sales and customer service teams covering diverse markets and business segments to promptly respond to and fulfill customer demands, so as to steadily enhance customer satisfaction.

The Company strictly complies with the *Consumer Rights and Interests Protection Law of the People's Republic of China*, and issued the *Sinochem Holdings Marketing and Customer Management Measures*, which specify standardized customer service protocols and tiered protection mechanisms for customer information.

II Risk Management

The Company mitigates core risks such as delayed customer complaint handling, customer information leakage and inadequate after-sales response by establishing standardized complaint management workflows, strengthening supervision and performance assessment of complaint resolution, and building two-way customer communication and feedback channels.

The Company's Customer Service Management Initiatives

- Set up accessible complaint channels, clarify complaint handling workflows and prescribe mandatory resolution timeframes
- Digitalize after-sales management workflows via information platforms to boost service efficiency
- Deliver regular skill training for after-sales personnel to upgrade service capacity

**Establish
standardized
complaint
management
procedures**

**Build customer
communication
and feedback
mechanisms**

**Strengthen
supervision and
assessment
of complaint
resolution**

- Put in place a supervision mechanism for complaint handling, and incorporate complaint resolution performance into the KPI assessment system of relevant business units, departments and individuals

- Conduct regular research on customer demands and customer satisfaction surveys; customer satisfaction score of subsidiary Sinoferf reached 100%
- Gather customer feedback through multiple channels including the CRM (Customer Relationship Management) system, online questionnaires and third-party evaluation agencies

Annual Progress

In 2025, the Company provided extensive technical support and professional knowledge sharing to help customers quickly grasp its product performance and operation specifications. It set up dedicated cross-functional technical-sales service teams for key high-end clients to precisely address customized demands and build long-term partnerships, with the largest single order exceeding 4,000 tonnes. Its subsidiary Prometeon has been awarded the status of Partner-level Supplier by John Deere Brazil for four consecutive years. Another subsidiary Beijing Cleaning received the 2024 Cooperation Pioneer Award from JD Group. No customer information security incidents occurred throughout the year.

In 2025



Largest single order exceeding
4,000 tonnes



No customer information security incidents occurred



Prometeon receives Outstanding Supplier Award



Beijing Cleaning receives JD's Cooperation Pioneer Award



Building Responsible Supply Chains

Upholding the philosophy of long-term sustainability and win-win collaboration, Sinochem Holdings advances supplier management, cultivation and empowerment to build a resilient, secure, green and low-carbon responsible supply chain. Driven by digitalization and decarbonization, the Company strives to upgrade the entire supply chain and foster an inclusive, mutually beneficial industrial ecosystem.

Strategy

The Company pursues scientific and transparent procurement, and continuously promotes intensive, standardized, digitalized, collaborative and rule-based procurement management. Adhering to the core principles of unified standards, tiered administration, dynamic assessment, and rewarding high performers while phasing out underperformers, Sinochem Holdings integrates ESG requirements into the full supplier lifecycle covering access, evaluation, tier classification, control and exit. Centered on supply chain resilience, operational safety and green development, the Company consistently enhances its supply chain efficiency and sustainability.

Governance

The Company's procurement activities and supplier management are centrally coordinated by the Production & Operations Department, with relevant functional and business divisions participating in accordance with respective responsibilities to jointly safeguard the safe, stable and compliant operation of the supply chain.

The Company has formulated a complete set of regulatory frameworks governing all its procurement and bidding processes, including the *Sinochem Holdings Procurement Management Provisions*, *Sinochem Holdings Bidding Administration Measures*, *Sinochem Holdings Centralized Procurement Management Measures*, and *Sinochem Holdings E-Commerce Operation Specifications*. Additional regulations govern multi-dimensional supplier oversight across environmental, social and business ethics dimensions, namely the *Sinochem Holdings Supplier Administrative Measures*, *Sinochem Holdings Detailed Rules for Supplier Freeze and Exit Administration*, *Sinochem Holdings HSE Risk Control Standards for Suppliers*, and *Detailed Rules for Performance Assessment of Third-Party E-Commerce Vendors on Sinochem Procurement Mall*.

Guiding Principles for Sinochem Holdings Procurement Management

	Supply Philosophy	Deliver safe, timely, green and cost-effective supply
	Procurement Philosophy	Pursue optimal performance-price ratio and minimized total lifecycle cost
	Management Philosophy	Implement institutionalized, process-driven, standardized, digitalized and transparent management
	Institutional Mechanism	Adopt a unified procurement governance and operation framework, standardized management systems and business workflows, consistent master material data standards and a centralized digital procurement platform
	Internal Collaboration	Prioritize internal resource coordination. For projects not mandatorily subject to public bidding under applicable laws, internal supplier products, technologies and services shall be leveraged wherever feasible; any waiver of internal coordination requires formal approval
	Centralized Procurement	Capitalize on scale procurement advantages by rolling out centralized purchasing for bulk, general and critical materials to lift procurement efficiency and economic benefits
	Open Procurement	Conduct open and specialized procurement, prioritizing highly competitive, transparent procurement methods
	Green Procurement	Enforce green procurement aligned with China's carbon peaking and carbon neutrality, environmental protection laws and regulations, and incentivize sustainable purchasing practices

Supplier Selection & Management Mechanisms

Supplier Access

- Conduct multi-layer qualification vetting, capability assessment, credit review and formal access approval via site audits, sample verification and trial batch application
- Incorporate dedicated HSE clauses into supplier contracts or require standalone HSE agreements to clarify reciprocal HSE liabilities

Supplier Evaluation

- Conduct dynamic quantitative evaluations and tier adjustments based on supplier metrics such as quality, cost, delivery, service, safety and sustainability
- Deploy cross-functional joint evaluation panels with participation from procurement, quality control, administration and end-user departments
- Establish reward and penalty mechanisms linked to supplier operational performance, with dynamic adjustments to supply allocation and supplier roster eligibility

Supplier Classification

- Suppliers are categorized into strategic, collaborative and general tiers based on material criticality, supply risk exposure and partnership depth, with differentiated tailored management strategies applied to each tier

Management of Non-Compliant Suppliers

- Suppliers involved in incidents such as safety and environmental violations, abnormal business operations, legal disputes, sanction risks, integrity breaches, quality defects, delivery delays, substandard service, or administrative/judicial penalties during access reviews, tenders, performance delivery and routine oversight shall be subject to graduated freeze measures proportionate to the severity of violations

Supplier Rectification & Exit

- Suppliers with proven integrity violations are blacklisted. Supplier exit falls into two categories: voluntary withdrawal and mandatory elimination. Mandatory elimination criteria include two consecutive years of unsatisfactory performance, or zero participation in any procurement tenders for three consecutive years

Supplier Supervision & Inspection

- The Company's Production & Operations Department oversees supplier management across all subsidiaries through routine procurement audits, special targeted inspections and procurement management KPI performance reviews

Risk Management

The Company continuously monitors evolving regulatory policies and market shifts. For risks such as supply chain disruptions and market volatility, it dynamically tracks key risk drivers and flexibly optimizes supply chain strategies. By fostering strategic partnerships and signing framework agreements, Sinochem Holdings strengthens the risk resilience of its supply chain.

Leveraging digital and intelligent technologies, the Company deeply integrates core risk prevention and control indicators into its digital procurement platform. It has built a unified supplier management system and an approved supplier repository, together with electronic supplier dossiers, enabling paperless, real-time supplier administration.

Annual Progress

As of the end of 2025, the Company had maintained partnerships with over 50,000 suppliers in the Chinese Mainland and nearly 100 suppliers from Hong Kong, Macao, Taiwan and overseas regions. A total of 104 suppliers had their cooperation terminated in 2025 due to non-compliance issues.

In 2025, the digital procurement platform achieved full coverage of all domestic subsidiaries, supporting end-to-end online execution of all procurement projects. The adoption of an intelligent early warning module shifted procurement risk monitoring to an earlier stage of the workflow. The Company's AI-powered intelligent early warning model for procurement supply chains was awarded the Outstanding Achievement in State-owned Enterprise Reform at the 2025 Intelligent Supervision Business Model Innovation Campaign hosted by the State-owned Assets Supervision and Administration Commission (SASAC). The transaction volume of the Company's e-commerce platform maintained steady growth, with annual turnover exceeding 400 million yuan, delivering significant efficiency gains for the procurement of low-volume, miscellaneous spare parts and materials.

Pursuing Scientific and Technological Innovation

Sinochem Holdings unwaveringly takes technological innovation as its core strategy, pursuing independent, open and collaborative innovation to fuel breakthroughs under the banner of "Sinochem Holdings Original Innovation" and "China Original Innovation".

Strategy

Upholding the core concept that "protecting intellectual property rights equals protecting innovation", the Company anchors its core missions of supporting high-quality development of China's agriculture and filling domestic supply gaps in advanced chemical new materials. It advances independent, open and collaborative innovation, and shifts its innovation paradigm from "products leading technological advancement" to "technologies driving product development", laying core foundations for the Company's sustainable growth and industrial upgrading.

Governance

Organizational Structure

Sinochem Holdings has established a two-tier R&D system consisting of key R&D platforms and specialized research centers, alongside a "1+3" intellectual property management framework. As of the end of 2025, the Company operated 77 national high-tech enterprises, 16 state-level R&D institutions and 20 ministerial-level R&D platforms, forming a multi-tiered, full-coverage matrix of innovation infrastructure.

As of the end of 2025



Institutional System

The Company has issued dedicated policies such as the *Sinochem Holdings Science and Technology Administration Provisions*, *Sinochem Holdings R&D Expense Accounting Management Measures* and *Sinochem Holdings Research Project Administration Measures*. These documents revise and refine core requirements covering R&D workflow management, funding control and change administration, supported by complementary mechanisms for R&D investment, technology protection and performance incentives. They clarify departmental responsibilities to ensure compliant and efficient execution of all research activities.

Additional IP-focused regulations have been rolled out: *Sinochem Holdings Intellectual Property Administration Provisions*, *Sinochem Holdings Risk Control Measures for Patents and Proprietary Technologies*, *Sinochem Holdings Confidential Technology Protection Administration Measures* and *Sinochem Holdings IP Transfer and Licensing Administration Measures*. These clearly define responsibility allocation, implementation workflows and specific requirements for IP risk management, as well as step-by-step procedures and core control tasks for confidential technology protection.

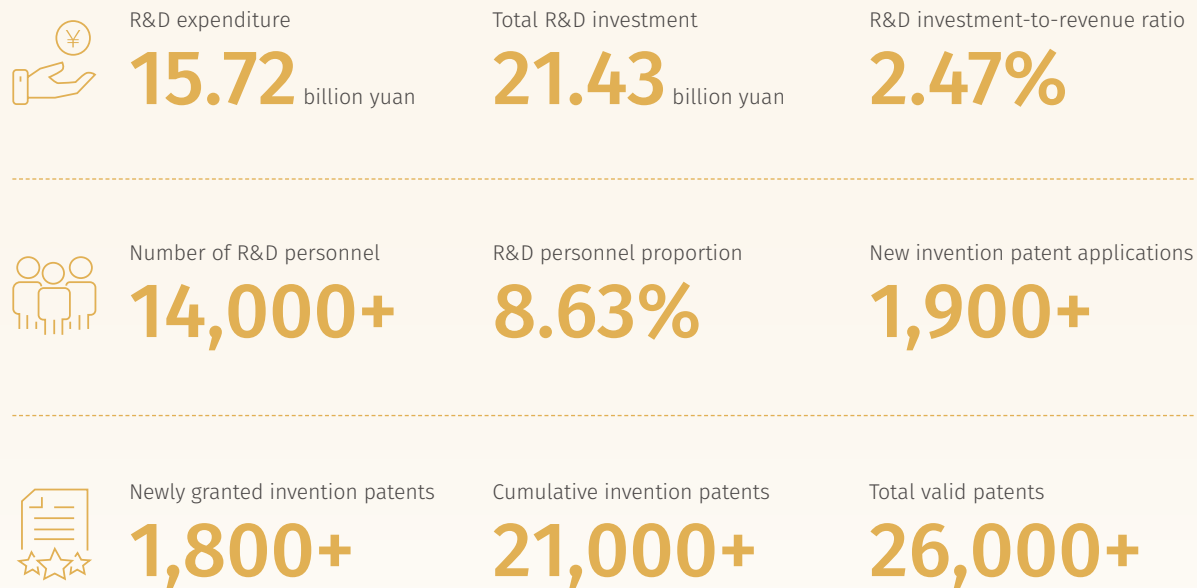
Risk Management

The Company identifies, assesses, monitors and mitigates potential uncertainties at critical links and control points throughout the R&D and commercialization of cutting-edge technologies, embedding risk management into core stages of technical research. It reduces risk exposure through targeted cultivation of R&D talent, industry-university-research collaboration and digital-intelligent operation systems. Meanwhile, continuous identification and mitigation of intellectual property risks are conducted on a project-by-project basis, with clear provisions on IP ownership to build a robust risk barrier for innovative development.

Indicators and Targets

In 2025, the Company's total R&D investment reached 21.43 billion yuan, accounting for 2.47% of its operating revenue. The workforce dedicated to R&D stood at approximately 14,000, representing 8.63% of total staff. Over 1,900 invention patent applications were filed and more than 1,800 invention patents granted during the year, bringing the total number of valid patents to over 26,000.

The Company's Technological Innovation Indicators



Note: Statistics on cumulative invention patents, new invention patent applications and newly granted invention patents exclude Pirelli.

Annual Progress

Core Technologies & Products

The Company has delivered a suite of achievements across modern agriculture, high-end chemical new materials, sophisticated equipment, green and low-carbon sectors, with multiple technologies reaching world-leading standards.

Highlights of the Company's Technological Innovation Outcomes in 2025



Technologies

Sinochem Lantian, a subsidiary of the Company, achieved breakthroughs in key technologies for green conversion of trifluoromethane, a potent greenhouse gas regulated under international conventions. The relevant technological achievements were assessed as internationally leading and included in the *Fifth Catalogue of Nationally Prioritized Low-Carbon Technologies for Promotion*.



Products

The Company secured commercial breakthroughs for domestically manufactured aviation tires covering certification, trial flights and domestic & international airworthiness approval: its radial tires for the C919 aircraft obtained a CTSOA certificate and an STC certificate issued by the Civil Aviation Administration of China (CAAC), and were fitted on C919 jets for verification test flights. Tires for Boeing and Airbus aircraft series acquired Indonesian STC certificates, marking the Company's first access to the international market.



Sinochem Holdings C919 Aircraft Tires & Supplementary Type Certificate (STC) Issued by Indonesia's Directorate General of Civil Aviation

The 2.5 kt/a para-aramid project of Sinochem High Performance Fiber, a subsidiary of the Company, was put into operation in 2025, with core low-cost production technologies fully mastered.

Sennics' 3 kt/a methyl isoamyl ketone (MIAC) project went into smooth operation in 2025.

A 2 kt/a polydicyclopentadiene (PDCPD) resin precursor plant under Sinochem International entered continuous production, and its products have passed customer qualification verification.

Cangzhou Dahua completed the development of 14 grades of high-end specialty polycarbonate (PC) products.

Liming Research Institute of Chemical Industry affiliated with Haohua Chemical Science & Technology independently developed polyurethane edge encapsulation materials for automotive glass. The material delivered breakthroughs in core indicators such as impact resistance, noise reduction and sealing performance, weather and temperature tolerance; its key performance metrics improved by approximately 20% compared with peer products, with substantially lower costs and a stable one-step molding pass rate of above 98%.



Polyurethane edge encapsulation materials for automotive glass developed by Liming Research Institute



Equipment

The single-unit processing capacity of the HDPE steam tube dryer manufactured by Sinochem Equipment can meet the requirements of the 300 kt/a production lines.



China's largest High-Density Polyethylene (HDPE) steam tube dryer

The Company's subsidiary Haohua Technology's Southwest Research & Design Institute of Chemical Industry (SWRDICI) provided patented technology for a 300 kt/a biodiesel project in Anhui province. The project's circulating hydrogen high-pressure pressure swing adsorption (PSA) hydrogen purification unit achieved successful commissioning on first start-up. The unit's operating pressure exceeded 6.62 MPa, setting a global record as the highest operating pressure for PSA hydrogen purification units of its kind.



The World's highest-pressure PSA hydrogen extraction unit



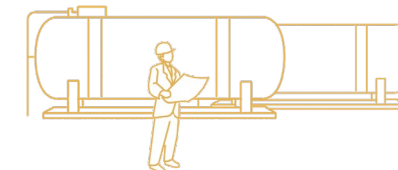
External Collaborative Innovation

The Company proactively builds deeply integrated industry-university-research collaborative innovation platforms, conducting in-depth cooperation with leading global universities, research institutions, and leading enterprises to construct an open and mutually beneficial innovation ecosystem, injecting new momentum for sustainable industry development.



Setting a Global Record for Similar Units: THY Engineering's Smart Manufacturing

In March 2025, the polypropylene polymerization reactor with world-leading specifications, jointly developed by THY Engineering (a subsidiary of Sinochem) and EKATO Rührtechnik GmbH of Germany, was successfully manufactured and delivered.



Polypropylene polymerization reactor co-developed by THY Engineering and EKATO Group



FiberForm Technology Accelerates Manufacturing Revolution for eVTOLs

KraussMaffei, another subsidiary, entered an R&D cooperation with world-renowned research institutions. Leveraging the innovative FiberForm process, they jointly developed complex rib-structured components tailor-made for electric vertical takeoff and landing (eVTOL) aircraft. The technology addresses long-standing bottlenecks in conventional aerospace composite manufacturing and sets a new benchmark for efficiency across the aviation manufacturing sector.



KraussMaffei R&D Cooperation

Financial Empowerment for Technological Innovation

Sinochem Foreign Trade Trust, a subsidiary of the Company, launched intellectual property trust products to bolster technological innovation.

It issued Jiangsu Province's first intellectual property-based sci-tech note targeting private enterprises. This financial innovation unlocked the financing value of intellectual property rights, effectively addressing funding bottlenecks for micro-, small- and medium-sized sci-tech enterprises and advancing their high-quality development.

II Innovation Honors and Qualifications

Multiple innovation achievements of the Company have received national, provincial, ministerial, and industry authoritative recognition, with continuously enhanced innovation capabilities and industry influence.

The Company's Innovation Honors in 2025

"Dual Hundred SOE Reform Initiative" and "Sci-Tech Reform Demonstration Initiative"

- In the assessments under SASAC's "Dual Hundred SOE Reform Initiative" and "Sci-Tech Reform Demonstration Initiative," the Company ranked **15th** among central SOEs. Its subsidiaries Haohua Technology and Sinochem Environment were rated as **"Exemplary,"** while Sinochem Energy and Sinochem International were rated as **"Outstanding."**

National/Provincial/Municipal Projects and Awards

- Sinochem Environment received **3** national-level projects and **2** provincial/ministerial-level science and technology awards.
- Sinochem Equipment received **3** provincial/ministerial-level science and technology awards.
- Cangzhou Dahua's Hebei Provincial Modified Isocyanate Technology Innovation Center successfully passed the provincial performance review.
- The China National Seed Group, a subsidiary of Syngenta Group, was awarded **the Hainan Provincial Enterprise Innovation Award.**
- The Chlor-Alkali Business Division's "Development and Industrial Application of Low-Odor, Low-VOC, High-Activity, Short-Cycle Polyether Polyol" project won **the Second Prize of Shandong Provincial Science and Technology Progress Award.**
- Luxi Polyols and Luxi Engineering were recognized as provincial **manufacturing enterprises recognized as champions in single-product manufacturing.**
- Sennics participated in the formulation of two industry standards: the Green Supply Chain Management in the Petroleum and Chemical Industry—Green Procurement and the *Green Supply Chain Management in the Petroleum and Chemical Industry—Green Logistics*, and was awarded the title of **"Green Supply Chain Management Enterprise"** in Shanghai.
- Elkem Silicones (Shanghai)'s "Silicone TCS" was included in the first batch of **Shanghai High-Tech Achievement Transformation Projects** in 2025.

Industry Awards

- Sinochem High-Performance Fiber Materials' "Key Technology Research on Green Preparation of High-Strength/High-Modulus Para-Aramid" project successfully passed **the scientific and technological achievement appraisal of the China National Textile and Apparel Council.**
- The Chemical Business Division's "Key Technology Development and Industrialization of High-Quality Hexamethylenediamine via Caprolactam Route" won **the First Prize of China Petroleum and Chemical Industry Federation Science and Technology Progress Award.**
- The Chlor-Alkali Business Division's "Development and Application of High-Performance Microcellular Extruded Polyvinyl Chloride (PVC) Door Panels" project won **the Second Prize of China National Light Industry Council Science and Technology Progress Award.**
- Elkem Silicones, a subsidiary of Bluestar Company, won **the 2025 Ringier Technology Innovation Award for the Plastics Industry.**

Advancing Digital and Intelligent Transformation

Sinochem Holdings is committed to the goal of high-quality development, steadily advancing the development of a "Digital Sinochem" initiative. With digital transformation as the main thread and intelligent upgrading as the direction, it empowers industrial transformation. Staying true to its mission and responsibilities as a central state-owned enterprise, the Company actively promotes the application of industry-specific large-scale AI models to help foster and develop new quality productive forces.

Strategy

The Company thoroughly implements strategic initiatives such as the Cyber Power Strategy, the Digital China initiative, and "AI+" action plans. It has developed a "12345" blueprint framework comprising one strategic objective, two core scenarios, three transformation directions, four capability pillars, and five focus areas, with 20 key task initiatives defined to drive the digital and intelligent transformation of its production, operations, management, industrial chains, and supply chains.

Governance

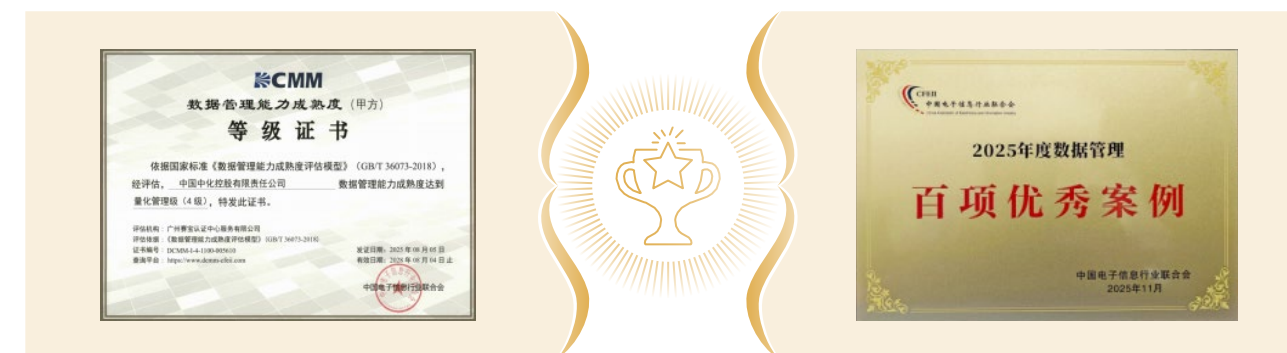
The Company has issued the *Sinochem Holdings AI+ Special Action Promotion Plan*, establishing a collaborative working framework featuring "centralized headquarters coordination, business-led execution, pilot-first deployment and full-scale rollout". It scales up the deployment of AI-enabled scenarios and formulates targeted supporting tasks and measures. A "Smart Factory + Smart HSE" dual-wheel-driven intelligent manufacturing evaluation system was established, focusing on core enterprises across the industrial chain and implementing a "three-synchronizations" strategy to drive the implementation of digital and intelligent capabilities. A "1+1+6+4" data management institutional system was built, continuously improving cybersecurity management systems. Through resource allocation optimization, platform matrix development, and institutional system construction, the foundation for digital and intelligent transformation was solidified.

Guided by the national Data Management Capability Maturity Assessment Model (DCMM) standard, the Company systematically enhances the data management capabilities of all units through assessment-driven improvement. By the end of 2025, Sinochem Holdings headquarters and one second-tier unit obtained DCMM Level 4 certification, while 18 second- and third-tier units obtained DCMM Level 3 certification. The Company's data management and certification efforts were selected as one of the China Electronic Information Industry Federation's "Top 100 Excellence Cases" for 2025.



The Company's data management and certification efforts were selected as one of the China Electronic Information

Industry Federation's **"Top 100 Excellence Cases"** for 2025



Data Management Capability Maturity Level Certificates & 2025 Top 100 Excellence Cases in Data Management

Risk Management

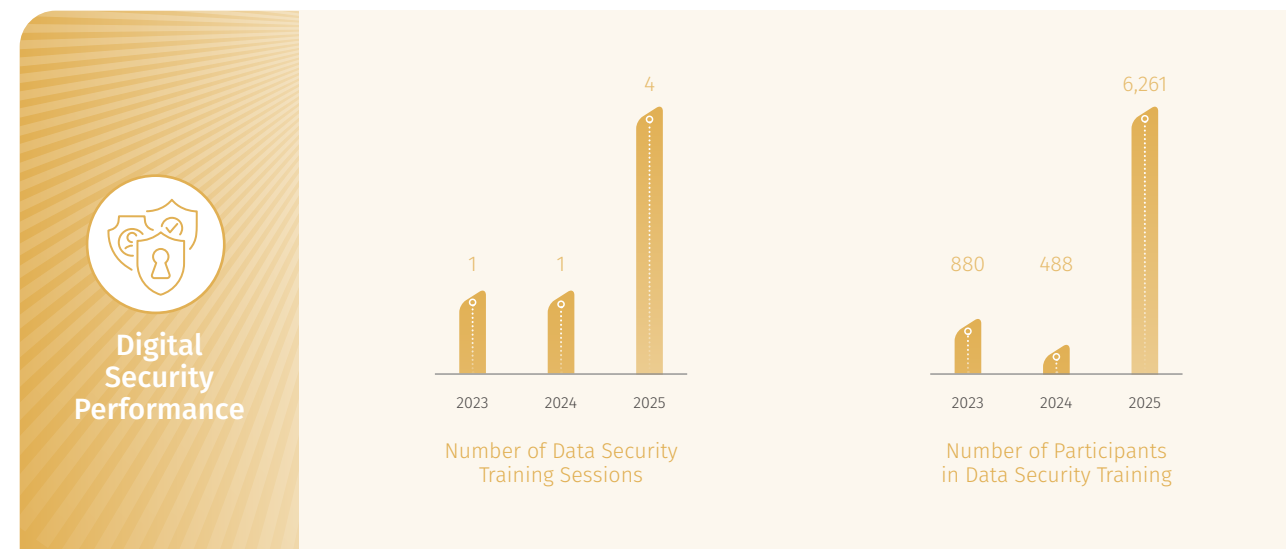
The Company strengthens forward-looking digital risk prevention and control, relying on systematic management and comprehensive data security training to solidify the foundation for network and data security. In 2025, the Company conducted four data security training sessions covering 6,261 participants, enhancing overall data security awareness and protection capabilities. A data security management and control platform was put in place, and a data classification and grading work plan was issued. Sinochem Holdings headquarters and one second-tier unit obtained national Data Security Maturity Model (DSMM) Level 3 certification.

In 2025



The Company conducted
4 data security training sessions

Covering
6,261 participants



Annual Progress

Building AI Capabilities

The Company adheres to a business-driven, scenario-led approach. Relying on the "1+2+N" next-generation AI blueprint framework, it continues to enhance the core functions of the AI platform and expand application scenarios. In 2025, the AI platform iterated 43 versions, launched 96 core functions, completed the integration of more than 40 large and small models, and actively explored applications in R&D, procurement, marketing, HSE, office operations, and management, achieving notable results in AI capability development and scenario application.

AI Capability Development of the Company

AI + R&D

The AI Intelligent Research Platform was launched, featuring 7 simulation software and over 200 algorithms, strengthening the foundational capabilities for AI + R&D. Syngenta Group's Beijing Innovation Center carried out innovative practices in AI-assisted scientific literature analysis and gene editing

AI + Procurement

Large model capabilities were introduced for procurement document generation, contract generation, and review intelligent agents, enhancing compliance risk prevention and control capabilities

AI + Marketing

An AI + Marketing work plan was developed around scenarios such as risk early warning and sales operation management. AI-powered customer analysis and market analysis applications were launched to enhance marketing management and customer service capabilities



AI + HSE

Developed a vertical large language model tailored for chemical workplace safety
Luxi Chemical piloted AI-based supervision of non-routine operations, applying multi-modal capabilities to improve supervision efficiency and fortify the digital-intelligent defense line for safe production

AI + Office Operations

Launched the Company's first digital-intelligent employee, "AI Xiaohua," with total clicks exceeding 320,000. A desktop assistant was also launched, providing users with more convenient AI applications through word-highlighting and desktop floating windows

AI + Management

Developed intelligent agents for business data queries, regulation and policy Q&A, and public opinion analysis to improve management efficiency

2025 AI+ Achievements

Resident Tenants

87

YoY Increase

135.1% ↑

Number of Models

17

YoY Increase

466.7% ↑

Model Invocation Count

17.5 million

YoY Increase

646.1% ↑

Applications Deployed

1,853

YoY Increase

253.6% ↑

Application Conversation Count

15.9 million

YoY Increase

343.4% ↑

Total Knowledge Bases

591

YoY Increase

149.4% ↑

Releasing Industry Large Models

The Company launched China's first agricultural planting large model, "iMAP," creating a one-stop AI solution covering the entire agricultural production process-tillage, planting, management, and harvesting. It covers a service area of over 5 million mu (about 333,333 hectares), with more than 10 multi-modal high-quality datasets built, helping to increase agricultural yields and farmers' income while solidifying the foundation of food security.

Launch of Sinochem Holdings iMAP Agricultural Cultivation Large Model

- The model was named one of Sinochem Holdings' Top 10 News Stories of 2025, covering a serviced farmland area of over 5 million mu (about 333,333 hectares)



Launch Ceremony of Sinochem iMAP Agricultural Cultivation Large Model

Issuance of Two Group Standards Related to Large Models

- Specification for Application Evaluation of Agricultural Cultivation Large Models (T/CAAIE 041-2025)*
- Requirements for High-Quality Datasets of Agricultural Large Models (T/CAAIE 040-2025)*

A Series of Landmark Achievements

- Selected as one of the first batch of Strategically Valuable AI Scenarios for Central SOEs recognized by SASAC
- Listed as a Typical Case of High-Quality Datasets by the National Data Administration
- Appointed as the lead unit of the Agriculture & Rural Work Promotion Group under the China Alliance of Artificial Intelligence Industry Development

Digitalization of Operations

The Company drives transformation in business management models through digitalization, improving operational efficiency and governance capabilities. In 2025, 46 additional trading enterprises were launched on the e-commerce platform, achieving online revenue of 100.4 billion yuan with a total customer base exceeding 250,000. The digital procurement platform achieved full coverage among domestic procurement enterprises, significantly increasing the online procurement rate.



Aeolus Tyre – Digitalization Drives Improvement in Operation & Sales Performance

Aeolus Tyre, a subsidiary of the Company, upgraded three core modules including online community, point mall and marketing campaigns, and optimized six key functions covering customer management, product portfolio, order processing, inventory control, QR code point redemption and data reporting. The initiative strengthens dealers' sales capacity and boosts retailers' brand identity and service capabilities.



Online Community Platform Developed by Aeolus Tyre



THY Engineering Launches Integrated E-Commerce & CRM System

THY Engineering, another subsidiary of the Company, rolled out its integrated e-commerce and CRM platform. The system covers full business workflows such as customer registration, project initiation, contract signing and order management, and realizes seamless integration with five internal business systems. It delivers robust tools and data insights to support refined marketing management and forward-looking profit forecasting.



Integrated System of THY Engineering

Intelligent Manufacturing

In 2025, the Company continued its annual "Smart Factory + Smart HSE" capability evaluation, with enterprises at Level 3 and above accounting for 96% and enterprises at Level 4 and above accounting for 43%. Chemical manufacturing enterprises basically completed the coverage of equipment management and process alarm management systems, and on this basis initiated the construction of production operation monitoring systems to enhance penetrative supervision of core production and operation stages. In terms of smart factory gradient cultivation, 46 subsidiaries were recognized as national advanced-level factories, accounting for over 50%. Jiangsu Youjia Plant Protection, a subsidiary of Yangnong Chemical, was recognized as a national excellence-level smart factory. Sinochem Quanzhou Quanhui Petrochemical Industrial Park was successfully selected for the "Smart Chemical Industrial Park Directory."

Intelligent Manufacturing Capability Development of the Company

Equipment and Alarm Systems

- In 2025, 19 new enterprises installed equipment and alarm systems, with a cumulative total of 138 enterprises online.

Production and Operation Supervision System

- Functional development was initiated in 2025 to enhance penetrative supervision of core production and operation stages, with completion scheduled for 2026.

Application of Intelligent Scenarios

- AI-Assisted Equipment Diagnosis: The Chemical Business Division combined manual inspection data to identify potential equipment operation risks and completed the deployment application.
- AI-Assisted Equipment Maintenance: The subsidiary Bluestar Adisseo Nanjing applied AI equipment guards to support predictive equipment maintenance, covering 7 categories and 44 sets of equipment including motors, compressors, fans, air compressors, steam turbines, and generators.
- AI-Assisted Quality Analysis: The subsidiary Sinochem High Performance Fiber processes collected product images through image processing algorithms, uses deep learning technology to classify defects, binds defects to product batches, and pushes defect alarms through MES integration.

Management Informatization

ERP Upgrade

Issued the "Sinochem Holdings ERP Upgrade Construction Standards (2025 Edition)"; by the end of 2025, the ERP upgrade was completed for 726 enterprises.

Treasury System

Optimized and enhanced 117 functional points, achieved full-chain tracking of financial vouchers and more than 10 types of business documents, built seven major intelligent risk control models, and improved business support and data connectivity.

Smart HR Platform

Achieved integrated management of organizational personnel, compensation, and performance at all its subsidiaries in China; established risk models for leaders' violations in operating enterprises and abnormal economic transactions, covering all levels of leaders and supervision targets domestically.

Big Data-enabled Supervision and Disciplinary Enforcement

By integrating findings from early warning models covering irregular corporate operations and procurement risks, the Company has built a traceable network spanning employees, organizations, and business partners, alongside a full-process supervision model covering the business chain of suppliers, bidding and procurement, contracts and capital flows. The system enables automatic identification, proactive alert dispatch and closed-loop rectification of suspected violations of disciplines, rules and abnormal operational activities.



Fulfilling Social Responsibilities

Committed to advancing sustainable social and economic development, Sinochem Holdings fully implements national requirements for rural revitalization and corporate social responsibility (CSR). Through a wide array of public welfare and targeted assistance initiatives, the Company actively delivers on its social commitments and contributes to improving people's wellbeing and fostering social harmony.



Strategy

The Company thoroughly implements the new development philosophy, takes creating social value and achieving shared development as its core objectives, and promotes the integration of social responsibility work into corporate strategic planning and daily operations. It actively responds to regulatory requirements, continuously improves its social responsibility management system, and ensures that responsibility fulfillment practices are aligned with the Company's high-quality development.



Governance

The Company vigorously coordinates CSR work and places it high on the management agenda to deploy and advance major CSR initiatives. Functional departments and business units carry out CSR tasks within their respective mandates, forming a multi-level governance framework covering all tiers of the Company.

Sinochem Holdings has established sound CSR management mechanisms to standardize CSR objectives, key tasks, implementation roadmaps, supporting measures and resource allocation. It delivers closed-loop end-to-end management covering CSR planning, execution, supervision and performance assessment, embedding the ethos of social responsibility into all aspects of production and operation.



Annual Progress

Continuous Targeted Assistance to Promote Coordinated Regional Development and Rural Revitalization

Leveraging its industrial, technological and talent strengths, the Company has built a distinctive "2+4" targeted assistance model driven by dual pillars of industrial support and livelihood improvement. The Company has refined and fully implemented all support measures, has firmly held the bottom line of preventing large-scale relapses into poverty, and has vigorously advanced rural revitalization.

In 2025, the Company provided targeted assistance to four banner-level counties and counterpart support areas, including Ar Horqin Banner and Linxi County in Chifeng City, Inner Mongolia Autonomous Region, Gulang County in Wuwei City, Gansu Province (a key county for national rural revitalization assistance), and Pingshan County in Shijiazhuang City, Hebei Province. Focusing on industrial development, compulsory education, basic medical care, housing safety, and drinking water safety, the Company implemented 47 assistance projects. It invested 104.61 million yuan in non-repayable assistance funds and 124.18 million yuan in repayable assistance funds, secured 129.98 million yuan in assistance funds, dispatched 10 employees on temporary assignment and 62 science and technology commissioners, benefiting 51,768 people, purchased over 95 million yuan worth of agricultural products from designated assistance counties, and helped sell 133 million yuan worth of agricultural products from designated assistance counties. The Company has received a "Good" rating in the central government unit targeted assistance assessment for seven consecutive years.

In addition, Sinochem Holdings and its subsidiary, China Foreign Economy and Trade Trust (FOTIC), fulfilled their responsibilities as central SOEs through charitable trust programs by establishing the "Sinochem Holdings Rural Revitalization Charitable Trust" to support the in-depth implementation of the rural revitalization strategy.

In 2025



The Company's Initiatives to Support Rural Revitalization in 2025

Talent Training: The Company organized training programs such as the Sinochem Holdings Rural Revitalization Talent Training Course, Revitalization Lecture Hall and Qinghai Assistance Lecture Hall, delivering training to over 22,000 local officials and professionals from assisted regions.

Educational Donations: Deepened the implementation of branded student assistance activities, including the "Dream Fulfillment Initiative," "Bluestar Self-Improvement Classes," and "Spring Buds Program," donating over 5.3 million yuan in grants to more than 3,200 students from difficult families, and carried out the "Chemistry Nurtures the Future" educational assistance project to support the healthy growth of young people.



The Company actively participated in seven special initiatives organized by SASAC for central enterprise consumption-based assistance, including the "Welcome Spring Initiative," "Convergence Initiative," and "Agricultural Prosperity Week," encouraging trade unions at all levels to purchase agricultural products from assisted areas, with cumulative purchases exceeding 95 million yuan and helping sell 133 million yuan in agricultural products, broadening sales channels for agricultural products in assisted areas.

The Company has established long-term partnerships with 25 poverty-alleviated villages in six supported regions. Centering on industrial development, local talent cultivation, product promotion, and livelihood improvement, the Company delivered targeted support to help strengthen grassroots governance capacity and sustainable regional development.



Boost Industrial Development and Jointly Forge a New Industrial Ecosystem

Participation in Standard Setting

Upholding a development philosophy of win-win cooperation, the Company actively participates in the formulation of national and industry standards, conducts in-depth research on cutting-edge industry topics, and leads high-quality industry development. In 2025, the Company's subsidiary Bluestar Chenguang Research & Design Institute took the lead in formulating the ISO 6427:2025 international standard "Plastics — Determination of matter extractable by organic solvents (conventional methods)"; two mandatory national standards for feed additives co-drafted by its subsidiary Sinochem Yunlong passed expert preliminary review; the *Technical Specification for Sulfuric Acid Production from Industrial Sulfur-Containing By-products and Sulfur-Containing Waste* co-drafted by its subsidiary Sinochem Environment was selected as a "Typical Case of Group Standard Application and Promotion in 2024" by the Ministry of Industry and Information Technology; the industry standard, the *Technical Guidelines for Carbon Emission Assessment — Oil and Gas Extraction Construction Projects (HJ 1153-2025)* of the National Energy Administration, co-edited by its subsidiary China National Chemical Information Center (CNCIC), was formally implemented. Meanwhile, as the Vice Chairman unit of CSTM and the secretariat unit of the Chemical Materials Standardization Field Committee (CSTM/FC05), CNCIC also led the formulation of the *Evaluation of Fluorine-Free Oil-Resistant Plant Fiber-Based Materials for Food Contact* standard, and it was officially adopted by Indonesia, contributing to the standardized development of the industry.

Expanding Multi-party Cooperation

The Company adheres to the equal emphasis on independent innovation and open cooperation, actively establishing cooperative relationships with universities, enterprises, and research institutions to jointly promote breakthroughs in industry technology and achieve shared results. In 2025, the Company's subsidiary Bluestar Adisseo formally signed a strategic cooperation agreement with Wens Foodstuff Group, a leading enterprise in China's agricultural and animal husbandry industrialization. The two parties will leverage their respective industrial chain advantages around the goals of "precision nutrition, green efficiency, and ecological win-win" to jointly promote the transformation and upgrading of agriculture and animal husbandry, injecting new momentum into the national food security strategy and the modernization of agriculture.



Adisseo and Wens Foodstuff Group Sign Strategic Cooperation Agreement

Undertaking Research Projects

Focusing on core business segments, the Company tasked its subsidiary China National Chemical Information Center (CNCIC) with compiling the *Comprehensive Chemical Industry Development Report (2025)* and conducting research on 27 key preliminary projects to systematically analyze external operating environments as well as relevant opportunities and challenges. Throughout the year, CNCIC submitted 21 policy proposals and industry research briefs.



Chemical Information Center (CNCIC) with compiling the Comprehensive Chemical Industry Development Report (2025) and conducting research on

27

key preliminary projects to systematically

CNCIC submitted

21

policy proposals and industry research briefs



Undertaking SASAC "Open Competition" Major Research Topics and Rated "Excellent"

In January 2025, the report the *Research on the Strategy for Central SOEs to Penetrate in Bio-manufacturing Sector*, undertaken by CNCIC, was rated "Excellent" and earned a thank-you letter from SASAC of the State Council. Moreover, CNCIC actively applied for and took an in-depth part in three other major research projects, providing think tank support for the formulation of industrial policies.



SASAC "Open Competition" Major Research Topic Completion Certificate

Strengthening Industrial Leadership and Empowering High-Quality Development of the Real Economy

The Company thoroughly implements the new development philosophy, coordinately promotes the cultivation and expansion of strategic emerging industries alongside the transformation and upgrading of traditional industries, and strives to build a high-end, intelligent, and integrated modern new chemical materials industrial system. It continuously enhances industry competitiveness and drives the coordinated development of private and small and medium-sized enterprises. The proportion of revenue from the Company's strategic emerging industries has increased significantly, achieving a number of landmark results in key industrial sectors.

The Company focuses on emerging industry scenarios, promoting the adaptation of high-end new chemical materials to fields such as commercial aerospace, low-altitude economy, and embodied intelligence. Through customized, high-performance material solutions, the Company bridges the critical links from technology R&D to large-scale application in emerging industries, facilitating the rapid deployment and popularization of future industries. The Company continuously advances intelligent manufacturing and digital transformation, deepens the application of industrial internet, big data, and artificial intelligence technologies in production and operations, and promotes the upgrading of traditional manufacturing to intelligent manufacturing. Based on its core strategic mission, the Company drives the transformation and upgrading of its business from providing products to providing comprehensive solutions, promoting the deep integration of traditional manufacturing with modern services. It also plays a leading role in empowering private and small and medium-sized enterprises through technology sharing, resource coordination, and other means.



Targeted Breakthroughs Made in New Chemical Materials Sector to Forge a Second Growth Curve

In 2025, the Company focused on large-scale application scenarios, promoting the formation of "materials + equipment + products" comprehensive solutions, fostering the development of new quality productive forces, and creating a "second growth curve" to drive profound transformation in the new chemical materials industry. Since the initiative's launch, the Company has focused on key application scenarios such as electronic information and new energy vehicles, achieving leapfrog development in a number of new materials and products. It has accelerated the promotion of comprehensive solutions such as ColorForm, and the Company's transformation toward a "products + comprehensive solutions" service provider continues to advance.



Breakthroughs Made via the "Voyage Initiative" to Fuel Entrepreneurial Drive

Supported by tailored incentive policies, the Company rolled out incubation programs under the SASAC Voyage Initiative and finalized customized incubation roadmaps and differentiated support policies for Haohua Gas and Sinochem Lanyu. The organizational approaches and landmark outcomes of the Voyage Initiative received positive recognition from SASAC. The Company pioneered a special zone reform mechanism, selecting 9 subsidiaries as special zone entities. Under the framework of preferential special support paired with higher performance targets, the initiative galvanizes staff motivation and entrepreneurship to deliver greater reform dividends.

Upholding the commitment to people's well-being and strengthening practices in public services and social welfare

The Company takes proactive steps to address livelihood-related issues such as disaster rescue, public health and educational support. It has refined institutional frameworks governing charitable donations and emergency response to standardize livelihood services, delivering tangible actions to boost people's wellbeing.

In 2025, the Company's total social donations (including contributions from overseas subsidiaries) reached 147.24 million yuan, and the Dream Fulfillment education program attracted 30,411 participants.

In 2025



The Company's total social donations (including contributions from overseas subsidiaries) reached

147.24 million yuan



The Dream Fulfillment education program attracted

30,411 participants



Standing Together Through Storms! Sinochem Holdings Fully Advances Flood Prevention and Disaster Relief Work

When heavy rain triggered a sudden disaster in Luanchuan County, Luoyang City, Henan Province in 2025, the stationed resident representative from Liming Research Institute swiftly organized resident evacuation and carried out full-scale rescue and post-disaster reconstruction efforts. Over RMB 180,000 in disaster relief funds were raised within five days to fully safeguard residents' lives, property and basic living needs.



The Company's Village-based Employees Clearing Post-Disaster Roads



Unite to Prevent Mosquito-Borne Epidemics and Jointly Build a Strong Frontline of Prevention

In August 2025, an outbreak of chikungunya fever occurred in Guangdong Province. Yangnong Chemical, a subsidiary of the Company, immediately coordinated the supply of disinfection pesticides. It arranged urgent production and allocation of mosquito-control products at its Nantong plant, enabling full-chain coordination covering technical material synthesis and formulation processing. Many employees were dispatched to critical production posts to guarantee stable output. The Company firmly upheld the bottom line of stabilizing prices and ensuring supply, delivering timely and effective material support for epidemic prevention and safeguarding public health security.



Trucks loaded with supply guarantee materials



Caring Education Support for Sustained Educational Assistance

Sinochem Yunlong, another subsidiary, has run its caring education assistance program for ten consecutive years. Through regular grants, home visits and one-on-one paired support, it provides consistent educational aid to local ethnic minority students, helping narrow educational gaps and advancing inclusive and harmonious social development.

Community Relationship Building to Promote Coordinated Development of Communities and Project Operations

The Company actively participates in community investment, construction, and development, strictly abides by the laws and regulations of the places where it operates, respects local customs and cultural traditions, and conducts all business activities in a lawful, compliant, and responsible manner, promoting coordinated development between communities and projects. In 2025, the Company fully launched its office operations in Xiong'an New Area, integrating into the local community through flag-raising ceremonies and the construction of PV-storage-charging-discharging infrastructure, among other initiatives. Its subsidiary China Jinmao initiated and established the "Ningnan Community Hub," innovatively introducing the "Curator 2.0" mechanism, having cumulatively organized over 200 themed activities, attracting over 3,000 members. The "Neighborhood Youth Palace" was established, providing diverse public welfare courses, enabling young people to access quality educational resources at their doorsteps. Rich community cultural activities were organized around four major IP themes, meeting the spiritual and cultural needs of different groups, and significantly enhancing community residents' sense of belonging and well-being. Its subsidiary China Foreign Economy and Trade Trust (FOTIC) has restructured property management relationships and delivered a remarkable revitalization of old residential communities.

In 2025



China Jinmao organized over **200** themed activities



Attracting over **3,000** participants

Deepening Global Cooperation and Compliantly Fulfilling Overseas Social Responsibilities

The Company always regards fulfilling overseas social responsibilities as an important cornerstone for deeply integrating into the global market and building a sustainable future. Relying on its global operational network and diversified business portfolio, the Company unwaveringly follows the win-win logic of "extensive consultation, joint contribution, and shared benefits," integrating the concept of corporate social responsibility throughout the entire process of international operations.

International Cooperation

The Company actively participates in multilateral mechanisms and is deeply engaged in important international exhibitions.

Participation in multilateral mechanisms: From October 25 to November 1, 2025, Li Fanrong, Chairman of Sinochem Holdings, participated as the Chinese representative of the APEC Business Advisory Council (ABAC) in Busan and Gyeongju, South Korea, attending the ABAC 2025 Fourth Meeting, the 2025 APEC CEO Summit, the ABAC representatives' dialogue with APEC economic leaders, and the welcome reception of the APEC Economic Leaders' Meeting. At the closing ceremony of the ABAC 2025 Fourth Meeting, he formally assumed the position of Chairman of the APEC Business Advisory Council for 2026.

Participation in important international exhibitions: The Company carefully prepared for its participation in the China International Import Expo (CIIE), coordinated and organized special signing ceremonies, with total procurement reaching USD 14.4 billion, hitting a record high. At the same time, the Company meticulously exhibited at the China International Supply Chain Expo and was awarded the "Gold Medal Exhibitor Award."



Fulfilling Overseas Social Responsibilities

The Company continuously upgrades its international operation and management capacity, strictly abides by applicable international conventions and local laws and regulations, deepens localized operations, and promotes multicultural integration. In 2025, the regional teams of the Company's subsidiary Syngenta Group carried out a series of Diversity, Equity, and Inclusion (DEI) practice projects tailored to local conditions, enhancing employee awareness, deepening community connections, and strengthening the foundation of inclusion in a warm and meaningful manner.

Selected Initiatives for Promoting Overseas Social Responsibility Fulfillment in 2025

Syngenta AG



In November 2025, the Company's subsidiary Syngenta AG formally launched the "GROW Multi-Stakeholder Initiative," focusing on the vegetable seed industry, dedicated to systematically improving labor standards and employee well-being.

ADAMA



Hosting "Cultural Lunch Sessions," in which employees spontaneously share the traditional customs and human stories behind global festivals, allowing multicultural exchange to unfold naturally over shared meals.

The Brazil team curated the "Portraits of Diversity" themed exhibition and accompanying lectures, presenting multi-dimensional individual experiences such as age and ability through authentic and vivid employee imagery and narratives.

To effectively support hearing-impaired colleagues, LIBRAS (Brazilian Sign Language) training was conducted, promoting barrier-free communication.

Public Welfare Donations

The Company attaches great importance to overseas community investment and charitable work, supporting its subsidiaries in carrying out community investment and public welfare donations. In 2025, the total corporate community investment of the Company's subsidiary Syngenta Group reached USD 5.9 million, and ADAMA contributed a cumulative total of USD 1.52 million in donations worldwide.

In 2025



The total corporate community investment of the Company's subsidiary Syngenta Group reached USD

5.9 million

ADAMA contributed a cumulative total of USD

1.52 million
in donations worldwide

Milestones of Sinochem Holdings' Participation in the High-quality Construction and Development of Xiong'an

Implementing the national coordinated development strategy for the Beijing-Tianjin-Hebei region is an important manifestation of Sinochem Holdings fulfilling its responsibilities as a central state-owned enterprise and responding to the national call. The Company relocated its headquarters to Xiong'an New Area in Hebei Province, fully committing to production and office operations, community construction, green operations, and governance in the new area, practicing its commitment as a central SOE through concrete actions and contributing to the high-quality construction of Xiong'an New Area.

From the topping-out completion of Sinochem Tower to the rollout of employee care packages, from the construction of the PV-storage-charging-discharging demonstration station to community afforestation campaigns, and from weekday flag-raising ceremonies to vibrant employee sports meets, every footprint the Company has left in Xiong'an reflects Sinochem Holdings' identity as a responsible central SOE that integrates individual growth, corporate accountability and social contribution.



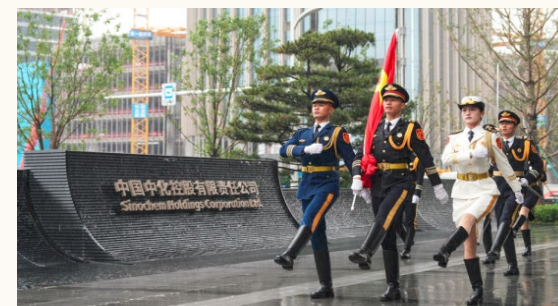
Completion of Sinochem Tower Construction

In 2025, the Company continued to advance the construction of Sinochem Tower, with curtain wall BIPV photovoltaic area exceeding 3,500 square meters, and self-developed photovoltaic roofs and photovoltaic walls covering nearly 1,400 square meters, achieving a building envelope energy-saving rate of 49.29%, a comprehensive building energy-saving rate of 71.57%, and a renewable energy utilization rate of 45.53%, meeting the national standard requirements for nearly zero-energy buildings.



First Flag-Raising Ceremony

On October 9, 2025, the Company held a grand flag-raising ceremony at Sinochem Tower in Xiong'an New Area. This flag-raising was not only the first since the Company's relocation to Xiong'an New Area, but also an important symbol of the Company embarking on a new chapter.



Integration into Xiong'an Community Work

In April 2025, the Company organized some headquarters leaders and employee representatives to go to Xiong'an New Area to carry out a tree planting activity themed "Sowing New Hope, Embarking on a New Journey," practicing the green development philosophy through concrete actions and building a beautiful home.



Ensuring Employee Relocation

With the substantive advancement of the Company headquarters relocation, ensuring employee settlement was placed high on the Company's agenda in 2025.

- ① In light of current housing conditions, the Company provided employees with relocation subsidies or temporary accommodation.
- ② A coordination mechanism for children's schooling has been established to support cross-city admission through consultation sessions.
- ③ Coordinating with local medical resources to provide remote medical assistance for relocated employees' dependents.
- ④ A mental health support hotline has been set up, offering one-on-one counselling delivered by professional psychological counsellors.

Headquarters Relocation to Xiong'an

On September 28, 2025, the Company headquarters fully launched office operations in Xiong'an New Area.

First Employee Sports Meet

In October 2025, the Company organized the First Sinochem Holdings Employee Sports Meet, hosting basketball, table tennis, badminton, tug-of-war, and other competitions. Over 3,100 employee representatives watched the competitions on-site, and over 20,000 employees watched the livestream online. The event greatly enriched employees' cultural and sports life and effectively enhanced team cohesion.



Commissioning of PV-Storage-Charging-Discharging Demonstration Station

In July 2025, the first one-stop "PV-Energy Storage-Charging-Discharging" demonstration station built by the Company's subsidiary Sinochem New Energy in Xiong'an New Area commenced trial operation, providing an innovative model for the smart city construction and green energy application in Xiong'an New Area.



G Upholding Compliance and Improving Corporate Governance

Standing at a new stage of development, Sinochem Holdings continuously strengthens risk control, compliance, and supervision safeguards, adheres to business ethics, promotes integrity and anti-corruption efforts, and builds a modern corporate governance system with statutory rights and responsibilities and effective checks and balances, laying a solid foundation for the Company's sustainable development.

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Consolidating Governance Foundations

Based on its business realities, Sinochem Holdings has established and optimized a top-down, clearly tiered and well-structured governance system covering key governing bodies including the Board of Directors and the Management. All governing bodies operate with well-defined powers and responsibilities, deliver efficient coordination and exercise effective checks and balances to jointly advance all ESG governance initiatives in an orderly manner.



Strategy

The Company strictly complies with relevant policies such as the *Company Law of the People's Republic of China and the Guidelines on Articles of Association for Central State-owned Enterprises*. It has established four key elements for rigorous enterprise governance—"compliance, professionalism, innovation, and pragmatism"—and, following the approach of "building a strong headquarters, solidifying professional companies, and optimizing operating enterprises," has restructured its five major management systems encompassing "strategic leadership, technological innovation, fundamental management, operational excellence, and risk control and supervision." The Company has strengthened six corporate governance capabilities, including law-based governance, professional development, market-oriented operation, transnational business activities, scientific coordination, and refined management. It has established specialized management systems such as FORUS safety management, operational excellence, investment management, and financial management, and has explored the development of Sinochem Holdings' "3S" framework for governance of overseas enterprises, continuously improving the corporate governance structure and standardizing the Company's operations.



Governance

The Company continuously optimizes its governance organizational system and clarifies the division of powers and responsibilities between the Board of Directors and the Management. It gives full play to the Board's functions of formulating strategies, making decisions and preventing risks, as well as the Management's responsibilities of seeking development, advancing implementation and reinforcing administration. It keeps improving its governance institutional system and advances the work approach of institutionalizing systems, standardizing procedures and listing procedures.

In 2025, the Company completed revisions and checklist optimization for eight corporate governance documents, covering the Articles of Association, Rules of Procedure for the Board of Directors, Working Rules for the Management, and Measures for Authorization Administration of the Board of Directors.

Board of Directors



Board Effectiveness

The Board of Directors serves as the principal body for operational decision-making of the Company, exercising the functions of "defining strategy, making decisions, and preventing risks." The Company is fully committed to building a scientific and efficient Board. All directors strictly comply with laws and regulations, perform their duties with diligence, exercise their authority in a standardized manner, and fully leverage their professional expertise to participate in decision-making on major matters. The Company has formulated the *Sinochem Holdings Rules of Procedure for Board Meetings* and the *Sinochem Holdings Administrative Measures for Board Authorization*, clarifying working procedures and implementing a decision-making system featuring collective deliberation, independent voting, and individual accountability.

In 2025, the Company established a "monthly rolling topic tracking and update mechanism" to continuously improve the efficiency of meeting organization. The Company developed a "Decision-Making Meeting Management System" to empower scientific decision-making through digital intelligence. This system model was awarded the "Outstanding Achievement Award" in the SASAC 2025 Intelligent Supervision Business Model Innovation Initiative. The Company convened 12 Board meetings, deliberating on six ESG-related topics (including risk, compliance, and low-carbon development, among others); held one Board strategic seminar; convened nine thematic reporting meetings; organized 11 external director communication meetings; and held one external director brainstorming session.

The Company continuously enhances the performance and decision-making effectiveness of external directors. In 2025, external directors conducted field investigations at 13 domestic and three overseas subsidiaries, producing five research reports and putting forward over 40 targeted recommendations.

In 2025



The Company convened
12 Board meetings



Held
1 Board strategic seminar



Convened
9 thematic reporting meetings



Organized
11 external director communication meetings

Board of Directors Performance

Indicator	Unit	2023	2024	2025
Number of Board Meetings Held	Times	25	17	12

Board Diversity

The Company attaches great importance to the diversity of Board composition. It optimizes the professional capabilities and structural configuration of the Board across multiple dimensions, including gender, professional field, and professional qualifications, ensuring that directors' backgrounds and knowledge portfolios are aligned with the Company's core business and can effectively support the efficient operation and scientific decision-making of the Board. As of the end of 2025, the Company's Board of Directors had two female directors, accounting for 22% of the Board. Board members possess experience in the petrochemical industry and backgrounds in diversified, cross-sector enterprise management.



As of the end of 2025



The Company's Board of Directors had
2 female directors



Accounting for
22% of the Board

Board Member	Position	Gender	Date of Birth
Li Fanrong	Chairman	Male	October 1963
Jiao Jian	Director	Male	November 1968
Chen Dechun	Director	Female	November 1965
Hu Jianhua	External Director (Convener)	Male	November 1962
Wang Yongqing	External Director	Male	September 1963
Ling Yiqun	External Director	Male	September 1962
Zheng Wenmin	External Director	Male	November 1967
Wu Aihong	External Director	Female	December 1968
Li Junmin	Employee Director	Male	December 1968

Board Special Committees

Board special committees serve as specialized working bodies of the Board, accountable to the Board and providing consultation and recommendations for Board decision-making. The Company's Board has established 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 *Sinochem Holdings Working Rules for the Board Strategy and Investment Committee*, the *Sinochem Holdings Working Rules for the Board Remuneration and Assessment Committee*, the *Sinochem Holdings Working Rules for the Board Audit and Risk Committee*, and the *Sinochem Holdings Working Rules for the Board Nomination Committee*, standardizing the organizational structure, responsibilities, and working procedures of Board special committees. In 2025, the Company organized 23 special committee meetings.

In 2025



The Company organized
23 special committee meetings

Specialized Committee	Administrative Body	Chairperson	Responsibilities
Strategy and Investment Committee	Strategy and Investment Department	Li Fanrong	Responsible for researching strategic planning, business plans, comprehensive budgets, and investment plans, and making recommendations to the Board of Directors
Remuneration and Assessment Committee	Human Resources Department, Finance Department	Hu Jianhua	Responsible for researching wage income distribution systems and plans; organizing the formulation of management performance assessment and remuneration management measures
Audit and Risk Committee	Audit Department, Legal and Compliance Department, Finance Department	Hu Jianhua	Responsible for guiding the establishment of the Company's risk management system, internal control system, compliance management system, and accountability system for violations in business operations and investment, and assessing the effectiveness of relevant institutional systems; supervising the formulation and implementation of internal audit systems, and maintaining good communication with external audit institutions
Nomination Committee	Human Resources Department	Li Fanrong	Responsible for formulating selection criteria and procedures for senior management, and making recommendations to the Board of Directors on candidates for General Manager and other positions

II The Management



Effectiveness of the Management

The Management serves as the Company's executive body, taking charge of production, operation and administration. It drives relevant functional departments and subsidiaries to effectively implement all operational matters and reports work progress to the Board of Directors. The Company has formulated the *Working Rules for the Management of Sinochem Holdings* and the *Detailed Implementation Rules for Tenure and Contract-Based Management of Management Members of Affiliated Enterprises of Sinochem Holdings* to standardize and safeguard the Management's lawful performance of duties.

The Management conducts deliberation and decision-making via General Manager's Office Meetings, special meetings convened by management members, written approval memorandums and other channels. Members of the Management shall consciously accept supervision from the supervisory authorities, capital contributors, audit departments, finance and accounting bodies and other oversight entities.



Remuneration Management

The Company issued the *Measures for Remuneration Allocation Management of Persons-in-Charge of Invested Enterprises of Sinochem Holdings*. It stipulates that the remuneration of management members consists of base annual salary, performance annual salary and tenure incentives. The overall remuneration package for management members is reasonably determined by comprehensively weighing industrial characteristics, corporate strategic targets, operating performance and remuneration policies, as well as internal management hierarchies, position grading systems and the income gap with other staff within each entity.

To strengthen accountability, the Company implements a remuneration recovery and deduction mechanism. Where a management member engages in disciplinary violations, illegal acts, dereliction of duty, or conducts irregular investment and business activities that result in loss of state-owned assets or other severe adverse consequences, the Company shall recover part or all of the performance annual salary and tenure incentives already disbursed during the relevant tenure period in accordance with verified investigation findings and disciplinary decisions, and suspend payment of any outstanding remuneration.

Annual Progress



Governance of Overseas Subsidiaries

Centering on the core logic of board-led governance, guided by strategic advancement and performance growth, prioritizing technological innovation, leveraging assessment and incentives as management tools, based on cultural integration, and taking development security as the bottom line, the Company continuously improves relevant institutional frameworks and optimizes management approaches to drive overseas acquired enterprises to evolve gradually from strategic and financial control to operational control.

Focusing on core primary businesses, the Company improves operational efficiency and quality, and dynamically optimizes the layout of overseas assets through selective divestment and expansion. Domestic operating entities actively conduct international trade, build overseas production capacities and undertake contracting projects in response to their own business development needs, achieving deeper integration into global development.

Board Construction of Subsidiaries

In 2025, the Company systematically advanced the standardization, professionalization, and efficiency of boards at subsidiary enterprises, elevating the level of modernization of the corporate governance system and governance capabilities. The Company organized experience-sharing activities on board development at its subsidiaries, identifying their problems and deficiencies in board development. It conducted the Sinochem Holdings 2025 Annual Assessment of Boards of Subsidiary Enterprises, examining board composition, meeting formats, meeting procedures, meeting documents, procedural authority, decision-making authority, litigation rights, and verification of shareholder capital contributions. The Company also promoted quality improvements in the term-based and contract-based management of management members at its subsidiaries, ensuring that business responsibilities are effectively transmitted at every level.



Operational Excellence

In 2025, the Company accelerated the iterative upgrade of its operational excellence system, optimizing maturity assessment criteria and the G1-G5 grading standards. It conducted annual assessments and cross-evaluations. By year-end, the number of subsidiaries rated "G4 Leading" or above had increased by 5.3 times compared to the initial stage of system development, with operational efficiency significantly improved.



Bolstering Risk Prevention and Control

Sinochem Holdings has established and optimized risk management and control mechanisms to dynamically identify, assess and respond to ESG-related risks. It consistently enhances risk prevention and control capacity, effectively reduces risk-related losses, and fosters sound and sustainable corporate development.

Strategy

Following the working principles of "comprehensive unification, hierarchical classification, horizontal coordination, and vertical integration," the Company has established systematic risk identification, assessment, and control mechanisms, integrated risk management into corporate strategy and daily operational management systems, and formed a comprehensive risk management framework covering the entire process and all dimensions.



Governance

Organizational Structure

The Company has established a risk prevention and control system linking the headquarters and its subsidiaries, and has built and consolidated a "three lines of defense" for risk prevention and control, wherein business departments assume primary responsibility, risk functions undertake coordination and supervision duties, and audit departments are responsible for oversight and accountability, ensuring that risk prevention and control responsibilities are transmitted and implemented at every level. The Board of Directors is responsible for deliberating on and supervising major operational risks; the Audit and Risk Committee is responsible for guiding the construction of the risk management system; the Finance Department serves as the centralized risk management department, with a Risk Management Department established under it to handle daily risk management work; other functional departments fulfill corresponding risk management responsibilities based on their functional positioning; and the principal officers of each subsidiary serve as the primary persons responsible for risk management of their respective units and are accountable for the effectiveness of risk management.

Institutional System

The Company has formulated institutional documents for specific areas of risk management, including the *Sinochem Holdings Comprehensive Risk Management Measures*, the *Sinochem Holdings Credit Risk Management Measures*, the *Sinochem Holdings Operational Risk Incident Reporting and Management Measures*, and the *Sinochem Holdings Guidelines for Risk Screening in Bidding and Tendering*, ensuring that risk prevention and control is conducted in accordance with established rules and regulations.

Risk Management

The Company adheres to the philosophy of "proactive risk positioning and proactive prevention and control," and continuously delivers full-cycle control covering risk identification, analysis, evaluation, response and closure.

Conducting analysis and assessment of risk trends, influencing factors, and potential impacts, forming risk early warnings and monitoring indicators.

Developing specialized risk management strategies and response plans for identified and assessed systemic major risks, implementing them after approval through hierarchical reporting in accordance with regulations; audit departments conduct supervision, verification, and accountability work.



Risk Identification

Risk Analysis

Risk Assessment

Risk Response

Risk Reporting

Conducting monthly inspections, quarterly monitoring, and annual assessments focusing on major operational risks, key business areas, and critical operational links, selecting key risk monitoring indicators and early warning thresholds, and establishing monitoring, early warning, and feedback mechanisms.

Establishing a dynamic assessment mechanism with vertical coordination and horizontal collaboration. Regularly assessing the internal and external environment, industry trends, and operational realities, systematically analyzing and comprehensively evaluating major operational risks at the Company level by coordinating input from all parties.

Adhering to the principles of full coverage, full levels, and full scope, establishing a business risk event reporting mechanism that extends vertically to the bottom and horizontally to all sides, with risk reporting as the main thread to consolidate primary responsibilities and promote risk disposal. Vertically, secondary units coordinate risk reporting management for subsidiaries; horizontally, headquarters departments implement reporting, tracking, and coordination responsibilities in their respective areas according to their division of duties. Relying on the business risk event monthly reporting system, organizing enterprises at all levels to conduct monthly inspections and reporting, dynamically tracking the progress of existing risk disposal, continuously clarifying risk exposures, optimizing statistical methodologies, and promoting early detection, early reporting, and early disposal of risks. The headquarters regularly consolidates and analyzes data, provides special supervision for major risk disposal, strengthens risk awareness at all levels through thematic bulletins, and implements escalated management and accelerated clearance for long-standing unresolved matters.



Annual Progress

Domestic Operations

In 2025, the Company promoted the digitalization of risk management, established seven types of models including debt risk and abnormal trade models, launched 30 anomaly identification functions, and realized automated risk screening and dispatch-driven rectification. The Company organized annual major operational risk forecast and assessment work, and dynamically tracked quarterly changes in major risks based on assessment results. It also conducted specialized training on credit risk to foster a sound risk management culture.

In 2025



Launched
30 anomaly
identification functions

Overseas Operations

In 2025, the Company continued to enhance its overseas risk response capabilities, improved management systems, and conducted specialized training. It strengthened risk management and supervision mechanisms for overseas investment and foreign contracted engineering projects, effectively guarding against overseas risks.



Reinforcing Compliance & Internal Controls

Sinochem Holdings continues to deepen its legal and compliance construction, establishing and improving the compliance institutional system, business processes, and decision-making mechanisms, strengthening compliance awareness among all employees, and forming a closed-loop compliance management model of "discovery—analysis—resolution—improvement—prevention." With solid compliance capabilities, the Company builds a strong defense for sustainable development and promotes steady and long-term business operations.



Compliance Management

Strategy

The Company integrates legal and compliance requirements into governance, management, operations, and development, strengthens forward-looking planning for compliance management, and firmly establishes the compliance philosophy of "compliance starts from senior management; all employees are proactively compliant, and adhere to the compliance risk bottom line; practicing compliance creates value." Compliance culture is designated as a distinct corporate culture, safeguarding business development through compliance and truly achieving "compliance creates value."

II Governance



Organizational Structure

The Company promotes the construction of the "three lines of defense" for compliance management and builds a compliance management organizational structure featuring smooth vertical interactions, clear division of powers and responsibilities, and coordinated collaboration. The Board of Directors, management, functional departments, and subordinate enterprises perform their respective duties and bear their respective responsibilities in accordance with the requirements of "hierarchical management and accountability at each level." The Board of Directors is responsible for researching, deliberating on, and approving major compliance management matters; the Management is responsible for guiding and supervising the compliance management work of all departments and subordinate enterprises; the Compliance Committee is responsible for coordinating compliance management work; the General Legal Counsel/Chief Compliance Officer leads the Legal and Compliance Department to organize and carry out specific compliance management work; the Legal and Compliance Department serves as the Company's compliance management department; other functional departments assume primary responsibility for compliance management within their respective scopes of duties and appoint compliance administrators to coordinate and promote internal compliance work; and the principal officers of each subordinate enterprise serve as the primary persons responsible for legal and compliance matters of their respective units.

Compliance Management Defense Line	First Line of Defense	Second Line of Defense	Third Line of Defense
Responsible Department	Functional Departments/ Subsidiaries	Legal and Compliance Department	Supervisory bodies including the Audit Department
Primary Functions	Assume primary responsibility for compliance management and are responsible for implementing compliance management measures	Take the lead in compliance management, organizing, coordinating, guiding, and supervising related work	Responsible for fulfilling supervisory duties within their scope of authority, investigating violations, and pursuing accountability



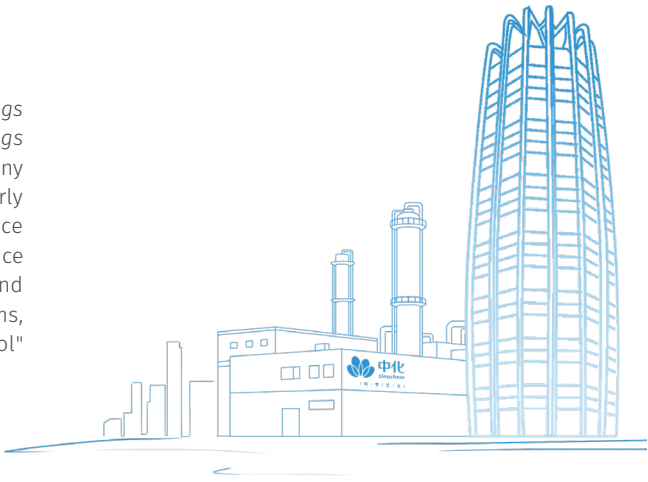
Institutional System

The Company strictly abides by relevant laws and regulations both at home and abroad, and has established a "1+N" compliance institutional system based on the *Sinochem Holdings Integrity and Compliance Handbook* as the fundamental code and the *Sinochem Holdings Compliance Management Regulations* as the fundamental system. The Company has formulated and issued specialized compliance management regulations, including the *Sinochem Holdings Legal and Compliance Management Measures*, *Sinochem Holdings Export Control and Sanctions Compliance Management Measures*, and *Sinochem Holdings Policy-based Business Compliance Management Measures*, and compiled five specialized compliance management handbooks such as the *Sinochem Holdings Export Control Compliance Handbook*, achieving full coverage of compliance systems in key areas. In 2025, the Company revised the *Sinochem Holdings Compliance Management Regulations* and issued the *Sinochem Holdings Country-specific Legal Guide*, further advancing its legal construction and compliance management.

The Company implements differentiated policies for subordinate enterprises at different levels and in different categories. The headquarters functional departments and subordinate enterprises formulate corresponding compliance management systems based on division of responsibilities and compliance requirements, building an institutional system featuring "vertical coordination and collaborative advancement." In 2025, the Company issued a series of work deployment documents such as the *Sinochem Holdings 2025 Key Legal and Compliance Work Plan*, and continued to promote the compliance system construction of its subsidiaries.

II Risk Management

The Company required all employees to sign the *Sinochem Holdings Compliance Obligations Convention* and the *Sinochem Holdings Compliance Commitment Letter* in 2021, 2023, and 2025. The Company has improved compliance risk identification, assessment, and early warning mechanisms, promoted the digitalization of compliance management, and explored the development of real-time compliance risk monitoring and early warning functions to further prevent and control compliance risks. For relevant management mechanisms, please refer to the "Strengthening Risk Prevention and Control" section of this report.



II Indicators and Targets

The Company's compliance management objectives are to establish and improve the compliance management system, standardize business operations, enhance the ability to govern the enterprise in accordance with the law, prevent major legal and compliance risks, ensure lawful and compliant operations, maintain and enhance Sinochem Holdings' good reputation and brand value, and support the Company's goal of building a world-class enterprise with global competitiveness. The Company has also set the requirement that "the legal review rate for major business decisions, economic contracts, and rules and regulations shall be 100%."

In 2025



Legal review rate for economic contracts, and rules and regulations shall be

100%

II Annual Progress

◎ Compliance Culture Development

Sinochem Holdings incorporates compliance culture into its "corporate spirit" development initiatives. Regular compliance training serves as a core vehicle to reinforce compliance awareness and embed compliance thinking into staff mindsets. The Company formulates annual training plans and adopts a training model combining mandatory courses for all employees with online and offline sessions, so as to deeply integrate compliance requirements into daily business operations. In 2025, the Company delivered a total of five training sessions on law-abiding and compliance practices.

In 2025



The Company delivered a total of

5

training sessions on law-abiding and compliance practices



Abiding by Rules to Standardize Conduct; Upholding Compliance to Sustain Long-Term Growth

From March to June 2025, Sinochem Holdings organized special training themed 'Strengthening Compliance-Based Operation and Improving Corporate Risk Prevention and Control Capabilities.' Centering on core priorities, namely bolstering compliance awareness among corporate leaders, refining the corporate compliance management system, tightening compliance governance in key business areas, and enhancing cross-border compliance risk prevention capabilities, the training aimed to foster a Company-wide compliance culture and strengthen the Company's comprehensive compliance risk management capacity.

Compliance-related Achievements

2025 Legal and Compliance Achievements of the Company



Compliance Management System Assessment

Revised the *Sinochem Holdings Compliance Management System Assessment Form* and improved the *Sinochem Holdings Implementation Rules for Promoting Compliance System Assessment (Third Edition)*. Carried out "promoting development through assessment" activities, conducting evaluations and inspections of compliance management at its subsidiaries (including assessments of compliance management system effectiveness, business process compliance, compliance in key areas), producing graded and categorized assessment results.



Policy Review and Standardization

Standardized rules and regulations in terms of textual accuracy, structural clarity, and format compliance, clarifying the procedures for formulation, revision, review, and issuance of policies at all levels.



Contract Review and Standardization

Issued 17 standard contract templates and compliance model clauses across three categories and promoted their adoption. Its subsidiaries developed their own standard contract templates based on their specific business operations.



Compliance Review

Implemented legal review prior to deliberation on major matters; reviewed corporate integration and restructuring projects; provided timely risk alerts on relevant financing projects; and issued reminders regarding blackout periods, avoidance of insider trading, and confidentiality obligations for specific matters.

Overseas Compliance Practices

Sinochem Holdings identifies export control and sanctions risks, cross-border anti-commercial bribery risks, data protection and privacy risks as key compliance focus areas. It continuously strengthens research and analysis on host-country laws and policies, geopolitical landscapes and industrial regulatory updates, and establishes and improves mechanisms for overseas compliance information collection and risk early warning.

The Company has built a cross-border compliance risk reporting and assessment system for its subsidiaries, conducts regular cross-border compliance risk assessments and inspections, and identifies and rectifies hidden compliance risks in a timely manner. Specialized training sessions, case sharing and on-site guidance are deployed to boost compliance communication and capacity building for overseas affiliates. The Company completed three rounds of targeted compliance outreach campaigns for its overseas enterprises in 2025.

In addition, ADAMA, one of the Company's subsidiaries, further embedded its Speak Up compliance culture into daily operations, with its compliance hotline handling 71 cases in 2025.

Internal Control

Strategy

The Company deeply integrates internal control system construction with major business decisions, incorporating internal control-related matters such as internal control system reports and internal control standard revisions into the leadership's list of major operational and management matters for prior review, and coordinates the advancement of internal control management work from a strategic perspective.

Governance



Organizational Structure

The Company has established an internal control organizational structure with the participation and implementation of the Board of Directors, specialized committees of the Board, management, and all employees. The Board of Directors serves as the decision-making and supervisory body for internal control; the Audit and Risk Committee established under the Board serves as the construction, supervision, inspection, and assessment body for internal control; and the Finance Department serves as the centralized management department for internal control, responsible for carrying out specific work.



Institutional System

The Company has formulated institutional documents such as the *Sinochem Holdings Internal Control Standards (2022 Edition)* and the *Sinochem Holdings Internal Control Management Measures*, defining baseline and mandatory control requirements for over 800 internal control business processes. In 2025, the Company updated eight governance documents, formulated and revised 42 management regulations and measures, and 59 management detailed rules and operational procedures. Its subsidiaries at all levels gradually improved their institutional construction and aligned management standards, collectively revising 15,197 internal control regulations and refining 3,272 regulations in accordance with the requirements of penetrative supervision.

Risk Management

The Company conducts regular screening for hidden internal control risks in key business areas and critical posts through various means such as spot-check evaluations of internal control, economic responsibility audits and special audits, enabling traceability and verifiability of all key control points. It rolled out maturity assessments of the internal control system covering all 121 second-tier entities and key domestic subsidiaries. In light of business realities and regulatory requirements, the Company refined assessment criteria for the 33 internal control business processes and 882 key control requirements stipulated in the *Internal Control Standards*, established a five-tier assessment indicator system, and developed standardized assessment templates.

Indicators and Targets

The Company has established management and control objectives of "strengthening internal control, preventing risks, and promoting compliance," translating overarching management priorities into specific, implementable, assessable and traceable indicators through the refinement of risk prevention and control points and maturity evaluation criteria.

Annual Progress

In 2025, Sinochem Holdings focused on key areas such as credit risk, taxation, and property rights, improved internal control processes and management standards, and promoted iterative system optimization. The Company carried out the digitalization of internal control covering the "full chain, all levels, and entire process," organized pilot units to advance AI implementation in the business management domain, completed ERP upgrades for 726 enterprises, and successfully transformed internal control requirements into data and process standards. The Company received full marks in the "State-owned Asset Supervision Digital Capability Construction" assessment for two consecutive years. Its subsidiary Sinochem Energy innovatively developed an "AI + Internal Control" platform, driving the internal control system construction into a new stage of digitalization and intelligentization.

Strengthening Audit Oversight

Internal Audit

Governance

Organizational Structure

In 2025, Sinochem Holdings adhered to and strengthened leadership over the entire process of internal audit work. The Chairman directly oversaw audit work, the Chief Auditor was responsible for specific implementation, and the principal responsible persons of subsidiaries served as the primary persons responsible for audit work in their respective entities.

Institutional System

The Company has established a three-tier audit institutional system. Tier 1 consists of the *Sinochem Holdings Internal Audit Management Regulations*; Tier 2 includes the *Sinochem Holdings Economic Responsibility Audit Management Measures*, *Sinochem Holdings Internal Control Evaluation Management Measures*, *Sinochem Holdings Investment Project Post-Evaluation Management Measures*, *Sinochem Holdings Accountability Management Measures for Violations in Business Operations and Investment*, *Sinochem Holdings Overseas Enterprise Audit Management Measures*, *Sinochem Holdings Construction Project Follow-up Audit Management Measures*, and other regulations; Tier 3 comprises 10 operational standards, including the *Sinochem Holdings Economic Responsibility Audit Work Procedures*, *Sinochem Holdings Audit Rectification Work Procedures*, and *Sinochem Holdings Accountability Workflow for Violations in Business Operations and Investment*. In 2025, the Company issued the *Work Plan for Comprehensively Deepening the Reform of Audit Systems and Mechanisms*, *Notice on Further Strengthening Post-Evaluation of Investments*, *2025 Supervision Key Points for Sinochem Holdings Audit Projects*, and *2025 Implementation Plan for Accountability of Violations in Business Operations and Investment*, further improving the closed-loop institutional management system.

Annual Progress

Audit Supervision

Centering on industrial regulatory requirements and systemic, long-term risks bearing on its overall development, Sinochem Holdings conducted penetrative audit supervision in 2025 via diversified tools such as economic responsibility audits, internal control and special audits, whole-process follow-up supervision and post-project evaluation. Closed-loop management of rectification was strengthened, achieving a 100% on-time rectification rate for identified issues. A total of 868 institutional rules were formulated and revised based on audit findings, effectively translating audit supervision outcomes into tangible governance improvements.

System Optimization

The Company issued the *Work Plan for Comprehensively Deepening the Reform of Audit Systems and Mechanisms*. Through the separation of management and execution functions at the headquarters, upgrading and expanding to establish the Sinochem Holdings Audit Center, and building an audit management model centered on "three unifications" and "dual-line reporting," among other measures, the Company accelerated the formation of a "superior-auditing-subordinate" supervision pattern, substantially enhancing the authority of audit supervision and the capability for penetrative oversight.

Digital Audit Development

The Company continued to strengthen the digital development of audit, assessed the status of digital auditing, developed audit models, built big data audit teams, established a "data-first" working model, and continuously empowered audit projects.

Audit Training

The Company invited external experts to conduct specialized training on economic responsibility audit cases and other topics, and carried out in-depth exchanges on the theme of "Ensuring High-Quality Corporate Development through High-Quality Audit Supervision."

External Supervision

Sinochem Holdings attaches great importance to public oversight. In 2025, the Company coordinated with economic responsibility audits, sorted out task lists and advanced their implementation, drafted rectification progress reports, and refined rectification ledgers to ensure effective delivery of rectification work. Meanwhile, three circulars such as the *Key Points for Petition and Complaint Handling Work of Sinochem Holdings in 2025* were issued.

Advancing Integrity & Anti-corruption

Sinochem Holdings strictly abides by the *Criminal Law of the People's Republic of China, the Supervision Law of the People's Republic of China, the Law of the People's Republic of China on Administrative Sanctions for Public Officials, the Several Provisions on Clean Practice for Leaders of State-Owned Enterprises*, as well as other laws and regulations. The Company also strongly supports international norms and initiatives such as the *United Nations Convention against Corruption* (UNCAC), firmly opposes all forms of commercial bribery and embezzlement, continuously improves its integrity management system, optimizes reporting channels and whistleblower protection measures, and deeply promotes integrity culture development in the new era, striving to foster a healthy and positive corporate culture.

Strategy

The Company regards anti-corruption work as an important part of corporate governance and integrates it thoroughly into every stage of business operation and management. Sustaining high-pressure anti-corruption momentum, the Company adheres strictly to the integrity baseline and endeavors to establish a holistic anti-corruption system built on deterrence, institutional safeguards and ethical self-discipline.

Governance

Organizational Structure



The Company has established an integrity and anti-corruption management system under the unified leadership of the corporate executive team. An anti-corruption leading group and its dedicated office have been set up to consolidate lines of defense against corruption.

The Company strictly implements recusal regulations and whistleblower protection measures, prohibits the disclosure of whistleblower privacy, and maintains strict confidentiality regarding the whistleblower's name, employer, address, and other relevant information as well as the content of the report.



Reporting and Whistleblower Protection Mechanisms

Risk Management

The Company has constructed a closed-loop anti-corruption risk management system that identifies and prevents integrity risks by integrating internal supervision, internal audit, and petition and complaint reporting. In 2025, the Company focused on the principal leading officials, leadership teams, and key positions, and improved authorization and power exercise mechanisms. All employees of the Company signed integrity commitment pledges to advance integrity culture development. It refined the mechanism for simultaneous investigation and treatment of misconduct and corruption, and formulated improved measures to curb new forms of corruption. Through coordinated efforts covering the full talent lifecycle of recruitment, training, appointment and management, the Company continuously upgraded its anti-corruption risk prevention framework.

Indicators and Targets

In 2025, the Company defined its anti-corruption objectives of "consolidating fundamental principles, addressing root causes, simultaneously treating misconduct and corruption, and fulfilling territorial responsibilities." Centering on core priorities including awareness building, risk prevention, authority and power exercise mechanisms, issues in key areas, and investigation of breaches of discipline and illegal acts, the Company targets standardized power operation and containment of corrupt practices to institutionalize regular anti-corruption efforts.

Annual Progress

In 2025, Sinochem Holdings kept ratcheting up deterrence against corrupt practices. Closely monitoring senior management, key business sectors and high-risk operational procedures, the Company intensified anti-corruption rectification in high-risk areas including finance, energy, bidding and procurement. It stepped up investigations into misconduct involving exploitation of corporate resources for private gain and resolutely curbed recurring and prevalent corrupt practices. To block opportunities for corrupt conduct, the Company expanded institutional restraints, strengthening standardization and oversight over power allocation and operation to tackle loopholes and institutional gaps in power exercise. To foster internal ethical awareness, the Company further strengthened integrity-driven self-restraint. It pushed forward the implementation of the three-year action plan for integrity culture development and carried out tiered, categorized warning education campaigns.

Anti-Corruption Education and Training

Indicator	Unit	2023	2024	2025
Number of Anti-Corruption Training Sessions	Sessions	2	2	2
Duration of Anti-Corruption Training	Hours	6	6	6
Number of Participants in Anti-Corruption Training	Attendances	39,749	41,348	48,168

Annual Work Progress

Deterrence
Mechanisms to
Prevent Corrupt
Practices by
Employees

- Strengthened supervision and rectification in the fields of finance, energy, pharmaceuticals, engineering construction, and bidding and tendering.
- Advanced special rectification targeting irregularities in tendering and procurement.
- Conducted special rectification of violations in business operations and enterprise establishment.
- Carried out special inspections on personnel selection and appointment, achieving full coverage of all subsidiaries in two years.

Institutional
Safeguards to
Prevent Corrupt
Practices by
Employees

- Seriously investigated and penalized violations of the spirit of the Central Eight-Point Regulation, and compiled and issued a collection of 70 typical violation cases.

Values-based
Guidance to
Discourage
Corrupt Practices
by Employees

- Held two Company-wide warning education conferences, covering an audience of over 48,000, with typical cases involving breaches of discipline and illegal acts circulated.
- Affiliates at all levels hosted 380 warning education conferences and delivered 1,740 varied warning education activities.
- Conducted collective integrity talks with 33 newly promoted management personnel.
- Implemented the three-phase three-year plan for integrity culture development, and organized centralized publicity activities for the "September 10 Integrity Culture Day". China Jinmao, a subsidiary of the Company, launched its integrity culture brand Jinmao Clean Wind · Building a Future Rooted in Integrity.



Sinochem Holdings Holds 2025 "September 10" Integrity Culture Day Activities

Since 2024, Sinochem Holdings has designated September 10 each year as the Company's "Integrity Culture Day". For the 2025 campaign, the Company rolled out updated core visual promotional materials themed "Advocating Integrity and Upholding Integrity". All subsidiaries carried out a wide range of activities including posting integrity-themed posters, thematic seminars, knowledge contests and integrity challenge sessions, fostering a positive corporate atmosphere where every employee internalizes integrity values and all tiers of the organization champion integrity.



Core Visual Promotional Graphic for Sinochem Holdings' September 10 Integrity Culture Day



Upholding Business Ethics

Sinochem Holdings is committed to maintaining an open, fair, and impartial market competition order, fostering a clean and upright business environment through a sound governance system and regular education and training.

Strategy

Sinochem Holdings integrates the principles of fair competition and business ethics into all aspects of its production and operations, and complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and anti-trust laws of various countries. The Company strictly prohibits counterfeiting, false advertising, bid rigging, commercial bribery, and trade secret infringement in its business activities, and proactively upholds fairness in the market order. Meanwhile, it continuously strengthens its principal responsibilities and enhances the fair competition awareness of management personnel and other employees.

Governance

The Company has formulated the *Sinochem Holdings Compliance Management Regulations*, *Sinochem Holdings Anti-Monopoly Compliance Manual*, and the *Sinochem Holdings Anti-Commercial Bribery Compliance Manual*, which define the boundaries of business conduct, establish an integrated management system covering business ethics standards and code of conduct constraints, and continuously optimize the effectiveness of the system through institutionalized measures.

Risk Management

The Company actively identifies risk factors such as monopoly agreements and unfair competition, and conducts regular business ethics risk assessments. It standardizes commercial cooperation practices and insists on conducting business with clients, intermediaries, and business partners that have legitimate sources of funds and good reputations. At the same time, it has established an anti-money laundering risk reporting mechanism, encouraging employees to voluntarily report when they suspect money laundering activities by clients, intermediaries, or business partners, and strictly maintaining the confidentiality of such reports. By addressing both the source and process, the Company safeguards the bottom line of risk prevention and control. For other relevant management mechanisms, please refer to the 'Strengthening Risk Prevention and Control' section of this report.



Annual Progress

In 2025, the Company solidly advanced various initiatives centered on business ethics and fair competition, improved a business ethics training system for employees, and conducted regular training on key issues such as anti-monopoly risk identification, assessment, and prevention, thereby effectively safeguarding a fair and orderly competitive environment. During the reporting period, no acts of false advertising, trade secret infringement, or deceptive prize sales occurred at the Company's headquarters. No legal proceedings related to unfair competition or anti-monopoly were initiated, and no relevant administrative penalties were recorded. The fair competition management system operated smoothly and effectively.



Sinochem Holdings Participates in Anti-Monopoly Compliance Lecture

In December 2025, the Company organized the General Legal Counsel and relevant personnel from the Legal and Compliance Department, as well as general legal counsels, chief compliance officers, heads of legal and compliance institutions, and relevant business personnel from subordinate enterprises to participate in the anti-monopoly compliance lecture hosted by the State-owned Assets Supervision and Administration Commission (SASAC). The targeted training focused on core topics including the identification, assessment and mitigation of anti-monopoly risks, further enhancing all employees' awareness of anti-monopoly compliance and their capacity for risk prevention and control.



In 2025, the Company coordinated the implementation of tax governance centered on four principles: standardized internal controls, unified institutional rules, consistent interpretation and implementation of tax policies, and standardized response to tax disputes.

Domestically, the Company continued to consolidate the foundation of tax compliance management, established a moderately intensive tax management system with vertical and horizontal coordination, conducted tax maturity assessments on all subsidiaries to boost in-depth tax oversight through assessment-driven improvement, and initially formulated a plan for centralized intelligent tax control.

Overseas, in response to international tax reforms such as the Global Minimum Tax, the Company strengthened its capacity for thorough overseas tax management. It built a regular three-tier cross-border governance mechanism featuring overall coordination by the headquarters, categorized guidance from second-tier subsidiaries, and local implementation by overseas entities. A standardized, process-driven and traceable management framework was set up to deliver coordinated and efficient global tax administration.

Risk Management

Sinochem Holdings focuses on full-process tax risk prevention and control, solidly advancing risk monitoring, hidden danger resolution, and specialized control measures to enhance the Company's overall tax risk resilience. In 2025, the Company continued to strengthen daily dynamic risk monitoring, iterated key monitoring indicators for major tax categories, established real-time dynamic early warning mechanisms, and built quarterly monitoring models for core related-party transaction product prices, conducting rolling analyses of the pricing rationality for over 190 types of core related-party transaction products. Moreover, it efficiently advanced risk resolution and remediation of weak links, selectively providing on-site specialized guidance to subsidiaries with weak tax management to address deficiencies and close control loopholes.

Pursuing Steady, Credible Operations

Sinochem Holdings adheres to the principle of sound operations and takes integrity as the foundation of its business. It fulfills tax obligations in accordance with the law, conducts timely information disclosure, and improves its financial control system, maintaining truthfulness, impartiality and transparency in all business activities to sustain trust from all stakeholders.

Tax Payment in Accordance with the Law

Governance



Sinochem Holdings strictly complies with all domestic and international tax laws and regulations, with the *Sinochem Holdings Tax Management Measures* and the *Sinochem Holdings Tax Risk Management Rules* serving as its governing institutional documents, and continuously advances the development of its tax management institutional system. In 2025, the Company newly issued its first standardized internal control guidelines covering all domestic tax categories, and also issued the *Sinochem Holdings Interconnected Fund Management Measures* for key areas such as related-party transfer pricing. These moves drive the shift of tax management toward systematic efficiency to adapt to new developments in tax collection and administration.

Annual Progress

The Company actively enhanced its tax compliance management standards and operational efficiency across all key focus areas of tax management. In 2025, it organized subsidiaries at all levels to conduct self-inspections on domestic related-party transaction tax compliance, and guided subsidiaries in formulating transfer pricing policies covering all their business categories, promoting the establishment of a horizontally comparable and uniformly standardized transfer pricing policy system. Meanwhile, the Company's tax compliance performance maintained steady improvement, strictly adhering to the bottom line of lawful and compliant tax payment. No major tax violations or significant tax administrative penalties occurred throughout the year.

The Company's Tax Payment Overview

Indicator	Unit	2023	2024	2025
Total Tax Paid	RMB 10,000	5,154,805.84	4,659,389.56	4,443,680.82

Transparent Information Disclosure

Governance

The Company has formulated the *Sinochem Holdings Accounting and Financial Statement Preparation Management Measures* and the *Sinochem Holdings Listed Company Information Disclosure Management Measures*. Financial information is submitted to relevant regulatory authorities in the form of periodic reports (monthly briefings, quarterly and semi-annual statements, annual final account statements) and ad-hoc reports. ESG-related information is made publicly available through the annual ESG report.

Annual Progress

The Company continuously enhances the transparency and standardization of its information, adhering to the principles of truthfulness, accuracy, and completeness, eliminating false records, misleading statements, or material omissions, and completing periodic reports on schedule. In 2025, several listed subsidiaries delivered outstanding performance in information disclosure: Adisseo was shortlisted for four Best Practice Awards in the China Listed Companies Association 2025 Selection: Best Practice of Listed Company Board of Directors, Best Practice Case of Listed Company Board Secretary Office, Best Practice of Investor Relations Management, and Best Practice of 2024 Annual Report Performance Briefing. Haohua Technology won the Best Practice of Investor Relations Management Award in the 2025 selection organized by the China Listed Companies Association. Sinochem International received the 2025 Corporate Governance Award from Shanghai Securities News, as well as the 2025 Outstanding Investor Relations Development Award for Listed Companies issued by Shenzhen Value Online, a compliance technology platform for China's capital market.

The Company strictly standardizes the full-process management of ESG information disclosure. In 2025, the Company's overall ESG rating performance continued to improve, receiving a rating of '3' in the Fitch Sustainability ESG Ratings for the first time. The Company's controlled listed companies achieved 100% ESG reporting coverage. Multiple listed subsidiaries including Sinochem International, Adisseo, China Jinmao, Yangnong Chemical and ADAMA recorded steady upgrades in their ESG ratings.

ESG Report Publication Status of the Company's Controlled Listed Companies

Indicator	Unit	2023	2024	2025
Number of Controlled Listed Companies Publishing ESG Reports	Companies	15	16	15
Proportion of Controlled Listed Companies Publishing ESG Reports	%	93.8	100	100

ESG Rating Results of Selected Listed Subsidiaries of the Company

Rated Entity	2025 Rating	Rating Agency
China Jinmao	AA	MSCI
	Five-Star	GRESB
	Low Risk	Sustainalytics
Sinofert	AA	Wind
	A	MSCI
Adisseo	AA	Wind
	Silver	EcoVadis
ADAMA	Bronze	EcoVadis
	AA	Wind
Sinochem International	Silver	EcoVadis
	AA	Wind
Sinochem Equipment	A	Wind
Cangzhou Dahua	AA	Wind
Haohua Technology	A	Wind
Luxi Chemical	A	Wind
Yangnong Chemical	A	Wind
Aeolus Tyre	A	Wind
Jinmao Services	AA	Wind

Timely Payment to Business Partners

Sinochem Holdings attaches great importance to the timely settlement of payments to its business partners, especially small and medium-sized enterprises (SMEs), and has established a top-down payment management system to fully safeguard the legitimate rights and interests of its partners. The Company has established an arrears clearing leading group at its headquarters, and its subsidiaries have simultaneously rolled out arrears clearing management mechanisms. Through a suite of measures including sound institutional safeguards, special rectification campaigns, dedicated information systems, tracking ledgers, on-site supervision and complaint handling, the Company ensures standardized, timely and efficient settlement of accounts payable.

Appendix

Indicator Index Table

Index of SASAC ESG Special Report Reference Indicator System for Central SOE-Controlled Listed Companies

Basic Disclosure Items of the ESG Special Report Reference Indicator System for Central SOE-Controlled Listed Companies				Corresponding Report Chapter
Environmental Category	E.1 Resource Consumption	E.1.3 Energy	E.1.3.1 Fossil Energy Consumption	/
			E.1.3.2 Non-Fossil Energy Consumption	Optimizing Resource Use
	E.2 Pollution Prevention and Control	E.2.1 Wastewater	E.2.1.3 Wastewater Discharge Volume	/
			E.2.1.4 Wastewater Pollutant Discharge Volume	Scientific Pollution Prevention and Control
		E.2.2 Waste Gas	E.2.2.1 Compliance of Waste Gas Emission	Scientific Pollution Prevention and Control
			E.2.3 Solid Waste	E.2.3.1 Compliance of Solid Waste Disposal
		E.2.3.4 Hazardous Waste Management		Scientific Pollution Prevention and Control
		E.2.3.5 Hazardous Waste Disposal Volume		Scientific Pollution Prevention and Control
	E.3 Climate Change	E.3.1 Greenhouse Gas Emissions	E.3.1.1 Greenhouse Gas Sources and Types	Addressing Climate Change
	E.5 Resource and Environmental Management System Measures	E.5.2 Resource Management Measures	E.5.2.1 Water Resource Use Management	Optimizing Resource Use
E.5.2.3 Energy Use and Conservation Management			Optimizing Resource Use	
E.5.6 Environmental Compliance		E.5.6.2 Environmental Violation Incidents	Strengthening Environmental Compliance	
Social Category	S1 Employee Rights and Interests	S1.1 Employee Recruitment and Employment	S1.1.1 Corporate Recruitment Policy and Implementation	Safeguarding Employee Rights and Interests
			S1.1.2 Employee Structure	Safeguarding Employee Rights and Interests
		S1.2 Employee Compensation and Benefits	S1.2.1 Compensation Philosophy and Policies	Safeguarding Employee Rights and Interests
			S1.2.3 Compensation and Benefits Guarantee	Safeguarding Employee Rights and Interests
			S1.2.4 Democratic Employee Management	Safeguarding Employee Rights and Interests
				S1.3 Employee Health and Safety
		S1.3.2 Employee Safety Risk Prevention and Control	Building Occupational Safety Defenses	
		S1.3.3 Safety Accidents and Work Injury Response	Building Occupational Safety Defenses	
		S1.4 Employee Development and Training	S1.4.2 Employee Education and Training	Safeguarding Employee Rights and Interests
			S2 Product and Service Management	S2.1 Product Safety and Quality
	S2.3 Innovation Development	S2.3.1 R&D and Innovation Management System		Advancing Technology Innovation
	S3 Supply Chain Security and Management	S3.1 Supplier Management	S3.1.1 Supplier Selection and Management	Building a Responsible Supply Chain

Basic Disclosure Items of the ESG Special Report Reference Indicator System for Central SOE-Controlled Listed Companies				Corresponding Report Chapter
Governance Category	G1 Governance Strategy and Organizational Structure	G1.1 Governance Strategy and Processes	G1.1.1 Governance Strategy Formulation	Building a Governance Foundation
			G1.1.2 Governance Strategy Supervision Process	Building a Governance Foundation
			G1.1.3 Governance Strategy Approval and Review Process	Building a Governance Foundation
		G1.2 Organizational Composition and Functions	G1.2.2 Board of Directors, Board of Supervisors, and Management Organizational Structure and Functions	Building a Governance Foundation
			G1.2.3 Appointment Procedures and Composition of the Board of Directors, Board of Supervisors, and Management	Building a Governance Foundation
		G1.3 Compensation Management	G1.3.1 Compensation Plans for Directors and Supervisors	Building a Governance Foundation
	G2 Standardized Governance	G2.1 Internal Control	G2.1.1 Internal Audit	Deepening Audit Supervision
			G2.1.2 Internal Control Structure, Mechanisms, and Processes	Strengthening Compliance and Internal Control
		G2.2 Integrity Development	G2.2.1 Integrity Development Institutional Standards	Advancing Integrity and Anti-Corruption
			G2.2.2 Integrity Development Measures and Effectiveness	Advancing Integrity and Anti-Corruption
		G2.3 Fair Competition	G2.3.1 Fair Competition Institutional Standards	Upholding Business Ethics
			G2.3.2 Fair Competition Measures and Effectiveness	Upholding Business Ethics
	G3 Investor Relations Management and Shareholder Rights	G3.1 Investor Relations Management	G3.1.1 Investor Relations Management Strategy	/
			G3.1.2 Investor Communication	/
			G3.1.3 Investor Relations Management Department Development	/
		G3.2 Shareholder Rights	G3.2.1 Shareholders' (General) Meeting Status	/
			G3.2.2 Shareholder Communication Status	/
			G3.2.3 Shareholder Right to Know and Participate in Decision-Making	/
	G4 Information Disclosure Transparency	G4.1 Information Disclosure System	G4.1.1 Financial Information Disclosure	Sound and Integrity-Based Operations
			G4.1.2 Non-Financial Information Disclosure	Sound and Integrity-Based Operations
	G5 Compliance Operations and Risk Management	G5.1 Compliance Operations	G4.2.1 Regular Supervision, Audit, and Assessment of All Disclosed Information	Sound and Integrity-Based Operations
			G5.1.1 Compliance Operations System	Strengthening Compliance and Internal Control
			G5.1.2 Compliance System Development Status	Strengthening Compliance and Internal Control
		G5.2 Risk Management	G5.1.3 Specific Compliance Review Processes	Strengthening Compliance and Internal Control
			G5.2.1 Risk Identification and Early Warning	Strengthening Risk Prevention and Control
			G5.2.2 Risk Control and Tracking	Strengthening Risk Prevention and Control
			G5.2.3 Risk Reporting and Management	Strengthening Risk Prevention and Control

Table of Company Name Abbreviations

Abbreviation	Company Name
Sinochem Holdings	Sinochem Holdings Corporation Ltd.
Sinochem Energy	Sinochem Energy Co., Ltd.
Sinochem Quanzhou Petrochemical	Sinochem Quanzhou Petrochemical Co., Ltd.
Sinochem Zhoushan	Sinochem Emergency Technical Services (Zhoushan) Co., Ltd.
Sinochem New Energy	Sinochem New Energy Co., Ltd.
Syngenta Group/SG	Syngenta Group Co., Ltd.
Syngenta AG	Syngenta Crop Protection AG
China Seed Group	China National Seed Group Co., Ltd.
Syngenta Kunshan Plant	Syngenta (Suzhou) Crop Protection Co., Ltd.
Winall Hi-Tech	Anhui Winall Hi-Tech Seed Co., Ltd.
Sinochem Agriculture MAP	Sinochem Modern Agriculture Co., Ltd.
Yangnong Chemical	Jiangsu Yangnong Chemical Co., Ltd.
Shenyang Pesticide	Shenyang Sinochem Agrochemicals and Chemical R&D Co., Ltd.
Syngenta Hong Kong	Syngenta Group (Hong Kong) Holdings Co., Ltd.
ADAMA	ADAMA Co., Ltd.
Sinofert	Sinofert Holdings Limited
Sinochem Yunlong	Sinochem Yunlong Co., Ltd.
Sinochem International	Sinochem International (Holdings) Co., Ltd.
ELIX Polymers	ELIX Polymers S.L.
Sinochem High Performance Fiber	Sinochem High Performance Fiber Materials Co., Ltd.
Sinochem Fuding	Sinochem Fuding Chemical Technology Co., Ltd.
Sennics	Sennics Co., Ltd.
Ningxia Ruitai	Ningxia Ruitai Technology Co., Ltd.
Yangnong Ruixiang	Jiangsu Ruixiang Chemical Co., Ltd.
Nantong Xingchen	Nantong Xingchen Synthetic Materials Co., Ltd.
Bluestar	China Bluestar (Group) Co., Ltd.
Elkem	Elkem ASA
Adisseo	Adisseo France S.A.S
Bluestar Adisseo	Bluestar Adisseo Co., Ltd.
Elkem Xinghuo Silicones	Jiangxi Bluestar Xinghuo Silicones Co., Ltd.
Haohua Technology	Haohua Chemical Technology Group Co., Ltd.
Southwest Research Institute	Southwest Research and Design Institute of Chemical Industry
Sinochem Lantian	Sinochem Lantian Group Co., Ltd.
Zhonghao Chenguang	Zhonghao Chenguang Chemical Research Institute Co., Ltd.

Abbreviation	Company Name
Haohua Gas	Haohua Gas Co., Ltd.
Luxi Chemical	Luxi Chemical Group Co., Ltd.
Cangzhou Dahua	Cangzhou Dahua Co., Ltd.
Heilongjiang Haohua	Heilongjiang Haohua Chemical Co., Ltd.
Guangxi Dahua	Guangxi Bluestar Dahua Chemical Co., Ltd.
Dezhou Shihua	Dezhou Shihua Chemical Co., Ltd.
Haohua Yuhang	Haohua Yuhang Chemical Co., Ltd.
CNRC	China National Tire & Rubber Co., Ltd.
Aeolus Tyre	Aeolus Tyre Co., Ltd.
Pirelli	Pirelli & C. S.p.A.
Prometeon	Prometeon Tyre Group S.r.l.
Sinochem Equipment	Sinochem Equipment Technology (Qingdao) Co., Ltd.
Sinochem Rubber Machinery	Sinochem (Fujian) Rubber and Plastic Machinery Co., Ltd.
CNCE	China National Chemical Equipment Co., Ltd.
Beijing Chemical Machinery	Bluestar (Beijing) Chemical Machinery Co., Ltd.
Tianhua Institute	Tianhua Chemical Machinery and Automation Research and Design Institute Co., Ltd.
KraussMaffei	KraussMaffei Group GmbH
Sinochem Environment	Sinochem Environment Holdings Co., Ltd.
Yangzhou Huayu	Sinochem Yangzhou Huayu Environmental Protection Co., Ltd.
SEAPC	Sinochem Environment Air Pollution Control Co., Ltd.
Beijing Cleaning	Sinochem Bluestar Cleaning Technology (Beijing) Co., Ltd.
China Bluestar Lehigh	China Bluestar Lehigh Engineering Institute Co., Ltd.
Bluestar Chonfar	Bluestar Chonfar Engineering and Technology Co., Ltd.
Hangzhou Water Treatment	Hangzhou Water Treatment Technology Research and Development Center
China Jinmao	China Jinmao Holdings Group Co., Ltd.
Jinmao Services	Jinmao Property Services Co., Ltd.
Sinochem Capital	Sinochem Capital Co., Ltd.
FOTIC	China Foreign Economy and Trade Trust Co., Ltd.
Sinochem Commerce	Sinochem Commerce Co., Ltd.
Sinochem Factoring	Sinochem Commercial Factoring Co., Ltd.
Shenyang Research Institute	Shenyang Research Institute of Chemical Industry Co., Ltd.
Shenyang Chemical	Shenyang Chemical Co., Ltd.
China Bluestar Chengrand	China Bluestar Chengrand Research & Design Institute of Chemical Industry
CNCIC	China National Chemical Information Center Co., Ltd.

Reader Feedback

Dear Readers,

Thank you for reading Sinochem Holdings' Environmental, Social and Governance (ESG) Report. To further elevate our capacity and performance in fulfilling social responsibilities, we sincerely welcome your valuable comments and suggestions. You may share your feedback via any of the channels below. We look forward to hearing from you.

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1. Stakeholder Category (please tick one box)

- ☐ Government and regulatory authorities
- ☐ Industry associations
- ☐ Customers
- ☐ Employees
- ☐ Suppliers and partners
- ☐ General public, media and community
- ☐ Others

2. Single-choice Questions (please tick ✓ next to your chosen option)

How would you rate the comprehensiveness with which this report reflects Sinochem Holdings' economic, social and environmental impacts?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

How would you rate the clarity, accuracy and completeness of indicators, data and other information disclosed in this report?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

Does this report meet your needs for Sinochem Holdings' ESG information?

- ☐ Fully satisfied
- ☐ Mostly satisfied
- ☐ Moderately satisfied
- ☐ Barely satisfied
- ☐ Not satisfied at all

How would you rate Sinochem Holdings' environmental practices and performance?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

How would you rate Sinochem Holdings' social initiatives and outcomes?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

How would you rate Sinochem Holdings' governance practices and results?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

How would you rate the readability of this report?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

How would you rate the format design of this report?

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very Poor

3. Open-ended Questions

Which sections of this report are you most satisfied with?

What additional information would you like the report to disclose for better understanding?

What comments or suggestions do you have regarding Sinochem Holdings' ESG work?

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