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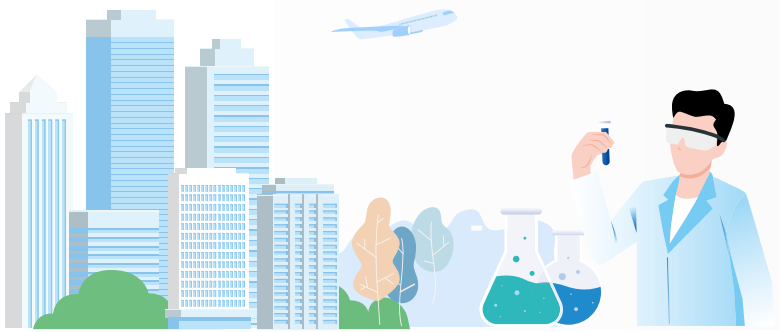

Report Descriptions

This report is the 20th Sustainability Report published by Sinochem International Corporation.

Reporting Entity and Related Terms

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

Scope of Report

Organizational scope: Includes Sinochem International and its holding subsidiaries at all levels. For the detailed scope of the reporting entity, please refer to the 2023 Sinochem International Annual Report.

Report time frame: 1 January to 31 December 2023, consistent with the time frame of the company’s nancial report. In order to maintain the integrity and continuity of information, the content for some of the items in this report might be out of the stated time frame.

Report publication frequency: This report is an annual report.

Basis of Report Preparation

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

Data Description

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

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

How to Retrieve the Report

You may visit Sinochem International’s of cial website (www.sinochemintl.com) to browse the report online or download the digital version of the report. The report includes both simpli ed Chinese and English versions. In case of discrepancies, the simpli ed Chinese version shall prevail.

Contact Us

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Board Statement

As the company's business continues to develop, the Board of Directors of Sinochem International is committed to improving its ESG management. Meanwhile, we also aim to ensure the balanced development of the economy, society and environment in order to create a bright and sustainable future. Abiding by the requirements of the China Securities Regulatory Commission's Code of Governance for Listed Companies, the Board of Directors gives ESG Management Statement as follows:

ESG Governance Decision-Making and Regulation

The company's Board of Directors is the highest decision-making and supervisory body for the company's ESG management efforts and is fully responsible for all ESG-related matters. The Chairman of the Board acts as the chair of the "Sustainable Development Committee", which is authorized to formulate ESG management strategies, set ESG goals, develop ESG policies, and discuss and assess the ESG-related risks and opportunities faced by the company. The Board of Directors holds regular hearings of reports on ESG matters, reviews, examines, and provides guidance on significant issues, and oversees the implementation of decisions.

ESG Management Guidelines and Strategy

The company's Board of Directors annually holds hearings of reports from the Sustainable Development Committee on the progress of the previous year's sustainability goals, reviews and evaluates the achievement of these goals, and provides guidance for setting goals and deliberating the work plans for the upcoming year. At the beginning of each year, the Board analyzes and assesses internal and external environments, latest industry trends, the company's strategic planning, and current production and operation status, updates the ESG issue library, conducts stakeholder surveys to identify key issues, and incorporates issue management and disclosure into the annual management strategy to continuously improve and enhance ESG performance.

ESG Risk Management

The company's Board of Directors mandates the integration of ESG risk management into the regular risk management system, supervising the executive team in assessing risk impacts and developing response strategies. The Board regularly holds hearings of reports from the Audit and Risk Committee on ESG risk management and provides regulatory recommendations to ensure the effective operation of the company's internal control and risk management systems.

ESG Information Disclosure

The company regularly publishes its annual sustainability report to present detailed disclosures of its performance and progress in terms of the environment, society and governance while also actively responding to stakeholder concerns. All the disclosed information have been reviewed and approved by the Board of Directors.

The Board of Directors of Sinochem International Corporation

Chairman’s Address

Dear Friends,

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

In 2023, we had to navigate severe situations and complex challenges such as major adjustments to the international system and order, increasing uncertainty in the external environment, and overlapping domestic cyclical and structural contradictions. Guided by the spirit of the 20th CPC National Congress and Chinese-style modernization, Sinochem International has implemented new developmental concepts, working together to overcome dif culties while focusing on improving its core capabilities and striving to lay a solid foundation for high-quality development.

We firmly believe that ESG management can bring a burst of vibrancy into the enterprise and is regarded as one of the key indicators of high-quality development. Over the course of building a leading enterprise specializing in innovative new chemical materials, we have adopted a long-term perspective and implemented proactive planning as we continue to promote the construction of an ESG system with high standards. As we continually work towards strengthening our capabilities to create comprehensive economic, social and environmental value, our ESG governance results are leading among Listed Central Enterprises.

Environment-based: Writing a chapter on sustainable ecology with low carbon concepts. In actively heeding the call of the nation’s “dual carbon” objectives, we have come up with the clear objective of “striving to achieve carbon peak in our own operations before 2029”, re ecting our rm determination to observe energy conservation and carbon emission reduction measures. In our journey of green development, we have built an efficient, clean, low-carbon and circular green manufacturing system in our efforts to promote clean energy substitution, energy conservation and emission reduction. We have been innovating clean technologies and green products while actively promoting carbon trading and carbon asset management, continue to create “green factories” recognized by the Ministry of Industry and Information Technology and the China Petrochemical Federation, leading the green transformation and upgrading movement in the chemical industry.

Social-focused: Adopting a model of civilized society with warm-hearted approach. As rm believers that “talents to revitalize the enterprise”, we ensure that the ranks of the management team become more professionally competent and more younger in average age. We also guide talents to achieve self-actualization by offering a safe and inclusive working environment and clear career development tracks. We have integrated sustainable development concepts into the supply chain, accelerating the construction of a sustainable supply chain management system in terms of supplier management, capacity improvement, and reducing carbon emissions in the supply chain. As we are passionate about rendering industrial and consumption assistance, actively donate funds to help the poor and support education. Through practical actions towards rural revitalization efforts, we demonstrated our responsibility in promoting social harmony.

Governance-led: Setting the foundation for a stable enterprise with strict governance. In strict adherence to the bottom line of legal and compliant business operations, we advocate that “compliance creates value” as we actively build a compliance culture and continuously improve the compliance management system. To this end, we have established a working mechanism in the form of a “joint meeting for large supervision and compliance-related tasks” to ensure the company’s steady and long-term development. To strengthen our corporate governance, we continuously improve the company’s articles of association and continuously enhance the diversity, independence and professionalism of the Board of Directors. Through a governance structure that has crystallized positioning,e /Tm,2e to the bottf.5 (s)111.1 (o th)]TJ 0 Tc 0.social harmony

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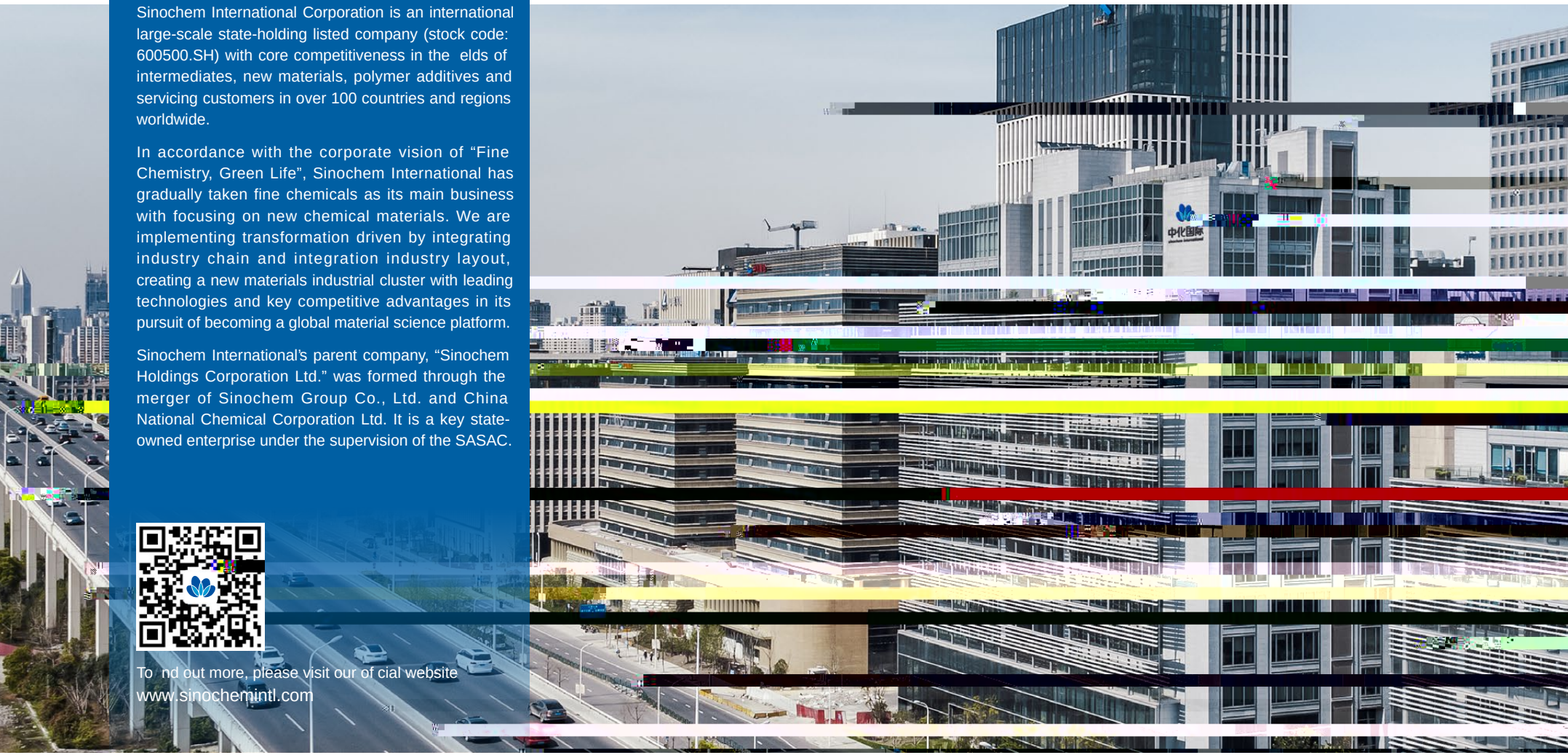
About Sinochem International

Sinochem International Corporation is an international large-scale state-holding listed company (stock code: 600500.SH) with core competitiveness in the elds of intermediates, new materials, polymer additives and servicing customers in over 100 countries and regions worldwide.

In accordance with the corporate vision of “Fine Chemistry, Green Life”, Sinochem International has gradually taken fine chemicals as its main business with focusing on new chemical materials. We are implementing transformation driven by integrating industry chain and integration industry layout, creating a new materials industrial cluster with leading technologies and key competitive advantages in its pursuit of becoming a global material science platform.

Sinochem International’s parent company, “Sinochem Holdings Corporation Ltd.” was formed through the merger of Sinochem Group Co., Ltd. and China National Chemical Corporation Ltd. It is a key state-owned enterprise under the supervision of the SASAC.

To nd out more, please visit our of cial website www.sinochemintl.com



Strategic Objectives

We implement an innovation-driven strategy and keep focusing on our core business of new chemical materials. We are committed to optimizing and upgrading core industries such as high-performance materials and polymer additives, aggressively developing strategic emerging industries. By leveraging the strengths of Lianyungang Circular Economy Industrial Park and our self-owned breakthrough key technologies, we aim to be the leading enterprise in innovative new chemical materials with a reasonable industrial structure and extensive product portfolio.

Production Base

Sinochem International is adhere to integrated and specialized base strategy, and to develop “1+N” base pattern. The company boasts a strong production and operation network, with advanced chemical parks such as the Sinochem Lianyungang Circular Economy Industrial Park, Sinochem Yizheng New Material Industrial Park, and Sinochem Zhongwei Circular Economy Industrial Park. Sinochem International has also established 20 factories in many places nationwide.

Core Businesses

In our bid to promote strategic focus as well as transformation and upgrading efforts, Sinochem International has accelerated the development of new quality-based productivity, with a focus on building the “2+2” core industrial chain and becoming a modern industrial chain leader with a leading industrial scale and outstanding technological advantages. With an intense focus on two advantageous industrial chains--epoxy resin and polymer additives, we have forti ed our position within the industry as a global leading industrial chain and solution provider. As part of our vigorous efforts to develop the engineering plastics and special ber industry chains, we cover sectors from intermediates to engineering plastics/ bers and material modi cation to create a competitive and differentiated product portfolio, thereby laying a solid foundation in the new chemical materials industry. Meanwhile, we actively develop the functional chemical industry cluster and are resolute in withdrawing from our non-core businesses.

During the reporting period, Sinochem International successfully completed the equity transfer and delivery of its natural rubber business subsidiary Halcyon Agri Corporation Limited in order to focus further on our core business of new chemical materials.

To nd out more information about our products, please scan the QR code

Corporate Culture

Corporate Vision

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

Corporate Mission

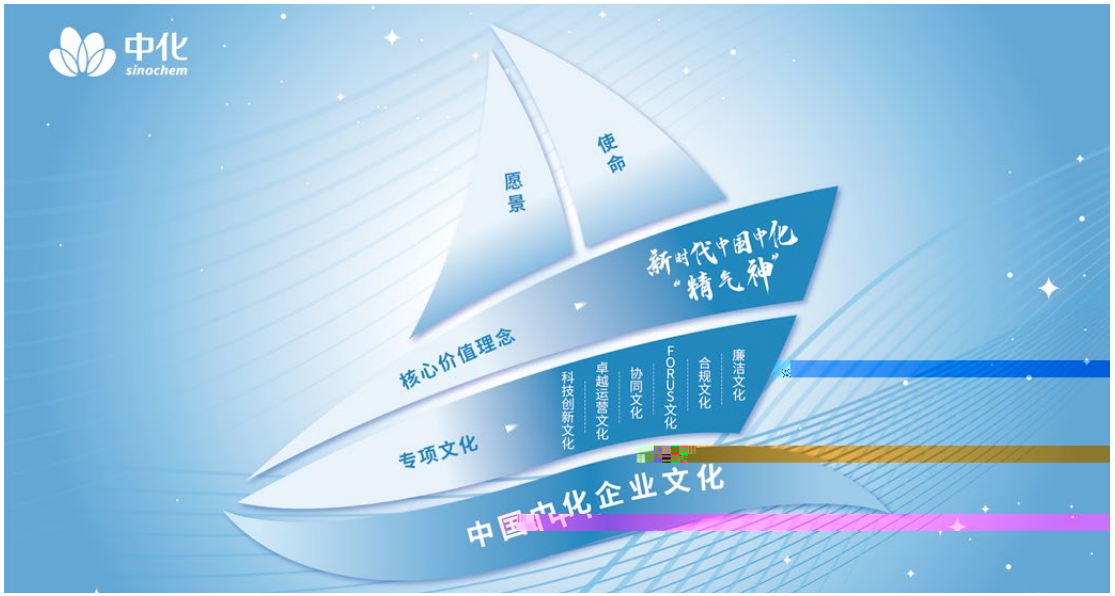
We strive to become a leading enterprise in innovative new chemical materials that is rooted in China while operating globally. We provide innovative, high-quality, green products and integrated solutions in the field of material science while sharing the fruits of growth with the society, customers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

Core Values

Ethos of Sinochem Holdings for the New Era

Guiding Culture

- Culture of Technological Innovation
- Culture of Excellent Operations
- Culture of Collaboration
- Culture of FORUS
- Culture of Compliance
- Culture of Integrity



Awards and Recognition

Sinochem International

The Highest Level "Benchmark"Rating
in the SASAC "Double Hundred Enterprises" Assessment

Fortune China 500 No. 156

Top 500 Petrochemical Companies in China 2023 (enterprises with independent production and operations) No. 9

Yangnong Group

China Brand Value List for the Energy and Chemical Industry 2023 No. 19

Sennics

Top 100 Chinese Fine Chemicals 2023 No. 43

Chinese Fine Chemicals Green and Low Carbon Enterprise 2023 No.4

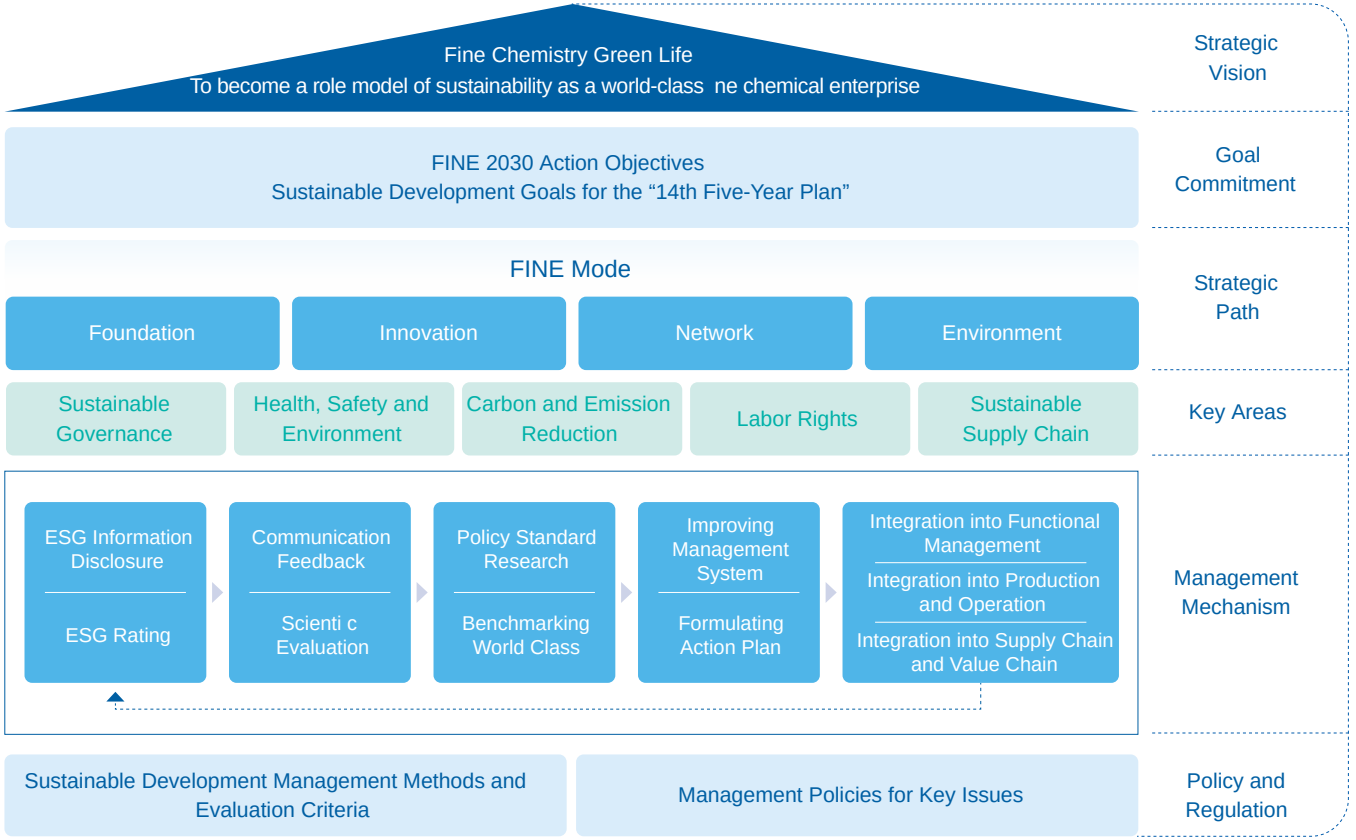
To nd out more information about our awards, please scan the QR code

Sustainability Strategy and Management

Sinochem International regards ESG management as an endogenously-driven corporate-level strategy, and continues to build a scienti c and professional ESG management system in combination with the actual circumstances of the company. Under the objective-driven management strategy, we are deepening ESG practices to effectively ensure that the sustainability factors of the environment, society and governance are in line with the business development of the company.

Strategic System and Management Guidelines

Driven by our vision of “becoming a role model for sustainability as a world-class ne chemical enterprise”, we focus on building a sustainable development management system based on information disclosure and response to external ESG rating. At present, we have formed a sustainable development strategy system and management model that is “guided by objectives and plans, based on policies and systems, supported by organizational structure, and centered on tasks involving ve key areas.”

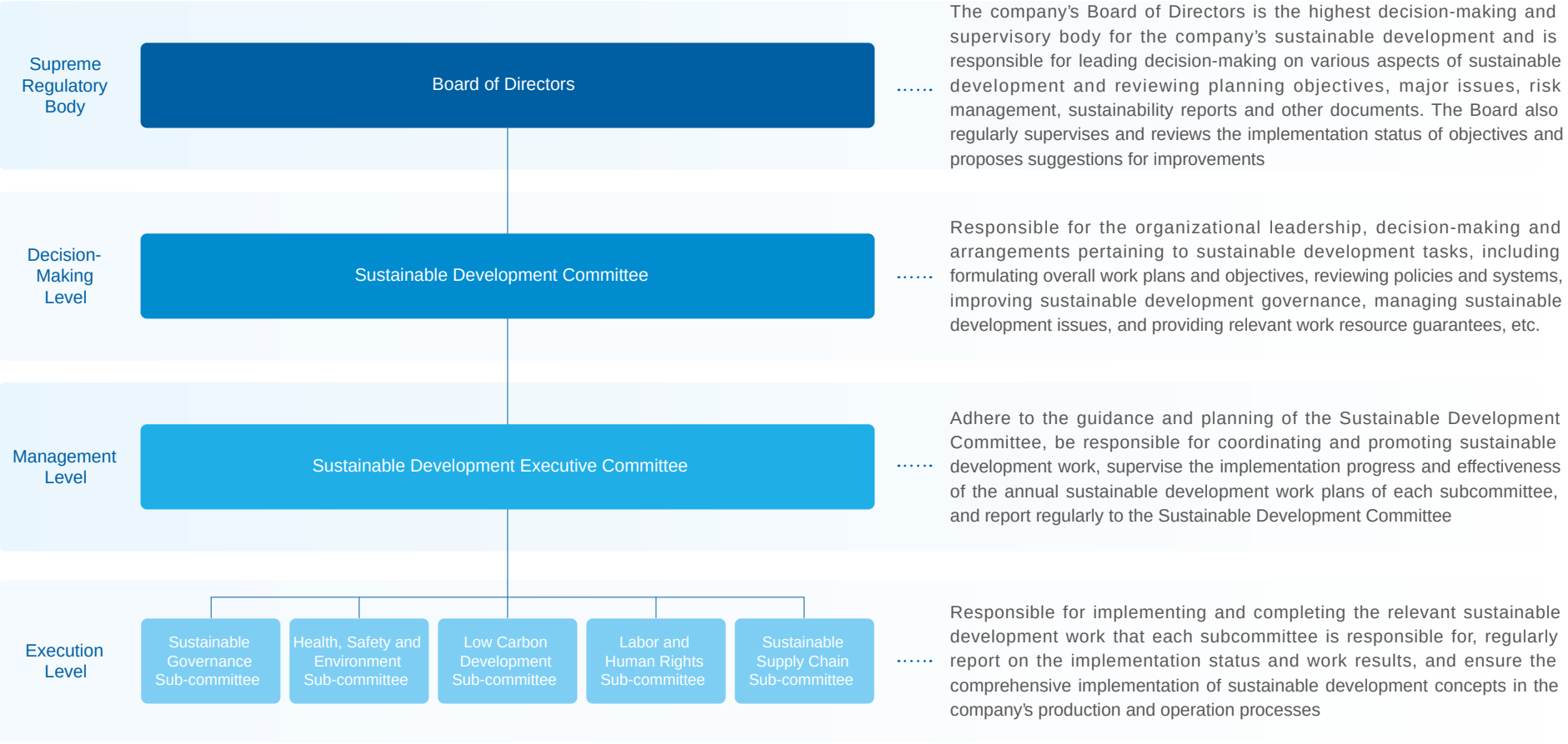


Sinochem International’s Sustainability Management Model

Governance Structure and ESG Practices

Sinochem International keeps improving our organizational structure in order to provide organizational support for ESG management. Meanwhile, we actively study and research the latest domestic and foreign ESG standards, enhance employees' ESG awareness, respond to external sustainable development initiatives, and work with multiple parties to create a responsible form of competitiveness that is in line with corporate sustainable development.

Since 2020, Sinochem International has established an ESG management structure based on the "Board of Directors - Sustainable Development Committee - Sustainable Development Executive Committee - Five Professional Subcommittees" setup.



The company actively participates in and responds to various sustainable development initiatives launched by the local government, industry, and domestic and international community where it operates. Through our unwavering commitment to corporate social responsibility, we make substantial contributions to global environmental protection and social progress.

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

- Responsible Care
- ICC Business Charter for Sustainable Development
- United Nations Global Compact
- Sustainable Development Goals
- Together for Sustainability
- The Catalan Of ce for Climate Change
- Operation Clean Sweep
- China Goldenbee CSR 2030

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

We actively coordinate internal experts or engage third-party organizations with expertise in sustainable development to conduct professional training and thematic exchanges for the ESG management team, sharing the latest knowledge, experiences, and skills in sustainable development to enhance the level of ESG management continuously.

Case

Sinochem International holds ESG Competitiveness-cum-ISSB Standards Training and Exchange-of-Views Event

In December 2023, Sinochem International organized an ESG training and exchange-of-views event with the theme “Embracing new opportunities for sustainable information disclosure: How companies can create a new form of competitiveness under the ESG boom”. During the said event, we engaged in in-depth explanations of the latest international ISSB standards and other standards while providing insight into the relevant detailed requirements. We also addressed the area of continuously improving ESG management and information disclosure levels to help companies improve their governance structures and operating mechanisms, achieve high-quality development, and support the establishment of China’s ESG standards in the future.

Key Target Commitments and Progress

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

“FINE 2030 Action” Objectives	Progress in 2023
• To increase the production quantity of sustainably developed products by 50%	• Production quantity of sustainably developed products increased by 44.69%
• To increase the ratio of subsidiaries with sustainability-related third-party certi cation to 80%	• 72% ratio of subsidiaries hold sustainability related third-party certi cation
• Continuous reduction of carbon dioxide emissions per ton of products	• Achieved 35.3% reduction of carbon dioxide emissions per ton of products
• Formation of a sustainable development network to realize sustainable production and operation methods	• 100% of supplier approval assessmentscompleted • 67.09% of core supplier on-site assessments completed • 0 major procurement risk incidents

Note: “FINE 2030 Action” objectives and 2023 progress are based on 2018

In 2021, the company closely integrated cutting-edge trends in sustainable development, clearly de ned key directions that align with the company's long-term vision, and established sustainable development goals for the “14th Five-Year Plan” period. Each year, corresponding action plans are formulated for these goals, with necessary resources allocated to ensure effective implementation, and progress towards these goals is regularly disclosed.

Note: 1. The statistic scope of 2023 yearly progress data for the two targets pertaining to health, safety and environment (i.e., the “Total amount of water pollutants” and “Total amount of air pollutants”) are based on 2020 as the baseline year

2. The increase in the 2023 annual indicators for the two targets pertaining to carbon reduction and emission reduction, (i.e.,“comprehensive energy consumption per 10,000 yuan of output value” and “carbon dioxide emissions per 10,000 yuan of output value”) is mainly due to the company being affected by the cycle of the chemical industry which has led to a signi cant drop in the prices of main products and in turn a signi cant drop in output value

3. Sustainable procurement assessment involves evaluating suppliers on social responsibility issues such as labor rights, environmental protection, occupational health and safety, and business ethics. This includes self-assessment by enterprises, admission audits, questionnaire reviews, etc.

ESG Honors and Ratings

ESG Honors

2023.01

Shanghai Stock Exchange

2022 Excellent Issuer of Green Low-carbon Bonds

Wind

Best ESG Practice Award for A-share Companies

2023.06

S&P Global

Selected for S&P Global's rst Sustainability Yearbook (China Edition) 2023

China Sustainability Tribune

ESG Competitiveness·Dual Carbon Pioneer Award

2023.07

Southern Weekly

Outstanding Responsible Enterprise of the Year Award

Ranked 21st on "Chinese enterprise CSR list" and ranked rst in the petrochemical industry

2023.10

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

Ranked 26th on the "ESG Pioneer 100 Index of Central Enterprises", ranking rst in the eld of chemical raw materials and chemical products manufacturing industry

SASAC

The Full-Process Supplier Management to Create a Sustainable and Resilient Supply Chain case study was selected for the ESG Blue Book of Listed Companies of Central Enterprises 2023

World Sustainable Development Standards Organization (WSSO), the Institute for Sustainable Development Goals of Tsinghua University, the Energy Investment Professional Committee of Investment Association of China

China's top 100 listed companies (A-shares) in low-carbon and sustainable development

2023.11

China Securities Journal

Guoxin Cup ESG Golden Bull Award -Top 100 Enterprises, Top 50 Central State-owned Enterprises

2023.12

Jiemian News & China Chengxin Green Finance

Ranked No.19 for ESG scores of listed companies in the Yangtze River Delta zone and assigned an AA- rating for ESG in 2023

Southern Weekly

Ranked No.16 on the "2023 Dual-carbon Execution List of Chinese Enterprises"

China Sustainability Tribune

2023 Excellent Corporate Social Responsibility Report-One Star Evergreen Award

ESG Ratings

Sinochem International

The CSI ESG AAA rating (the highest rating)

Wind-ESG A Rating

MSCI-ESG BB Rating

The CDP score has signi cantly improved compared to last year, resulting in an upgraded rating

Sennics

EcoVadis Platinum Medal

ELIX Polymers

EcoVadis Gold Medal

Case

Sennics Receives EcoVadis Platinum Medal

In 2023, Sinochem International's subsidiary company, Sennics, was awarded "platinum" status with a score of 80 points (out of a total of 100 points), which is the highest rating in EcoVadis' corporate social responsibility rating system, putting Sennics at the top 1% among 100,000 enterprises evaluated by EcoVadis annually.

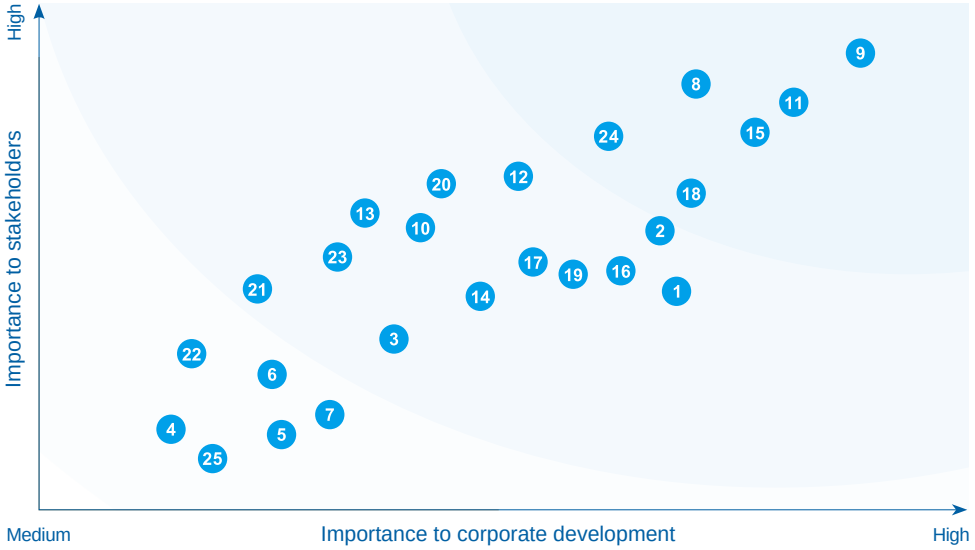
Stakeholder Engagement

Sinochem International continues to focus on the needs of various stakeholders through understanding their concerns through community activities, questionnaire surveys, and day-to-day dialogs, thereby integrating key issues into the company's operational decisions. Meanwhile, a normalized communication mechanism has been established to continuously consolidate suggestions from stakeholders on the company's strategy and operational management in order to ne-tune key points in a timely manner and ensure accurate responses.

Stakeholders	Issues of Concern	How to Respond
Government/ Supervisory Bodies	• Anti-corruption • Anti-unfair competition • Environmental management • Emissions and waste management • Climate change and carbon management • Energy consumption • Water resource management • Clean technology	• Pay tax in accordance with the law • Periodic work reports • Project approval • Annual sustainability reports • Participating in policy research and planning
Shareholders/Investors	• Corporate governance • Compliance and Risk prevention & control • Anti-corruption • Climate change and carbon management • Clean technology • Digitalization	• Shareholder meetings • Investor meetings • Online/tele-seminars • Periodic nancial reports • Information disclosure
Clients	• Information security and privacy • Product quality and service • Customer health and safety • Sustainable products and solutions	• Customer service platform • Customer satisfaction surveys • Client meetings and interviews • Handling customer complaints
Suppliers	• Supplier management • Responsible procurement	• Supplier training • Supplier assessment • Sustainability supply chain white book • Handling supplier appeals
Employees	• Occupational health and safety • Employee rights protection • Diversity, Equality and Inclusion • Career development and training • Democratic management and communication	• Employee training • Workers' Congress • Staff seminar • Employee satisfaction surveys • Collecting and responding to employee comments and suggestions
Community	• Chemical safety • Emissions and waste management	• Public open house • Community communication activities
Industry Associations/Partners/ Research Institutions	• Anti-unfair competition • Intellectual property protection • R&D and business innovation	• Participating in industrial forums • Participating in standard formulation • Strategic cooperation

Analysis of Substantive Issues and In uence

Sinochem International conducts substantive issue analysis at the beginning of each year by distributing surveys and conducting expert interviews with internal and external stakeholders to understand their most pressing sustainable development issues. These are then prioritized for inclusion in sustainable development reports and future communications, to ensure timely and effective responses.



Analysis	In-depth analysis of national strategic directives, chemical industry policies, and the latest ESG trends, incorporating domestic and international standards requirements, company strategies, expert opinions, etc., to update the agenda with 34 issues
Identi cation	Survey questionnaires were distributed to internal and external stakeholders, yielding 407 valid responses. Combining these with results from expert interviews, 25 substantive issues were identi ed
Sort	Conduct importance ranking from two dimensions: “Importance to stakeholders” and “Importance to corporate development,” forming a matrix of substantive issues
Veri cation	The company’s Board of Directors validates the sorting results based on the latest corporate development strategy and the characteristics of the chemical industry, determining the rst-tier important issues that require a focus in the report

1. Corporate Governance	2. Compliance and Risk Prevention & Control	3. Anti-Corruption	4. Anti-Unfair Competition	5. Information Security and Privacy
6. Intellectual Property Protection	7. Digitalization	8. Occupational Health and Safety	9. Chemical Safety	10. Environmental Management
11. Emissions and Waste Managment	12. Product Quality and Service	13. Customer Health and Safety	14. Sustainable Products and Solutions	15. Climate Change and Carbon Management
16. Energy Consumption	17. Water Resource Management	18. Clean Technology	19. R&D and Business Innovation	20. Employee Rights Protection
21. Diversity, Equality and Inclusion	22. Democratic Management and Communication	23. Career Development and Training	24. Supplier Management	25. Responsible Procurement

Impact of Substantive Issues on the Value Chain

ESG Issue Category	Critical Issues	GRI Standards	SDGs	Supply Chain	Production/ Operation	Product	Employee	Social Engagement	Responding Chapters
Sustainable Governance	Coporate Governance	GRI 2 General Disclosures 2021	Goal 5, Goal 16		✓	✓	✓	✓	Coporate Governance
	Compliance and Risk Prevention & Control	GRI 2 General Disclosures 2021	Goal 16	✓	✓	✓	✓	✓	Compliance Management Risk Management
	Anti-Corruption	GRI 205 Anti-corruption	Goal 16	✓	✓		✓	✓	Business Ethics
	Anti-Unfair Competition	GRI 206 Anti-competitive Behavior	Goal 16	✓	✓	✓	✓		Business Ethics
	Information Security and Privacy	GRI 418 Customer Privacy	Goal 16	✓	✓	✓	✓		Information Security
	Intellectual Property Protection	-	Goal 16		✓	✓	✓		Technological Innovation
	Digitalization	-	Goal 9	✓	✓	✓	✓		Digital Transformation
Health, Safety and Environment	Occupational Health and Safety	GRI 403 Occupational Health and Safety	Goal 3, Goal 8 Goal 16	✓	✓		✓		Occupational Health and Safety
	Chemical Safety	GRI 308 Supplier Environmental Assessment GRI 403 Occupational Health and Safety GRI 414 Supplier Social Assessment GRI 416 Customer Health and Saftety	Goal 3, Goal 5 Goal 8	✓	✓	✓	✓	✓	Chemicals Management
	Environmental Management	-	Goal 11, Goal 12 Goal 14, Goal 15	✓	✓	✓	✓	✓	Environmental Management
	Emissions and Waste Management	GRI 306 Waste	Goal 3, Goal 5 Goal 8, Goal 11 Goal 12, Goal 15		✓	✓		✓	Pollution Prevention
	Product Quality and Service	GRI 416 Customer Health and Safety	Goal 16	✓	✓	✓			Quality Management
	Customer Health and Safety	GRI 416 Customer Health and Safety	Goal 16	✓	✓	✓			Customer Healthcare and Safety
	Sustainable Products and Solutions	GRI 302 Energy GRI 305 Emissions GRI 306 Waste	Goal 7, Goal 12 Goal 13	✓	✓	✓		✓	Clean Technology Opportunities Climate Change Technological Innovation

Way of Governance

Steady Progress Towards Long-Term Success

Risk and Opportunity Analysis

The Seventh Session of the Fourteenth National People's Congress Standing Committee passed the newly revised Company Law, and the China Securities Regulatory Commission issued the Measures for the Administration of Independent Directors of Listed Companies, expanding the institutional space for improving corporate governance systems for enterprises. These actions also impose higher requirements on companies to strengthen management and enhance the performance of directors and executives.

Management Target

Establishing and improving the corporate governance system, standardizing business operations, enhancing the ability to govern enterprises according to law, preventing significant legal compliance risks, and safeguarding and enhancing the good reputation and brand value of Sinochem International.

Management Strategy

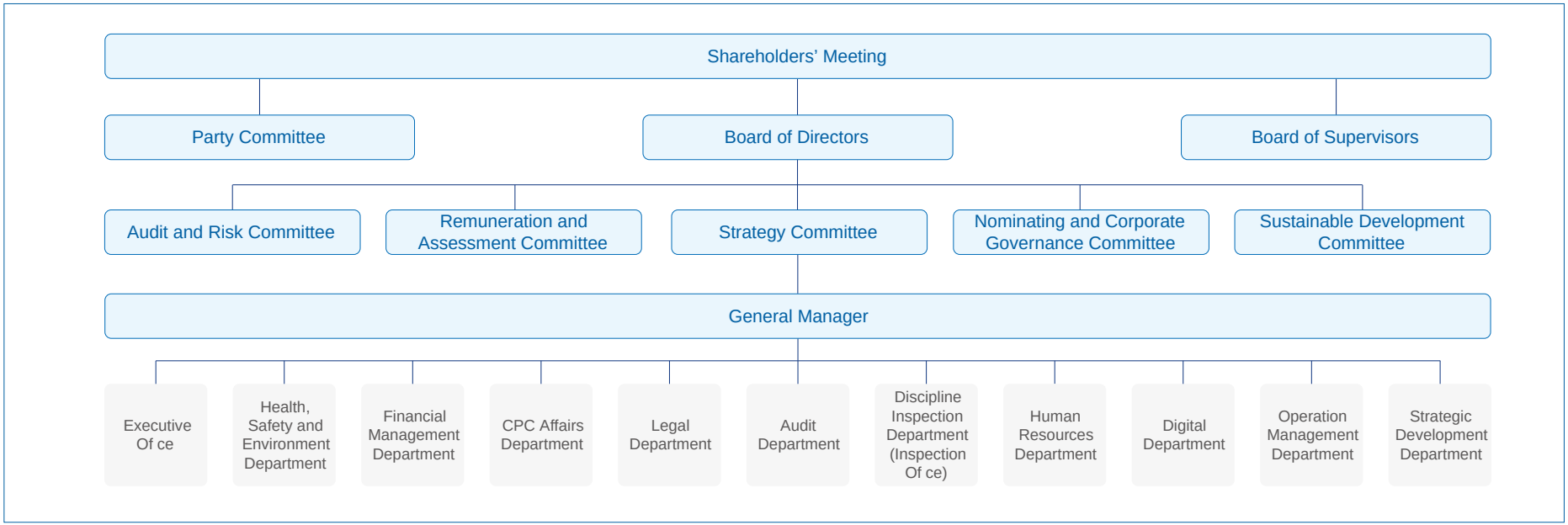
Continuously improving the governance framework according to the law, constructing a risk-oriented, compliance-focused, rigorously standardized yet comprehensive and effective internal control system. Upholding business ethics, integrity as the foundation, and treating every business partner with respect and fairness, jointly promoting high-quality development.

Corporate Governance

Sinochem International abides by the Company Law, Securities Law, Governance Guidelines for Listed Companies, and relevant laws and regulations of the China Securities Regulatory Commission, and continues to improve the articles of association of the company, constructs a governance structure with clear positioning, speci ed rights and responsibilities, and standardized processes. We standardize the operation of the enterprise through system safeguard, and create stable and long-term value for stakeholders such as shareholders, clients, and employees.

Governance Structure

The company's Board of Directors establishes ve professional committees, with the majority of members in each committee comprising external directors. The Board members' professional backgrounds cover various elds such as law, economics, nance, management, ESG governance, and business operations. Each committee regularly submits work reports to the Board of Directors, and the Board of Directors submits an annual report to the controlling shareholder every year. Based on the daily management situation, the controlling shareholder evaluates and assesses the governance and operation of the Board of Directors to continuously enhance its ability to perform duties and fully utilize governance ef ciency.



Members of the Board of Directors

Board of Directors

Audit and Risk Committee		Remuneration and Assessment Committee		Strategy Committee		Nominating and Corporate Governance Committee		Sustainable Development Committee	
Cheng Fengchao	Independent Director (Chairman)	Jiang Weiming	Independent Director (Chairman)	Zhang Xuegong	Chairman of the Board, Executive Director (Chairman)	Qian Mingxing	Independent Director (Chairman)	Zhang Xuegong	Chairman of the Board, Executive Director (Chairman)
Chen Qian	External Director	Cheng Fengchao	Independent Director	Chen Qian	External Director	Zhang Xuegong	Chairman of the Board, Executive Director	Qin Jinke	External Director
Qian Mingxing	Independent Director	Liu Xing	External Director	Jiang Weiming	Independent Director	Liu Xing	External Director	Cheng Fengchao	Independent Director
								Jiang Weiming	Independent Director
								Qian Mingxing	Independent Director

Name	Position	Gender	Age	Professional Knowledge and Skills	Years of Service
Zhang Xuegong	Chairman of the Board, Executive Director	Male	53	Chemical Strategy, Enterprise Management, Mergers and Acquisitions	2 Years
Qin Jinke	External Director	Male	53	Finance, Internal Control, Investment and Financing Mergers and Acquisitions	1 Year
Chen Qian	External Director	Female	52	Chemical, Strategic Management	1 Year
Liu Xing	External Director	Male	46	Human Resources Management	1 Year
Cheng Fengchao	Independent Director	Male	64	Accounting, Auditing, Assessment, Finance	3 Years
Jiang Weiming	Independent Director	Male	67	Chemical, Mergers and Acquisitions, ESG	1 Year
Qian Mingxing	Independent Director	Male	60	Law, Compliance	1 Year

Board Diversity

- Comprehensive selection of directors based on gender, age, cultural background, educational quali cations, professional skills, and work experience to facilitate scienti cally informed decision-making by the Board

Board Independence

- During the deliberation of signi cant production and operational decisions, independent directors rely on their own professional knowledge, occupational backgrounds, and industry experience to make careful judgments and express independent opinions, ensuring the objectivity and independence of the Board
- External directors of the company actively participate in Board and committee meetings, where all directors engage in discussions and provide management with feasible recommendations, ensuring and overseeing the implementation of strategic decisions within the company

Board Expertise

- All committee members of the company possess relevant industry experience and professional knowledge. The company provides ample training and other resources to newly appointed directors, ensuring continuous enhancement of their accountability and the Board's capability for scienti cally informed decision-making

Key Tasks to More Effectively Safeguard the Performance of Duties of External Directors in 2023

- With reference to the Measures for the Administration of Independent Directors of Listed Companies issued by the China Securities Regulatory Commission in September 2023, we have revised Sinochem International's Regulations for Independent Directors to ensure that the roles of independent directors are maximized
- Formulated and issued the Work Plan for Guaranteeing the Performance of Duties by External Directors to strengthen the tasks involved in guaranteeing the performance of external directors, established a "corporate information inquiry" mechanism for external directors to improve the information support mechanism for external directors' to perform their duties, and to enhance the guarantee mechanism for their participation in decision-making
- Formulated an annual research plan for external directors and arranged for independent directors to conduct on-site inspections and surveys of important strategic projects of the company
- For the company's major projects, we organized three special reporting meetings for independent directors throughout the year and submitted relevant documents. We also provided feedback on the suggestions and opinions of independent directors

Meetings of the Board of Directors and Supervisors in 2023

Shareholder meetings	Board meetings	Meetings of the Board of Supervisors
4	15	6

Nominating and Corporate Governance Committee meetings	Remuneration and Assessment Committee meetings	Audit and Risk Committee meetings
2	4	6

Case

Sinochem International's independent directors conduct inspections and surveys on important strategic projects of the company

In April 2023, Sinochem International's independent director Cheng Fengchao visited Sinochem High Performance Fiber Materials, Yangnong Ruixiang, Yangnong Kumho, Yangnong Ruiheng and many other subsidiary companies to conduct surveys and listen to reports from the management of each company on the respective operating conditions and project construction updates, and hold discussions and exchanges pertaining to these areas.

Case

Sinochem International organizes special training on "Compliance Performance of Directors, Supervisors and Senior Management"

In December 2023, Sinochem International organized a special training session on "Compliance Performance of Directors, Supervisors and Senior Management". During the training, lawyers from legal rms were invited to systematically go through the legal provisions on the performance of duties by directors, supervisors and senior executives of state-owned enterprises (listed companies) based on the latest revisions to the Company Law. The lawyers also provided a detailed explanation about the key pain points involved in the performance of duties by directors, supervisors and senior executives, and gave pointers on how to improve the standards for corporate governance and compliance-based operations. The training session served to effectively strengthen the standards and support for the performance of duties by directors, supervisors and senior executives of state-owned enterprises.

The company continues to strengthen the compliance structure of the Board of Directors and establish unique corporate governance characteristics and experience. Our unique initiatives and experience include: Actively participating in international ratings and proactively seeking to improve corporate governance; improving comprehensive risk management and internal control systems to ensure orderly operations and management; continuing to improve the construction of the ESG governance system and continuously enriching the content of corporate governance; establishing and improving incentive and restraint mechanisms while stimulating the vibrancy of business talents, etc.

Sinochem International's innovative and unique practice of Strengthening the Compliance Structure of the Board of Directors and Steering High-Quality Development was recognized as a

"Best Practice Case by a Listed Company's Board of Directors" in 2023 by the China Association for Public Companies

Further Reading

For corporate governance-related policies, responsibilities of the professional committees of the Board of Directors, biographical information of the members of the Board of Directors, please refer to the Sinochem International 2023 Annual Report or the company's of cial website

http://www.sinochemintl.com

Remuneration of Executives

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

The company adopts a management remuneration structure in the form of "fixed salary + performance bonus + tenure incentives + other medium and long-term incentives". The performance appraisals of the organization and individual senior executives are tied to sustainable development factors, such as ESG ratings, safety management, occupational health, pollution prevention, energy conservation and carbon reduction and other sustainable development-related performance indicators which are incorporated into the scope of work appraisal. Please see Sinochem International 2023 Annual Report for details of the remuneration received by directors, supervisors and senior executives during the reporting period.

Information Disclosure and Investor Relations Management

The company strictly adheres to relevant regulations of the China Securities Regulatory Commission and the Listing Rules of the Shanghai Stock Exchange. We have established policy documents such as the Information Disclosure Internal Control Regulation and the Guidelines for the Preparation and Disclosure of Periodic Reports, among others. We release annual reports, semi-annual reports, quarterly reports, and sustainable development reports regularly each year. The Board Of ce serves as the daily information disclosure department, responsible for speci c matters related to information disclosure. By continuously enhancing the transparency of the listed company, we provide investors with objective, accurate, comprehensive, timely, and fair information to facilitate their value judgments and investment decisions.

In 2023, Sinochem International received an A-level evaluation in the Shanghai Stock Exchange's 2022-2023 information disclosure work evaluation for listed companies.

Key Measures for Information Disclosure in 2023

Strengthening of Concepts

- Made arrangements for company directors, supervisors, senior executives and related personnel to participate in legal, regulatory and professional knowledge training sessions held by stock exchange, internal organizations and external organizations

Demand-oriented Disclosure

- Guided by investor needs, we optimized disclosure content and enhanced the relevance and effectiveness of information disclosure
- Disclosed major events that might have had a rather signi cant impact on the trading prices of listed companies' stocks and their derivatives within the stipulated period, promptly veri ed market reports and rumors about the company, and proactively clari ed issues of concern to the market and investors

Information Disclosure in 2023

Periodic reports	Ad hoc announcements	Documents published online*
4	60	61

* Including the resolutions of the Board of Directors, the Board of Supervisors and the general meeting of shareholders, equity incentives, re nancing, use and management of funds raised and pro t distribution, etc.

The company actively improved the two-way communication mechanism with investors and expanded communication channels. Besides responding to investor questions in a timely manner through of cial WeChat, hotline and Shanghai Stock Exchange e-interaction platforms, the company also fully protected investors' right to know through periodic reports, ad hoc announcements, performance briefings and other means. Furthermore, the company also engaged in in-depth communication and enhanced interaction with small and medium-sized investors through visits, online and telephone communications, institutional roadshows and other methods.

Case

Sinochem International holds performance brie ng

In its performance brie ng for 2022 and Q1 2023, Sinochem International held a communication session on the company's operational results, progress status of key projects and development strategies, business measures and other issues of concern to investors.

Investor Communication in 2023

Market value management reports	Investor communication meetings	Institution roadshows
3	3	60

Investor questions answered on the SSE e-interaction platform

30

Compliance Management

Adhering to the requirements of the Compliance Management Measures for Central State-owned Enterprises, Sinochem International formulated the Compliance Management Regulations to effectively implement the concept that “Compliance starts from the top management; compliance is to be observed by all employees, compliance is to be performed proactively, the bottom line of compliance risks is to be safeguarded; and value is created through the practice of compliance”. To this end, we have created a compliance culture, practically promoting compliance management-related tasks and building a compliance management system that has a fully horizontal and vertical approach to effectively prevent and control compliance risks and ensure the company’s steady development.

Compliance Management Framework

- The headquarters and key subsidiaries have set up a General Counsel position (Chief Compliance Of cer), and issued the General Counsel-cum-Chief Compliance Of cer Management Measures
- Revised the company’s Party Committee Working Rules and President’s Work Meeting Rules of Procedure to include major compliance management matters within the scope of decision-making and further clarify the compliance rights and responsibilities of governance entities such as the Party Committee, Board of Directors, and management
- Established a working mechanism in the form of the “joint meeting for large supervision and compliance-related tasks” to coordinate compliance management work

Compliance Evaluation and Troubleshooting

- Held 2 rounds of compliance system evaluation exercises to evaluate and go through the construction and operations of the compliance management system, and performed continuous improvements based on the evaluation results
- Focusing on key compliance areas, we arranged 7 special inspections for each subsidiary to assess compliance risks and formulate appropriate control standards and requirements

Promotion of Compliance Culture

- Arranged for all employees to sign the Sinochem Holding’s Compliance Responsibility Letter
- Incorporated the study of the rule of law and compliance management into the yearly syllabus of the theoretical study center group of the party committee
- Organized and held law awareness activities for all employees, special compliance training for key positions, and special compliance training in key areas (including compliance performance of directors, supervisors, and senior

Risk Management

Sinochem International identi es, analyzes and evaluates annual major risks on a yearly basis. For annual major risks, we establish a collaborative mechanism for risk prevention and control, specify departments in charge, formulate risk response strategies and measures, and perform tracking and monitoring of the handling progress to ensure that all signi cant business risks are responded to quickly, reported promptly, and handled appropriately. In 2023, the company had no events with major business risk.

Top 5 Risks Evaluated and Identi ed in 2023 and Response Strategies

Risk	Response Strategy
HSE Risk	Comprehensively rolled out the FORUS system, enhanced “five-star factory” improvements, established a multi-level emergency and disaster management system, implemented HSE digital empowerment initiatives, implemented regional-based mutual inspection exercises, mutual assistance and linkage mechanisms, strengthened HSE management of new projects, and ensured the realization of the “Four Zeros” goal
Market Competition Risk	Analyzed market and customer needs to fortify and enhance the market position of existing products. Strengthened technical marketing, premiumized and differentiated development of key products, increased brand premium, and improved resource allocation
Engineering Project Management and Start-up Operational Risks	Revised the engineering project construction management system, implementing full-process project management while focusing on the six major controls (“progress, quality, cost, safety, environmental protection, and compliance”) to enhance project construction capabilities. Before starting operations, we reviewed key points, personnel, raw materials, safety conditions, the “three simultaneous” procedures, equipment inspection, recti cation and elimination of defects and other measures before commissioning could be carried out; for complex processes, a professional team could be hired to enter the site ahead of time to coordinate the commissioning work
Investment Decision Risks	Strengthened the management of the entire investment process while also strengthening research on the macro-environment and policy, industry and market analysis, feasibility study reviews and other capabilities. Meanwhile, we also focused on core businesses, engaged in comprehensive discussions, accurately determined the direction taken, and strictly controlled the investment approval for new projects. Furthermore, we also strengthened our engineering construction capabilities and end-to-end process management for investment projects while properly handling project exit
Product Market Development Risks of Invested Projects	Focused on customers, performed accurate assessments of the market, analyzed the competitive landscape, used the collaborative mechanism of research, production, sales and other departments to solve dif culties in customer usage processes, and continued to increase the business ratio of emerging application elds. Meanwhile, we also explored technology marketing models and improved the technical marketing skills of marketers

The company has established three lines of defense for risk management and internal controls. Reports on risk response, internal control and internal audit work are submitted to the Audit and Risk Committee of the Board of Directors on a regular basis every year, and the Internal Control Evaluation Report signed off by the Board of Directors is disclosed on a yearly basis. Internal control audits for listed companies are also performed, whereby the audit scope encompasses a company level, business processes, and information systems, focusing on the effectiveness of management systems in strategic research, safety and environmental protection, human resources management and other elds. In recent years, there have been no major weaknesses in the company's internal controls and the company's overall operations are effective.

Risk Management Measures in 2023

Optimizing Internal Control System

- Revised and released the Internal Control Guidelines to provide a basis and reference for internal control evaluation tasks in terms of the ve major aspects of governance, strategy, operation, nance and compliance
- Formulated theInternal Control System Optimization and Improvement Project Work Plan and performed special tasks related to the internal control system optimization and improvement project to ensure that the improvement tasks for the internal control system has “a fully horizontal and vertical approach”
- Promoted improvement-related tasks for internal control management of “Three New” organizations and improved the level of management and control in key areas

Performing Special Governance Work

- A special recti cation working team for false trade was established and a long-term self-examination working mechanism was established. No new occurrences of false trade took place throughout the year
- Implemented special compliance work on overseas commissions and xed loopholes and shortcomings through internally-conducted special inspections
- Implemented the State-owned Assets Supervision
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Business Ethics

Sinochem International has published and implemented the requirements of the Integrity and Compliance Manual to standardize the daily behavior of employees. We have also built a comprehensive ethical management mechanism and supervision system, shared the concept of integrity-based cooperation with a wider range of stakeholders, and jointly built a fair and transparent business ecosystem.

Level	Theme	Policy Documents	Main content
Basic	Business Ethics	Integrity and Compliance Manual	Stipulates that the company and its employees should abide by the business ethics code, clearly spells out prohibited behaviors and penalties for violations, and emphasizes integrity-based operations and compliance culture
Speci c Requirements	Anti-Corruption	Anti-Corruption System Management Measures	Sets out the requirements to establish a strict anti-corruption mechanism to prevent integrity-related risks and ensure the integrity of employees; stipulates that employees must declare and hand over gifts they receive, and prohibits the private receiving of gifts to ensure the integrity of day-to-day activities
	Anti-Unfair Competition	Administrative Measures for the Management of Of cial Gifts Received by Employees	

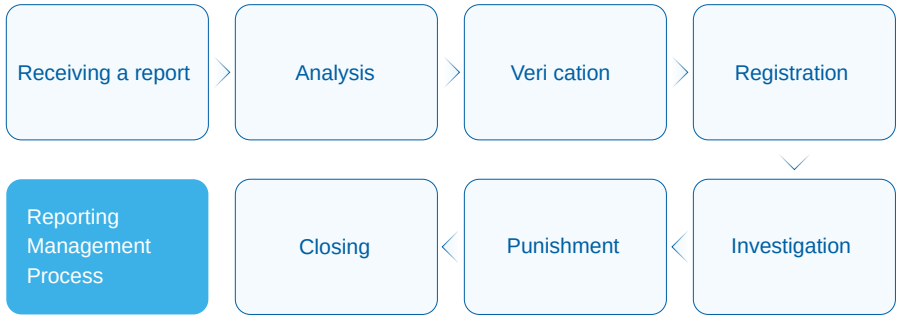
Reporting Management

The company is committed to the continued improvement of the reporting management mechanism and encourages employees to report any behavior that violates laws and business ethics. The company continues to expand its reporting channels and has published the reporting channels on the “Chemical Qingfeng” WeChat account. Reports may be made through phone calls and letters under an anonymous identity or one’s real name. The company promises to keep whistleblower information and reporting content strictly con dential, ensure the independence of the personnel receiving and managing the reporting information, and regularly enhance safety management measures for reporting channels. Anyone who is found to have violated regulations by leaking information about whistleblowers or to have engaged in retaliation against whistleblowers shall be severely dealt with in accordance with laws and regulations.

Sinochem International Reporting Channels

021-31768859 antifraud sinochem.com

Upon receiving a report, the company shall perform a comprehensive analysis in accordance with the internal investigation procedures and determine the nature of the business ethics involved in the said case, and whether it involves any criminal element. After veri cation, the company shall le the case and conduct a special investigation, produce an investigation report and provide suggestions on how to handle the case, and supervise and follow up on the corrective and recti cation tasks for the reported behaviors and incidents.



Anti-Corruption and Anti-Bribery

The company is strongly against any form of corruption and dishonesty, including but not limited to bribing public of cials or business partners and in uencing decision-making, dealings involving con icts of interest, fraud, money laundering, misappropriation of public funds, concealing the truth and interfering with normal transactions. We are committed to creating a fair, transparent and clean business environment.

2023 Key Performance Indicators

Anti-corruption training for key positions

3,092 participants

Coverage rate of training for key positions

100 %

Anti-corruption training for Board members

10 participants

Totaling

20 hours

Anti-corruption training for employees

22,869 participants

Totaling

37,466 hours

Lawsuits induced by corruption or bribery

0

Anti-Corruption and Anti-Bribery Initiatives in 2023

Management of Sensitive Transactions

- Performed hierarchy-based management of of cial gifts handed in by employees, set up a centralized handling department for subsidiaries, and appointed special personnel to be responsible for the registration, safekeeping, and handling of of cial gifts handed in

Improvement of Supervision Mechanism

- Ensured the implementation of the large supervision system through the “six clari cations” and “four forces”, forming a framework for the overall coordination and organic closed loop of supervision work
- Formulated 13 large supervision joint projects for the year, including the management and control of key projects, supervision of the implementation of the Eight Prohibitions and “1 Topic per BU”
- Issued the Implementation Plan for Promoting the Reform of the Discipline Inspection and Supervision System to the Grassroots to promote the implementation of reforms and extend it to the lowest grassroots level
- Supervised the roll out of the Implementation Rules for the Eight Point Regulations on a regular basis and strengthened internal noti cations & warnings and problem investigation & handling mechanisms

Strengthening the Promotion of Integrity

- Organized 2 educational conferences to deliver warnings about anti-corruption matters which were attend by over 5,000 people
- Held special anti-commercial bribery compliance training
- Paid close attention to crucial time periods and sent electronic cards as a reminder to uphold integrity during festive seasons

Integrity-related Risk Prevention and Control

- Carried out supervision and inspection on the construction of integrity-related risk prevention and control mechanisms. Reorganized, re-identi ed and re-evaluated integrity-related risk points to ensure full coverage of risk prevention and control measures
- Implemented special recti cation, self-examination and self-correction actions in response to integrity-related risk points in three high-risk areas, namely, leading cadres and their relatives running businesses in violation of regulations involving transfer of pro ts; violating the “CPC Central Committee’s Eight-point Regulations”; and procurement and bidding of project construction

Improving Digital Supervision Capabilities

- Developed 29 big data supervision models and carried out scanning inspections for project construction, procurement and bidding, daily expense reimbursement and other areas to ensure full-process supervision
- Performed thorough investigations on the companies involved in the “blacklist” system, encouraged subordinate companies to conduct self-examination and review registered suppliers systematically to prevent corruption-related risks in supplier management
- Improved and upgraded the 4.0 version for SOPs (standard operating procedures) in the elds of engineering, R&D, as well as procurement and bidding, and continuously updated and supplemented the list of high-risk problems and inspection procedures

Information Security

Information Security and Con dentiality Initiatives in 2023

Risk Management

- Performed further assessments of information security risks, network security risks, and information system risks, deployed professional security management equipment and personnel, and improved security capabilities
- Conducted network security inspections on 6 subsidiaries to prevent network security risks

Information Encryption

- Promoted the deployment of encryption systems. Important equipment and data of the company and its subsidiaries were uniformly con gured with encryption systems and audit permission settings. Important con dential data were prohibited from being put online
- Set up database auditing, log auditing and network traf c traceback systems to monitor data traf c throughout the process to prevent data leakage and theft

Vulnerability Handling

- Adopted IRP (Information Resource Planning), promptly addressed information security vulnerabilities through the latest network security equipment and professional network security personnel
- Steps involving pre-scanning and vulnerability processing were run before systems went online. Whereby systems had vulnerabilities that could not be resolved, they were prohibited from going online

Security Awareness

- Conducted 4 cybersecurity training sessions and 1 special training session on the network security of industrial control systems
- Conducted 7 phishing email drills for all employees, and those found to have weak information security awareness were made to attend information security awareness training
- Participated in “Operation Azure” cybersecurity drills and information security week activities

2023 Key Performance Indicators

Trade secrets leakage

0

Con rmed complaints involving violation of client privacy or loss of client information

0

Coverage rate of information security training for con dentiality-related personnel

100%

Sinochem International was selected as the “Pilot Demonstration Company for the Application of Cybersecurity Innovation in Industrial Control Systems” by the Ministry of Industry and Information Technology in 2023 based on its “Comprehensive Industrial Enterprise Cybersecurity Protection Platform”

Environment Priority

Green and Low-Carbon Development for Ecological Conservation

Risk and Opportunity Analysis

The report of the 20th CPC National Congress stipulates the requirements to promote the construction of a beautiful China, coordinate industrial structural adjustments, pollution control, ecological protection and climate change efforts, and collaboratively promote carbon reduction, pollution reduction, green expansion and growth. The said report puts forward higher objectives and requirements for the further promotion of environmental pollution prevention and control. The Implementation Plan for Carbon Peaking in the Industrial Sector spells out the need to establish a modern industrial system with the key features of high efficiency, green characteristics, recycling and low carbon, which will bring policy opportunities to the green transformation of the chemical industry. Besides policy requirements, customers are also increasingly taking notice of energy-saving and low-carbon products. Products and companies with high energy consumption and high pollution face the risk of elimination from the market.

Management Target

Based on the requirements of the Sinochem Holdings' Action Plan for Strengthening Ecological Environmental Protection during the 14th Five-Year Plan and Sinochem Holdings' Action Plan for Carbon Peaking, we set the objectives for various tasks, raising ecological awareness among all employees, accelerating green and low-carbon transformation, and strengthening pollution prevention and governance capabilities. In implementing these measures, we ensure that “ecological and environmental risks are effectively managed and controlled, clean production standards are signi cantly improved, and the efficiency of energy resource utilization is significantly improved.”

Management Strategy

In adherence to the HSE principle of “life first, environment priority, loss and damage control, keep improving”, we continue to enhance our environmental management system, intensify the construction of green factories, promote clean production, and strengthen pollution prevention and control measures. We are committed to minimizing the impact of enterprises on the environment by ensuring optimum energy conservation, carbon reduction and efficiency improvement, responding to the risks brought by climate change and seizing development opportunities arising from clean technology.

Environmental Management Measures in 2023

Management of Environmental Risks

- New reconstruction and expansion projects were subjected to environmental impact assessments, environment-related checking and acceptance procedures and environmental supervision as required. In adhering to the concept of “making appropriate advancements”, observing high-standard design and high-standard construction of environmental management facilities, environmental protection facilities were designed, constructed and put into use at the same time as the main projects
- Regularly assessed corporate environmental risks, prioritized management and control of major environmental risk factors, implemented effective control measures and eliminated risk factors from the source. Whereby major changes occurred in production processes, a re-evaluation of environmental risks was performed
- Arranged for subordinate enterprises to prepare emergency plans for environmental emergencies, be equipped with suf cient emergency supplies, and organized regular emergency drills

Performance of Special Recti cation Tasks

- Organized and performed special inspections and management of potential safety hazards related to environmental protection facilities to improve the safe operation standards of environmental protection facilities
- Performed special recti cations such as technical upgrading of sewage treatment facilities, special management of unorganized emissions and VOCs, prevention and control of soil and groundwater pollution, and other forms of recti cation
- Arranged for subordinate enterprises to conduct thorough investigations on key environmental supervision matters, recti ed and eliminated hazards, and improved the regulation of corporate environmental management measures

Proper Certi cate Management

- Applied for and performed timely updates for certi cates such as water intake licenses, sewage discharge licenses, and ISO 14001 environmental management systems to ensure that the certi cates comply with relevant national standards and were within the validity period

Environmental Awareness Training

- Performed 136 environmental training sessions revolving around topics such as waste discharge, collection of the three types of wastes, green factories, and environmental protection in communities, so as to raise environmental awareness among employees

2023 Key Performance Indicators

Total investment in environmental protection

436 million yuan

Environmental pollution incidents

0

Ratio of places with environmental risk assessments in all workplaces

100 %

Ratio of Sinochem International and its core business production bases have obtained ISO 14001 certi cation

100 %

The company continues to create and upgrade green factories. Based on the factory layout, a full-process “green” manufacturing system is implemented in terms of various aspects such as equipment and raw material procurement, production and technology, and packaging and delivery. These initiatives realize the objectives of intensive land use, waste-free raw materials, clean production, recycled waste and decarbonized energy, continuously improving the standard of clean and green production.

2023 Key Performance Indicators

In 2023, 2 factories (Yangnong Ruitai and Sinochem Xinbao) were newly certi ed as green factory by the Ministry of Industry and Information Technology while 2 factories (Yangnong Ruiheng and Sinochem Fuding) were newly certi ed as green factory by the China Petroleum and Chemical Industry Federation

As of end-2023, 5 factories have been certi ed as green factory by the Ministry of Industry and Information Technology, while 10 factories with green factory certi cation from the China Petroleum and Chemical Industry Federation and 6 factories recognized as provincial-level green factory

Ratio of operations sites with local community participation, impact assessments and development plans 100%

Scan the QR code to learn how Sinochem International successfully created green factories of the Ministry of Industry and Information Technology

Measures for Pollution Prevention Management in 2023

Wastewater Pollution Prevention and Treatment

- Each operating factory was equipped with wastewater treatment equipment to ensure that the sewage meets the discharge standards after treatment. The factories also promoted the establishment of sewage recycling projects and actively implemented wastewater reuse
- Implemented the diversion of clean water/sewage and the diversion of rainwater/sewage. Process wastewater was transported through above-ground pipelines and collected according to different categories, transported separately, and treated by quality separation
- Speci ed local responsibilities, carried out pilot projects for the ditch leader system, and established a ditch management mechanism with clearly stipulated responsibilities, orderly coordination, and strict supervision

Air Pollution Prevention and Treatment

- For construction projects, measures such as closed storage facilities, wet operations, sprinkler facilities, and dust suppression nets were adopted to reduce dust and particulate matter emissions
- Performed special boiler treatment, phased out small coal-red boilers, implemented coal-to-gas conversion, and performed ultra-low emission transformation modi cations for retained boilers
- Carried out special treatment of unorganized emissions, implemented control measures for 5 types of emission sources, namely, the storage, transfer and transportation of VOCs-containing materials, leakage from equipment and pipeline components, evaporation from open liquid surfaces, and processing. Reduced unorganized emissions of VOCs by adopting measures such as sealing of equipment and sites, process improvements, and effective collection of waste gas

Waste Management

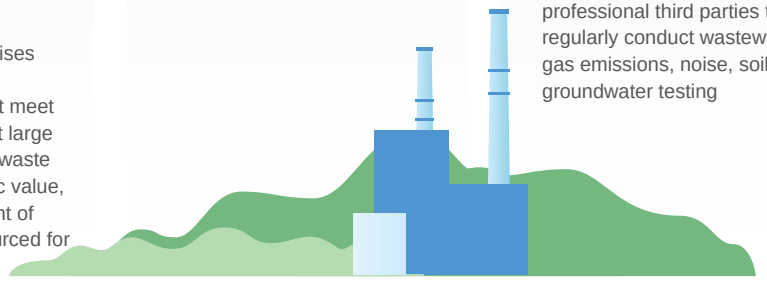
- Implemented classi ed management whereby classi ed recycling and waste disposal was performed according to types, properties, calori c value, and usage
- Implemented full-process supervision of hazardous waste, conducted on-site review of waste type, weight, disposal method, disposal company information, waste disposal process, waste disposal documentation and other details, veri ed the nal destination of hazardous waste disposal, and ensured that the entire process of hazardous waste disposal was under control
- Key subordinate enterprises built hazardous waste incineration facilities that meet the requirements to treat large quantities of hazardous waste with high internal calori c value, reducing the total amount of hazardous waste outsourced for disposal

Noise and Odor Management

- Noise reduction was realized through process upgrades and equipment optimization while noise pollution was reduced by using soundproof walls and replacing vacuum pumps while projects were ongoing
- Collected and treated unorganized gas emissions from storage tank areas, hazardous waste temporary storage sites, sewage treatment facilities and other areas to prevent odor from escaping from the said areas

Monitoring of Pollution Sources

- Based on Sinochem Holdings' Environmental Monitoring Center, we conducted real-time monitoring of emissions from environmental protection facilities of key enterprises, issued early warnings for unusual situations, and used data for comprehensive analysis to guide enterprises to improve the operational ef ciency of environmental protection facilities
- Conducted monthly statistical tracking and analysis of process indicators and equipment operations of pollution source treatment facilities, and engaged professional third parties to regularly conduct wastewater, gas emissions, noise, soil and groundwater testing



Case

Sinochem High Performance Fiber Materials promotes the construction of a “waste-free factory”

On 20 June 2023, Sinochem High Performance Fiber Materials and Nanjing University’s Environmental Planning and Design Institute held a signing and launching ceremony for the construction and design of a “waste-free factory”. Driven by the objective of building a “waste-free factory” with green, low-carbon and circular development features, Sinochem High Performance Fiber Materials commissioned Nanjing University’s Environmental Planning and Design Institute to prepare the Waste-free Factory Construction Work Plan to explore the potential of green development revolving around key components such as design, production, use, recycling and disposal, thereby comprehensively promoting the construction of a “waste-free factory”.

Case

Sinochem Xinbao continues to carry out in-depth treatment of unorganized emissions

In 2023, Sinochem Xinbao invested RMB 10.64 million to build a new comprehensive exhaust gas treatment facility featuring “a three-level process of washing oil absorption + activated carbon adsorption (steam desorption) + regeneration” to ensure the maximum possible collection of exhaust gases that should be collected and the maximum possible discharging of exhaust gases that should be discharged. On an annual basis, this facility enables the reduction of VOCs emissions by about 8 tons per year, the recovery of 7 tons of light components of washing oil, and the signi cant reduction of generated and outsourced activated carbon hazardous waste.

2023 Key Performance Indicators

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

100%

Compliant solid industrial waste disposal rate

100%

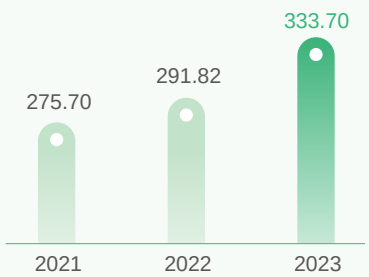
Major leak incidents occurred

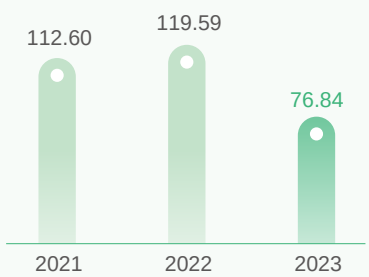
0

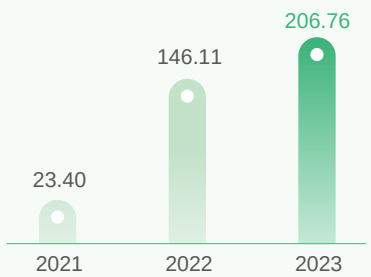
Hazardous waste disposed of by outsourcing

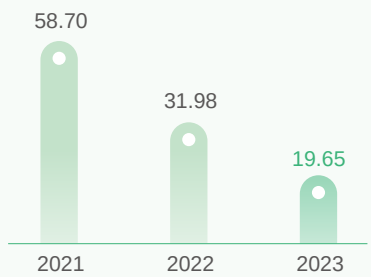
48,333 tons

Waste Gas Indicators

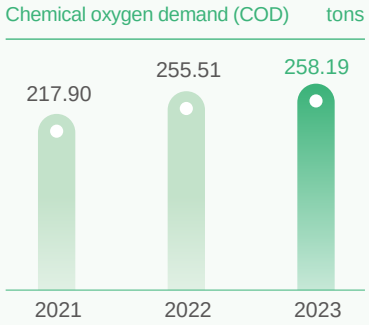


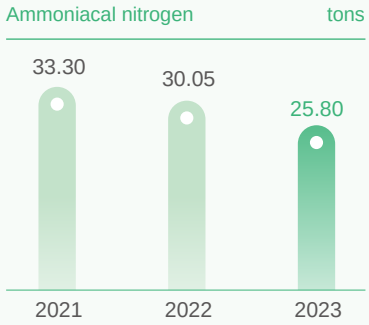


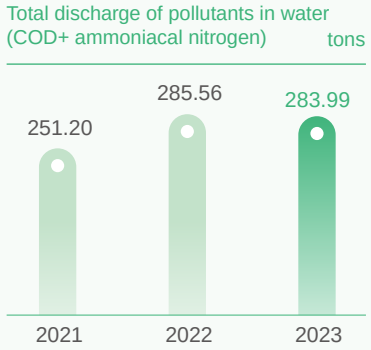


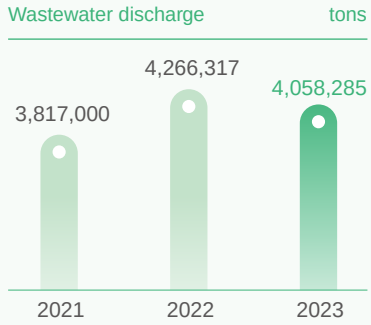


Wastewater Indicators

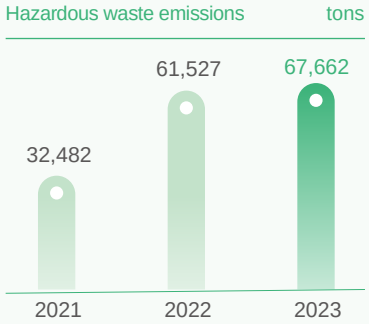


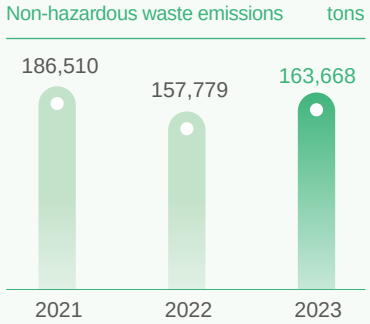


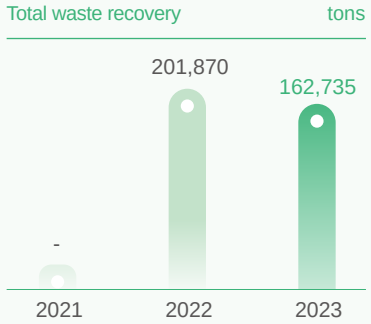




Solid Waste Indicators







Note: 1. The statistics do not include overseas subsidiaries, please refer to the Sinochem International 2023 Annual Report for speci c emission indicators for each subsidiary production enterprise

2. Total waste disposal=Waste disposal (Non-hazardous waste emissions + Hazardous waste emissions) - Total waste recovery

3. Yangnong Ruitai's nylon project, hazardous waste incinerator and two RTO units were activated and commissioned since August 2022 and the load was gradually increased in 2023; Several plants of Yangnong Ruiheng's Lianyungang C3 Phase I project were put into production in 2022 and the capacity was ramped up in 2023 with the commencement of trial production for additional new plants such as propane dehydrogenation and bisphenol A phase II plants. The abovementioned reasons led to a signi cant year-on-year increase in nitrogen oxide and VOCs emissions

Climate Change

In the face of challenges presented by climate change, every country and every enterprise is responsible for promoting low-carbon transformation and green development. In responding to the Paris Agreement's temperature control target of "keeping a global temperature rise well below 2 degrees Celsius and to pursue efforts to limit the increase even further to 1.5 degrees Celsius" and China's "dual carbon" target, Sinochem International has incorporated climate change considerations into the company's strategy, set carbon reduction targets, formulated action paths and working mechanisms, steadily advanced long-term actions, and made positive contributions towards addressing climate change.

Climate Change Management

We refer to the recommendations of the International Sustainability Standards Board (ISSB) on climate standards, perform management based on the four pillars, continuously improve the climate governance structure, actively identify climate risks and opportunities, and formulate strategies and actions to address climate change, so to ensure that the strategic goal of

Climate Change Action

In accordance with the Carbon Peak and Carbon Neutrality Action Plan, we have formulated the “Dual Carbon” work program. By exploring implementation paths and assessing outcomes, we have developed a low-carbon transformation plan and speci c decarbonization initiatives. These plans are gradually being implemented according to schedule.

	Strategy	Actions in 2023
Performing Carbon Inventory Procedures	• Prepared a greenhouse gas inventory in accordance with relevant national laws and regulations, and dynamically adjusted and updated it every year based on actual conditions	• Performed a new round of carbon inventory procedures for all subordinate production enterprises according to national standards, determined the boundaries and scope of the inventory, statistically organized the carbon emissions of various emission sources, and formed a database • Some of our subsidiaries have carried out carbon inventory procedures according to ISO 14064 and have passed the relevant certi cation
Strengthening of Supervision and Management	• Both internal and external supervision methods were employed. Internally, the implementation results of the plan were regularly analyzed and checked while real-time disclosure and dynamic improvements were performed. Externally, the progress of the “dual carbon” action plan was disclosed to stakeholders	• Internal supervision: Improved the plan evaluation mechanism, implemented monthly tracking, and performed annual mid-term and end-term assessments • External supervision: Completed the CDP questionnaire and improved ratings
Developing Professional Talents	• Established an information exchange mechanism within the industry, participated in at least two activities each year involving information exchanges on carbon emission reduction in the industry, encouraged employees of manager levels and above to participate in information exchange activities and keep up with the latest industry technology and policy requirements in a timely manner • Established a systematic training mechanism and organized carbon management training for all relevant employees at least once a year	• Arranged for all subsidiary enterprises to participate in professional training and information exchange activities such as Sinochem Holdings’ 2023 energy-saving and low-carbon management training and the 14th National Petroleum and Chemical Industry Energy Conservation, Water Conservation and Emission Reduction Technology Information Exchange Conference, so as to enable them to learn about advanced energy-saving technologies and experiences • Organized information exchange sessions with institutions such as Sinochem Information Technology, Sinochem Environment and Aspen, so as to promote green energy application and intelligent carbon reduction measures of production enterprises
Strengthening Technology Research and Development	• Established a special budget for low-carbon development to ensure funding for this purpose • Established a headquarter-led low-carbon technology innovation system with various business units as the main participants while also integrating industry, academia and research sectors, thereby increasing support for the research and development, promotion and application of low-carbon technologies	• Launch of mechanically recycled plastic ABS and ABS/PC products • The Zhongwei base has rolled out its green electricity-fueled hydrogen production demonstration project to improve the electricity-hydrogen coupling production process and achieve deep decarbonization • Completed the planning for the Zero Carbon Industrial Park of the Zhongwei base
Participation in the Setting of Standards	• Actively participated in the formulation of product carbon footprint-related standards	• Participated in the formulation of group standards pertaining to the carbon footprint of four products, namely epoxy resin, rubber antioxidant, engineering plastics, and para-aramid • Participated in the formulation of standards pertaining to Coke Product Category Rules (PCR)
Digital Empowerment	• Imported and properly utilized the low-carbon management information system, combined the best practices of each subsidiary company to enable digital online management of carbon encompassing the entire process and all levels, and gained comprehensive control over carbon emission data	• Imported energy-saving data and low-carbon data in batches according to the system’s built-in report templates to improve the ef ciency and accuracy of data reporting and carbon emission accounting
Performing Carbon Veri cation	• Greenhouse gas emission data statistics and veri cation are performed on a yearly basis, and carbon emission inspections are conducted based on national standards to ensure that carbon emission reduction measures are effective and greenhouse gas emission disclosures are credible	• Carbon veri cation procedures have been completed for Yangnong Ruitai, Yangnong Ruiheng, Yangnong Ruixiang and Yangnong Kumho
Carbon Trading Management	• Established a carbon asset management working group to strengthen energy-carbon management in terms of carbon consulting, carbon trading, carbon project development, green electricity, green certi cate trading, and other aspects	• Yangnong Ruixiang completed the carbon emission allowance surrender for the second compliance cycle of the national carbon emission trading market with a surplus of about 73,000 tons • Sinochem International won the rst prize for the “Outstanding Trading Performance Company” award in the rst national carbon market simulation trading competition hosted by the Shanghai Environment Exchange • Prepared 3 special reports on green electricity and green certi cates, carbon sinks, and carbon markets and prices

Company	Product	Certi cation
Sennics	-	ISO 14064 Organization Carbon Footprint Certi cation
Sennics Innovation Center	-	ISO 14064 Organization Carbon Footprint Certi cation
Sennics Anhui	-	ISO 14064 Organization Carbon Footprint Certi cation
Sennics Shandong	-	ISO 14064 Organization Carbon Footprint Certi cation
Sennics Tai'an	-	ISO 14064 Organization Carbon Footprint Certi cation
Yangnong Kumho	Epoxy resin	ISCC PLUS Certi cation (International Sustainability & Carbon Certi cation) *the rst domestic epoxy resin producer to obtain ISCC certi cation in China
Yangnong Ruixiang	Biological crude glycerol method for producing epichlorohydrin	ISCC PLUS Certi cation (International Sustainability & Carbon Certi cation) *the rst domestic epoxy resin producer to obtain ISCC certi cation in China
	Aniline	ISO 14067 Products Carbon Footprint Certi cation
	Chlorobenzene	ISO 14067 Products Carbon Footprint Certi cation
	Epichlorohydrin	ISO 14067 Products Carbon Footprint Certi cation
Yangnong Ruitai	2-Chloro-5-methylpyridine	ISO 14067 Products Carbon Footprint Certi cation
Sinochem Fuheng	9-Fluorenone	Carbon Label Certi cation issued by the China Electronic Energy-saving Technology Association Product Carbon Footprint Veri cation Certi cation
Sinochem Xinbao	-Methylnaphthalene	Carbon Label Certi cation issued by the China Electronic Energy-saving Technology Association Product Carbon Footprint Veri cation Certi cation

2023 Key Performance Indicators

Direct (Scope 1) greenhouse gas emissions

2,204,876

tons of CO_2 equivalent

Indrect (Scope 2) gr

1,754,393

Resource Utilization

As a chemical enterprise highly dependent on energy and water resources, Sinochem International attaches great importance to resource management. We continuously optimize the structure of energy utilization, construct water-saving enterprises, reduce resource consumption, and enhance resource ef ciency simult-aneously. Through these efforts, we are building an efficient, clean, and green production system.

Energy Management

We have established an energy management system, issued energy management policies and objectives, effectively controlled energy consumption, reduced greenhouse gas emissions, and minimized environmental impact.

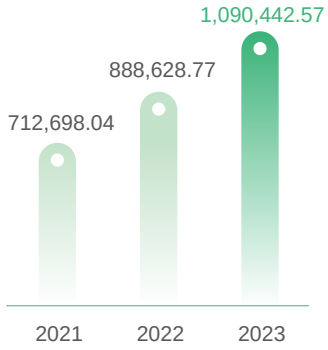
By the end of 2023, our 10 subsidiary production companies including Yangnong Ruixiang, Yangnong Ruiheng, Yangnong Ruitai, Yangnong Kumho, Sennics Shandong, Sennics Anhui, Sennics Tai'an, Sinochem High Performance Fiber Materials, Sinochem Xinbao, and Sinochem Fuheng have obtained ISO 50001 Energy Management System certi cation.

2023 Key Performance Indicators

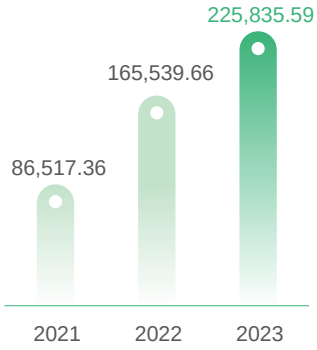
Total investment in energy conservation

98.615 million yuan

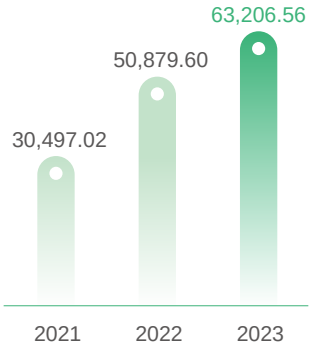
Energy consumption (industrial) — ton standard coal equivalent



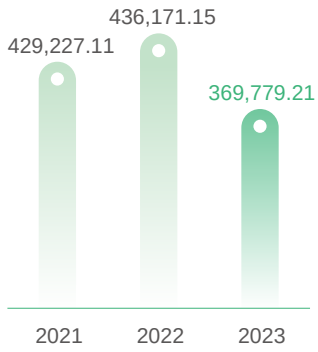
Power consumption — 10,000 kW·h



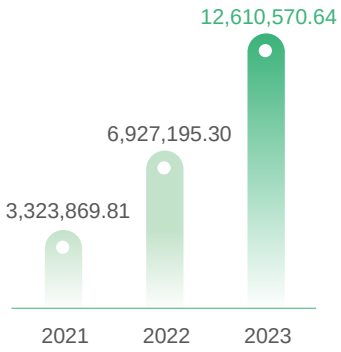
Gas consumption — 1,000 m^3



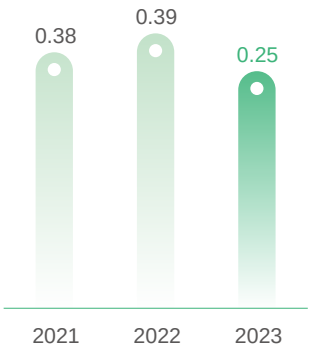
Coal consumption — ton standard coal equivalent



Steam consumption — MkJ



Energy consumption/ton of product — tons of standard coal equivalent/ton of product



Notes: 1. The data does not include overseas subsidiaries

2. In 2023, the load of the plants producing bisphenol A, phenol acetone, epoxy resin, and other products at Yangnong Ruiheng increased. Additionally, the second phase of bisphenol A plant, as well as the propylene dehydrogenation (PDH) and propylene oxide (PO) plants, commenced trial production successively. The abovementioned reasons led to an increase in energy consumption

Water Resource Management

The company places great emphasis on water resources management. We oversee water supply and drainage facilities and water-using equipment, regularly conduct water metering management, water balance testing, water risk assessments, water-saving technology upgrades, and efficiency improvement actions for key water-using enterprises. These measures aim to enhance water resource recycling ef ciency and reduce water consumption.

The company sources all its water resources from municipal water supply, and both water intake and wastewater discharge have not had a signi cant impact on the water source. Additionally, the areas where our subsidiary production companies are located do not face water resource pressure or scarcity issues.

Key Water Saving Measures in 2023

Water-saving Technology Upgrades

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

Water Risk Assessment

Organized regular monitoring and measurement of water risks at operational factories, and based on the identi cation results, formulating targeted control measures

Water-saving Enterprise Certi cation

Introduced Water-Saving Enterprise Evaluation Guidelines into subsidiary companies that consume more than 500,000 tons of fresh water annually, and conducted assessment accordingly, implemented systematic management improvements, benchmarking with industry water ef ciency leaders, and gradually achieved industry-leading water ef ciency goals

Case

Sinochem Xinbao Implements Condensate Water Recovery Technology Upgrade

In 2023, Sinochem Xinbao implemented a condensate water technology upgrade project, achieving a daily average condensate water recovery of 60 tons in the workshop. This effectively increased water resource utilization ef ciency and reduced wastewater discharge.

Reducing wastewater discharge

Avoiding direct discharge of condensate water, effectively reduces the accumulation of water in underground and sewage pipelines

Improving water resource utilization ef ciency

The ultra ltration ltration precision of the condensate water treatment system is 0.01 micrometers, fully meeting the standard for soft water use in the workshop. This reduces the operating pressure of the soft water preparation equipment and indirectly improves water ef ciency in the workshop

Case

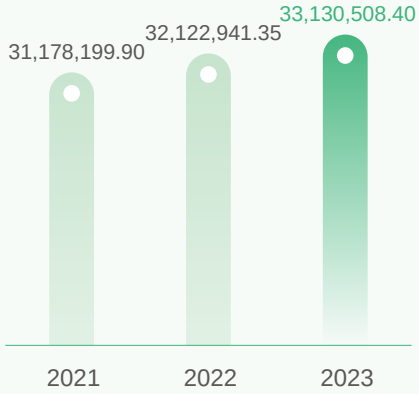
Sinochem High Performance Fiber Materials Implements Water Reuse Technology Upgrade for Dryer Spray Towers

In 2023, Sinochem High Performance Fiber Materials implemented a technology upgrade for the reuse of external discharge water from the drying spray tower. The mixed solution discharged from the drying spray tower is sent to a separating ltrate tank to recover the upper clear water for reuse in the drying spray tower, while the lower part of the powder is recovered through a water washing machine. After the upgrade, the company can save 47,169 tons of industrial water and 112,829 kWh of electricity annually, reducing energy consumption by 17.87 tons of standard coal and cutting carbon emissions by 64.35 tons of CO_2 equivalent.

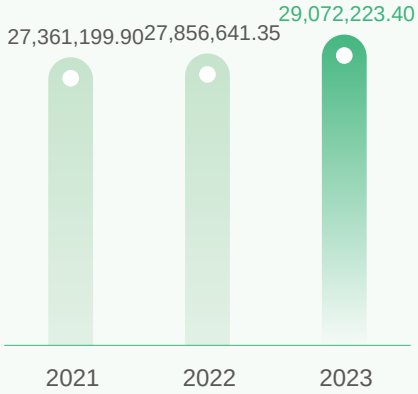
2023 Key Performance Indicators

4 production enterprises, namely, Yangnong Ruixiang, Yangnong Ruitai, Yangnong Ruiheng, and Sennics Anhui, have passed GB/T 7119-2018 water-saving enterprise certi cation

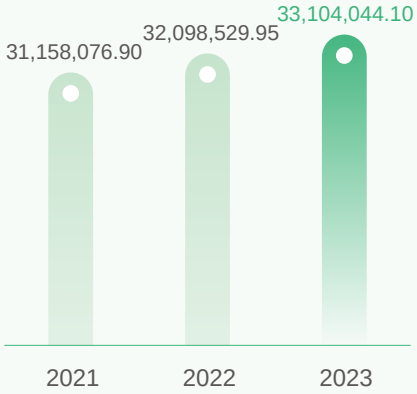
Water intake tons



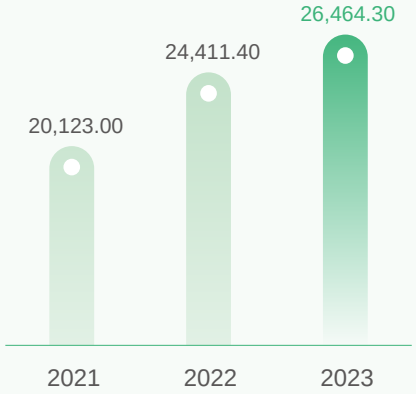
Water consumption tons



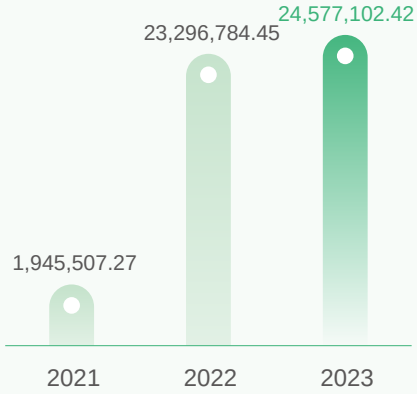
Fresh water consumption (industrial) tons



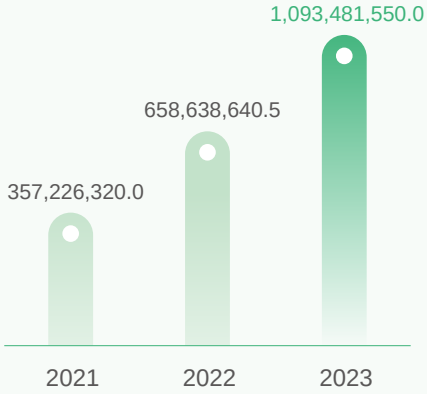
Water consumption (non-industrial) tons



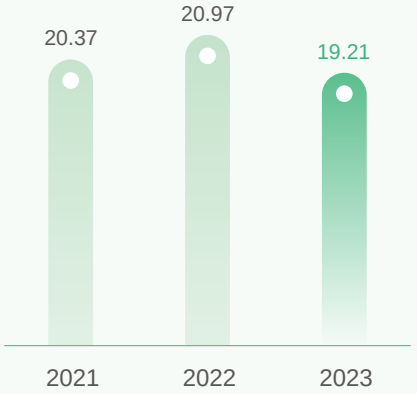
Reclaimed water consumption tons



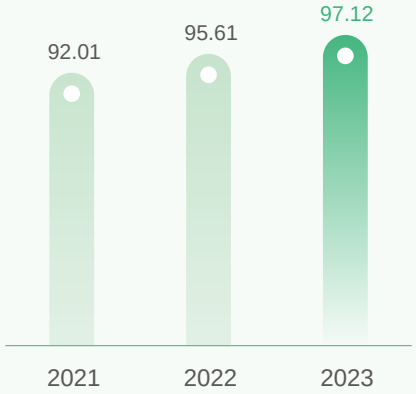
Circular water consumption tons



Fresh water consumption per 10,000 yuan output value ton/10,000 yuan



Repeated water consumption %



Notes: 1. The statistics do not include overseas subsidiaries

2. How the reuse rate is calculated: (Circulating water consumption + Reclaimed water consumption) / (Circulating water consumption + Reclaimed water consumption + Fresh water consumption (industrial) + Water consumption (non-industrial))

3. Water consumption = Water intake - Wastewater discharge

Clean Technology Opportunities

Sinochem International places great emphasis on clean technology and continuously promotes the research, production, and application of clean technology products. We approach this from both the R&D and production end and the market application end, focusing on four major modules: new technology, new energy, new applications, and new growth. We are constantly increasing our investment in innovation and research to drive societal transformation towards low-carbonization.

Clean Technology Strategic Directions

R&D and Production	New Technology	Continuously advancing R&D and production of clean technology in fields such as wind power generation and new energy vehicles. This effort aims to support energy conservation, emission reduction, and innovative development in areas like new energy and sustainable tran-sportation, ultimately driving societal transformation towards low-carbonization
	New Energy	In line with the trend of societal energy structural transfor-mation, we continuously increase the proportion of clean energy usage and actively promote clean production
Market Application	New Application	Capturing the evolving demand and leveraging our advan-tage in high-end products, we continuously explore and discover new applications for clean technology, opening up incremental market space. Simultaneously, we promote the green upgrade of traditional applications
	New Growth	In response to national industrial structural adjustments and the market trend towards green development, we seize development opportunities with advanced clean technology and green processes. This effort aims to cul-tivate new business growth points and enhance competi-tiveness

2 technologies, namely, the green synthesis technology for high-dimer-content TMQ rubber antioxidant and the clean production technology for the continuous- ow catalytic synthesis of pyridine heterocyclic products in microchannel reactors, were selected for inclusion in the catalogue of

the Second Batch of Encouraging Application of Petrochemical Industry Issued by the Ministry of Industry and Information Technology

2023 Key Performance Indicators

We fully leverage our advantage in independent innovation, focusing on the core business of new chemical materials while expanding into areas such as wind power generation and new energy vehicles. We vigorously promote the research and application of clean technology, aiming to provide customers with more ef cient and energy-saving products and solutions, and contribute to the green and low-carbon development of society.

Sinochem International Clean Technology List

Product	Clean Technologies Employed	Technological Advantages	Main Honors	Downstream Application Fields
Epoxy resin	Epoxy resin segmented reaction and closed-loop recycling clean production technology	Achieving reduction in raw material consumption, minimization of “three wastes,” and recycling of high-salt wastewater resources	Selected by the China Petroleum and Chemical Industry Federation as green process and key supporting technologies for environmental protection and clean production in the petrochemical industry; Included in the Petrochemical Green Process List (2020 Edition)	As the substrate material for wind turbine blades, used in wind power generation
Epoxypropane	HPPO (Hydrogen Peroxide to Propylene Oxide) process for epoxypropane production	No harmful gas emissions, no dif cult-to-treat saline wastewater generated, minimal by-products with high value	Listed in the National Industrial Structure Adjustment Guidance Catalogue under the encouraged category	Used for the production of polyether polyols, which are then used to produce polyurethane materials applied in industries such as furniture, construction, automotive, electronics, etc.
Epichlorohydrin	The hydrogen peroxide solution for epichlorohydrin production	Achieving clean production process from the source, addressing issues such as large discharge of wastewater in traditional processes	Included in the Petrochemical Green Process List (2024 Edition)	Used to produce epoxy resin, serving as the matrix material for wind turbine blades, applied in wind power generation
Rubber antioxidant 6PPD	New process for the synthesis of the antioxidant 6PPD by catalytic hydrogenation of precious metal	Low energy and raw material consumption, sourced from green materials, and the production process generates almost no “three wastes”	Awarded the Second Prize of the National Technological Invention Award in 2018; Included in the Petrochemical Green Process List (2019 Edition)	Applied in elds such as green tires and others
Rubber antioxidant TMQ	Green synthesis technology of high-dimer-content TMQ rubber antioxidant	By achieving cleaner production, the amount of wastewater generated is reduced by 63% and 28%, and the amount of waste inorganic salts is reduced by 89% and 81%, compared to the traditional one-step and two-step methods, respectively	Selected for inclusion in the catalogue of the second batch of encouraging application of petrochemical industry issued by the Ministry of Industry and Information Technology; Awarded the Second Prize of the Science and Technology Progress Award by the China Petroleum and Chemical Industry Federation in 2022	Applied in synthetic rubbers such as neoprene, styrene-butadiene rubber, and butadiene rubber
Pyridine heterocyclic intermediates	Clean production technology for the continuous- ow catalytic synthesis of pyridine heterocyclic products in microchannel reactors	Addressing issues of high energy consumption and large, dif cult-to-treat “three wastes” emissions, eliminating the generation of phosphorus-containing wastewater at the source	Included in the Petrochemical Green Process List (2020 Edition); Selected for inclusion in the catalogue of the second batch of encouraging application of petrochemical industry issued by the Ministry of Industry and Information Technology	Applied in products such as insecticides, herbicides, and fungicides
Quinaldic acid (2,3-pyridinedicar-boxylic acid)	Environmentally friendly gas oxidant oxidation process	Substituting for high-risk oxygen agents, improving reaction yield, signi cantly reducing wastewater and solid waste emissions	-	Applied as an intermediate for the herbicide imazapyr and the drug moxi oxacin, while also serving as an experimental reagent in organic synthesis
ABS plastic	E-LOOP circular plastics	Utilizing renewable and recycled energy sources instead of fossil resources, promoting the recycling and reuse of thermoplastic plastic products, thus reducing carbon footprint	-	Widely applied in automotive, medical, electronics, household appliances, and other elds
Para-aramid	-	As an advanced material, with characteristics such as high strength and modulus, it can replace traditional materials to achieve clean technology applications	Awarded the First Prize for Scienti c and Technological Inventions in Shanghai	Can be applied in environmental elds such as wind power, new energy vehicles, and ultra ltration membrane water puri cation equipment

Based on the characteristics of new materials being environmentally friendly and renewable, as well as the advantages of high-end products, we continuously explore new applications for clean technology. Simultaneously, we seize the opportunities brought by industrial restructuring to drive the continuous growth of clean technology-related businesses. This, in turn, promotes the green and low-carbon transformation of our enterprise and related industries.

Case

Enhancing Market Competitiveness with Clean Technology of Epichlorohydrin and Epoxypropane Products

In December 2023, the National Development and Reform Commission revised and released the Guidance Catalog for Industrial Structure Adjustment (2024 Edition). In this revision, the chlorohydrin method for epichlorohydrin and epoxypropane production, with a capacity of less than 1 million tons per year, was included in the restricted category due to severe pollution. Conversely, the HPPO (Hydrogen Peroxide to Propylene Oxide) method for epoxypropane production with a capacity of 150,000 tons per year or more was listed in the encouraged category.

With its 400,000 tons/year HPPO method for epoxypropane production, Sinochem International possesses outstanding green environmental advantages, aligning with national industrial policies and demonstrating strong market competitiveness. Based on current market forecasts, once Sinochem International's 400,000 tons/year HPPO method for epoxypropane production reaches full production capacity, it is estimated to generate approximately 3.5 billion yuan in additional annual sales revenue for the company.

Additionally, the company has independently developed and implemented the world's first industrial-scale hydrogen peroxide method for epichlorohydrin production. This technology enables the clean production process from the source, demonstrating signi cant advancements in clean technology.

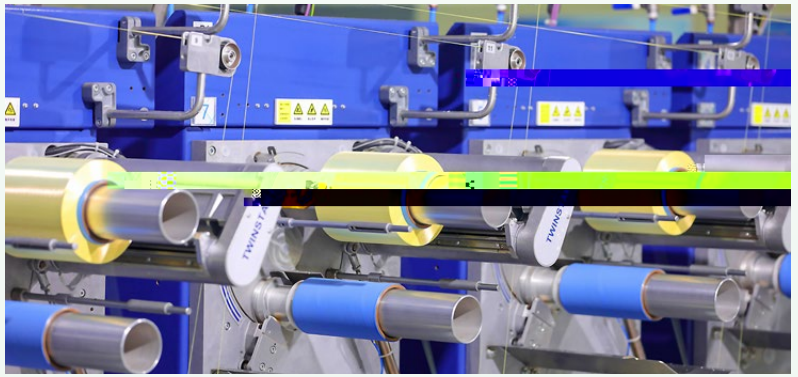
Case

Exploring New Applications of Aramid Materials in the Field of New Energy Vehicles

In 2023, Sinochem International collaborated with downstream enterprises to explore the application of para-aramid materials in the casing of lithium battery packs for new energy vehicles. This initiative aimed to replace traditional materials such as steel and aluminum alloys, better carrying and protecting battery cells and modules, thereby further enhancing the safety and lightweighting of new energy vehicles.

Advantages of Using Para-Aramid Materials for Lithium Battery Pack Casings

Impact Resistance	Para-aramid materials offer an improvement of nearly 80% compared to traditional casing materials. This enhancement effectively prevents damage to the casing during compression or impact, thereby mitigating the risk of thermal runaway
High-Temperature Resistance and Flame Retardancy	Para-aramid materials can effectively contain res within the battery pack when individual cells ignite, reducing the likelihood of the re spreading and minimizing the risk of overall combustion or explosion of the battery pack
Lightweight	Para-aramid materials weigh only about 1/5 of steel wire, thereby facilitating lightweighting in new energy vehicles



Ecological Conservation

Sinochem International places great importance on ecological and biodiversity conservation. During the feasibility study and site selection phases of projects, environmental impact assessments (EIA) and biodiversity impact studies are conducted. Corresponding improvement measures are developed to address any adverse effects and risks, aiming to minimize or eliminate detrimental impacts on the environment. All factories and project sites of the company are located far from protected areas, and all production and manufacturing processes have not caused signi cant impacts on the ecological environment and local communities.

We adhere to national policy requirements, respond to international initiatives and customer demands, fulfill corporate social responsibilities, and gradually implement biodiversity management. We conduct assessments of the biodiversity impact and dependence of certain business locations, identify relevant risks and opportunities, and develop corresponding objectives and action plans. In doing so, we contribute to the construction of a global ecological civilization and the protection of biodiversity.

Case

Sennics and Fopia Conduct Biodiversity Impact and Dependency Assessment

In 2023, Sennics and Fopia, compiled and released the Biodiversity Impact and Dependency Assessment Report. This report utilized methodologies outlined by the Natural Capital Coalition (NCC) through the Natural Capital Protocol, the Capitals Coalition, and the Cambridge Conservation Initiative (CCI) through the Integration of Biodiversity into Natural Capital Assessments. The assessment followed a structured approach, including the identification of impacts/dependencies, pathway analysis, substantive analysis, and prioritization of importance. This process aimed to identify substantive issues related to biodiversity management and develop targeted objectives and action plans to enhance management practices.

Risk and Opportunity Analysis

Management Target

Management Strategy

Technology Achievement Transformation

The company focuses its efforts on integrating innovative resources along the industrial chain, concentrating on core industry chains, and systematically advancing key research and development projects. We accelerate the progress of technological innovation and product structure optimization, achieving synergistic development between the “innovation chain” and the “industrial chain.”

Key Transformation Projects of Technology Achievement in 2023

Developed a composite catalytic system with aldol condensation and hydrogenation functions, created a key reactor for the “One-Pot Preparation of MIAK from Propionaldehyde and Isobutyraldehyde,” and developed a new technology for continuous multi-tower series constant pressure separation. The process safety reliability verti cation for the rst domestic set of chemical plant was completed, enhancing the competitiveness of antioxidants

Completed the construction and commissioning of a 300t/a MXD6 polymeri-zation demonstration plant, developed two differentiated grades for engineering plastics and high-barrier packaging materials. The core indicators have reached the level of imported products and have been veri ed by downstream core customers

Completed the design and preparation of the gas-phase CPL rearrangement catalyst BRII-PS with independent intellectual property rights

Case

Sinochem International Issues the First Science and Technology Innovation Corporate Bond

In April 2023, Sinochem International successfully issued the first 500 million yuan science and technology innovation corporate bond “23 Sinochem K1,” with a subscription multiple of 3.8 times the fund size, and was recognized as an “innovation subject category” issuer. The funds raised from this issuance are primarily used for scientific and technological innovation projects, to help the company enhance its core competitiveness in scientific and technological innovation, achieve high-level scienti c and technological self-reliance and self-improvement, and promote industrial transformation and upgrading.

The methyl isobutyl ketone (MIAK) product was awarded the title of “Innovative Product of New Chemical Materials in 2023” by the China Petroleum and Chemical Industry Association

The key technology for large-scale production of para-aramid bers received the First Prize of Shanghai Science and Technology Invention Award.

The production process and product quality of high-strength and high-modulus para-aramid bers have been appraised by the China Textile Industry Association, reaching the international advanced level

2023 Key Performance Indicators

New product sales volume	Year-on-year increase	Provincial-level key innovation technology awards
9.323 billion yuan	3.5 %	12

Intellectual Property Protection

The company continues to enhance its intellectual property management system by formulating regulations such as the Intellectual Property Management Regulations and the Patent Risk Management Measures. These regulations clarify the management requirements for intellectual property ownership, usage, maintenance, risk prevention, and other aspects. The company emphasizes and implements intellectual property management throughout the entire lifecycle of research and development and industrialization projects. We standardize processes for patent rights protection, material investigation and evidence collection, infringement risk assessment, and other related work to effectively protect independent innovation achievements and prevent infringement of others’ intellectual property rights.

Measures for Enhancing Intellectual Property Protection in 2023

Risk Assessment and Control

- Strengthened communication and collaboration within the intellectual property team, established quarterly exchange mechanisms
- Implemented 2 rounds of assessments and inspections for the execution of 5 primary indicators and 22 secondary indicators of patent and trade secret management

Awareness Enhancement Training

- Designed differentiated training content for different employee groups based on actual business scenarios, organizing more than 20 theme-based training sessions annually, including technical exploration, patent writing, intellectual property risk management, and patent infringement analysis

The methods for “Production of Low Viscosity Epoxy Resin” and “Synthesis of Imidacloprid Intermediate Using Microchannel Reactor” were awarded the Patent Excellence Award of the petroleum and chemical industry in 2023

2023 Key Performance Indicators

Patent applications

316

Invention patents included

237

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

0

Quality Management

Sinochem International implements comprehensive quality management. We refine product quality management requirements by revising the Product Quality Management Measures, and promote quality risk identification and control management methods, propose the “Five Not Allowed to Leave the Factory” management requirements. Additionally, we enhance the quality management system, actively carry out product quality certification to continuously improve product quality and meet customers’ demand for high-quality products.

Product Quality Related Certi cation Status

ISO 9001 Quality Management System	• Continuously advance the annual surveillance audit of the ISO 9001 quality management system, with a 100% coverage rate of ISO 9001 certification for subsidiary production companies
IATF 16949 Automotive Quality Management System	• All 9 subsidiaries involved in the automotive supply chain have passed the IATF 16949 certi cation
China National Accreditation Service for Conformity Assessment (CNAS) Accredited Laboratories	• 8 inspection and analysis laboratories in subsidiary production companies have passed the ISO/IEC 17025 system audit and have been recognized as CNAS accredited laboratories
EU REACH Regulations	• Yangnong Group and Sennics's related products have obtained registration numbers from the European Chemicals Agency, passed third-party authoritative institution testing and veri cation designated by REACH, and meet the quality requirements for exporting to the European market

Key Initiatives in Product Quality Management in 2023

Standardizing Quality Management

- Implemented operational excellence, conducted benchmarking and improvement throughout the entire process of marketing, procurement, production, logistics, etc., quantitatively evaluated management levels, and promoted the overall improvement of quality management capabilities
- Encouraged subsidiary companies to pass ISO 9001, IATF 16949, and other quality system certi cations and renewal audits, established quality control standards and control processes
- 2 subsidiary companies newly passed the China National Accreditation Service for Conformity Assessment (CNAS) laboratory certi cation

Risk Self-Inspection

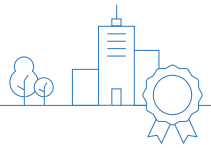
- Strengthened comprehensive inspections of the quality system, implemented the “Five Not Allowed to Leave the Factory” requirements, and identified and controled quality risks from the aspects of raw material quality control, production process quality management, quality inspection management, and product delivery management
- Developed a list of quality risks and opportunities to effectively control identi ed risks

Quality Awareness Training

- Organized system standard training and internal auditor training, and established an internal auditor team
- Organized training on quality knowledge and skills to continuously improve employees’ skills in quality control, quality inspection, and quality improvement
- Conducted “quality month” activities to shape a quality culture through knowledge competitions, skills competitions, and other forms

Product Quality Inspection

- Key export products completed EU REACH testing and RoHS certi cation
- Transmitted hazardous substance restriction requirements to upstream suppliers



The Yangnong Ruixiang QC team’s achievements were awarded the Third Prize in the Sixth Central Enterprise QC Presentation Competition

Sennics Tai’an and its products, Rubber Antioxidant 6PPD and Nitrobenzene, were honored with the “National Quality Leading Enterprise in the Chemical Manufacturing Industry” and “National Product and Service Quality Integrity Brand” awards by the China Quality Inspection Association

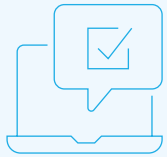
Yangnong Kumho’s high-performance epoxy resin using for wind power blade manufacturing passed the “Jiangsu Quality Products” certi cation

Sennics Anhui was certi ed as a National AAAA Standardized Good Behavior Enterprise

2023 Key Performance Indicators

Product recall incidents

0



Digital Transformation

Sinochem International continued to refine its intelligent manufacturing system in accordance with the “Online Sinochem” strategic plan and the “5+1+1” digital transformation framework. We established an integrated digital sharing team and advanced the integration of digital operations to empower business operations and reform transformation through digitalization.

Digital Transformation Initiatives in 2023

Strategic Discussions

- Hosted the 2023 Digital Transformation Seminar to explore issues related to digital construction, such as building intelligent factories through production and operation platform construction and promoting cost reduction and ef ciency improvement through IT shared services, thereby forming a consensus for action

Business Empower-ment

- Initiated and completed the construction of the “Operations Management Cockpit” to provide visualization tools for operational excellent, covering procurement, production, sales, and inventory management across 16 subordinate production enterprises
- Completed the selection of the MES system platform, including 12 business function modules
- Continued to promote the construction of “Smart Factory + Intelligent HSE,” with 5 subordinate enterprises newly meeting Level-3 standards and 2 subordinate enterprises being promoted to Level-4 in the 2023 “Double Intelligence” evaluation of Sinochem Holdings

Daily Operations

- Achieved uni ed OA collaboration through identity authentication, email, mobile approval, and process platform integration
- Established a unified contract management tracking platform by integrating the contract execution processes of various subordinate enterprises
- Completed the construction of a simulation calculation cloud platform for research and development software tools

MES System Platform with 12 Business Functional Modules

Company	Key Projects in Intelligent Manufacturing in 2023
Yangnong Group	CRM Digital Marketing Project, aimed at building an integrated customer operation system centered on research, production, sales, and customer service
Sennics	DPM Operation Integration Project, establishing a digital closed-loop management platform for setting performance indicators, monitoring execution, warning, improving, and feedback
Sinochem High Performance Fiber	Digital Marketing and E-commerce Platform Project 3A Standardization Project for the Two-oriented Integration Management System
Sinochem Plastics	CRM Digital Marketing Project
Sinochem Yangzhou Engineering Plastics	ABS Equipment Management System

We are actively implementing the requirements of the Three-Year Action Plan for Intelligent Transformation and Digital Transformation of the Manufacturing Industry (2022-2024), increasing investment in technology equipment in the elds of informatization, intelligence, and digitalization. We are continuously promoting intelligent upgrades and the application of digital projects in key scenarios, vigorously advancing the integration of information technology with industrialization (two-oriented integration), and achieving the transition from traditional manufacturing to intelligent manufacturing.

Sennics Shandong's "Process Warning" and "Material Circulation" were recognized as Intelligent Manufacturing Scenarios by the Ministry of Industry and Information Technology

Sennics Shandong was awarded the title of "Demostration Enterprise in Implementing the Two-oriented Integration Management System in Shandong Province" in 2023

Sennics Anhui was honored with the title of "Intelligent Factory for Green Rubber Antioxidants in Anhui Province"

Sennics Tai'an was awarded the title of "Excellent Enterprise in Two-oriented Integration in Shandong Province" in 2023

Sinochem High Perfomance Fiber was awarded the title of "3A Demostration Enterprise in Implementing the Two-oriented Integration Management System in Jiangsu Province"

Sinochem High Perfomance Fiber was awarded the title of "Jiangsu Provincial Industrial Internet Demonstration Project -Five Star Cloud Enterprise"

Appendix

Key Performance Indicators

Theme	Key Indicators	Unit	2023	Explanation
Economic Bene ts	Total assets	Billion Yuan	53.917	
	Operation revenue	Billion Yuan	54.272	
	Net pro t attributable to shareholders of listed companies	Billion Yuan	-1.848	
	Social contribution value per share	Yuan	0.79	
Business Ethics	Percentage of employees had training on business ethics	%	100	
	Number of recognized corruption incidents	Cases	0	I.e., litigation relating to corruption and bribery
	Number of recognized information security incidents	Cases	0	I.e., complaints and leaks arising from violations of customer privacy
	Percentage of business locations that performed internal assessments or audits for business ethics issues	%	100	
	Percentage of business locations with ISO 27000 (or other equivalent or similar standard) certi ed information security management systems (ISMS)	%	100	All network servers at Sinochem International and its subsidiaries are managed in a uniform manner by the headquarters, which is ISO 27001 certi ed
Sustainable Supply Chain	Percentage of targeted suppliers who have signed supplier code of conduct	%	100	Targeted suppliers are core suppliers. Core supplier refers to suppliers whose materials and services are core materials for the enterprise's production and operations, and suppliers whose quality, price and supply sustainability have a signi cant impact on the production and operations of the enterprise
	Percentage of targeted suppliers who have undergone a CSR assessment (e.g., in the form of a questionnaire)	%	78.94	
	Percentage of targeted suppliers who have undergone an on-site CSR audit	%	67.09	
	Percentage of suppliers who have signed contracts that include clauses on environmental, labor and human rights requirements	%	28	
	Percentage of buyers in all regions who have undergone sustainable purchasing training	%	100	

Theme	Key Indicators	Unit	2023	Explanation
Sustainable Supply Chain	Number of audited/assessed suppliers participating in improvement initiatives or capacity building	-	35	
Labor Rights	Percentage of employees in all locations who have received diversity, discrimination and/or harassment training	%	100	
	Percentage of workplaces that have undergone human rights audits or impact assessments	%	90	
	Percentage of employees from minority and/or disadvantaged groups	%	1.4	
	Percentage of employees from minority and/or disadvantaged groups in senior management positions (excluding the Board of Directors)	%	2.44	
	Percentage of women in the company's total workforce	%	25.2	
	Percentage of women in senior management positions (excluding the Board of Directors)	%	16.26	
	Percentage of women in organizing Board of Directors (including the Board of Directors and the Board of Supervisors)	%	30	
	Average hours of employee training	hours	48	
	Percentage of employees in all regions who have received vocational or skill-related training	%	100	
	Percentage of employees in all regions who have received regular performance and career development assessments	%	100	
	Percentage of employees in all regions covered by a formally elected employee representative	%	100	
	Percentage of employees in all regions covered by a formal collective agreement governing working conditions	%	87.53	
Health, Safety and Environment	Percentage of employees represented by formal joint management-worker health and safety committees	%	100	
	Percentage of workplaces that have undergone employee health and safety risk assessments	%	100	Excluding enterprises that have only entered operation for a relatively short period of time

GRI Content Index

Statement of use	Sinochem International has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Omission
GRI 2: General Disclosures 2021			
2-1	Organizational details	5-6	
2-2	Entities included in the organization's sustainability reporting	2	
2-3	Reporting period, frequency and contact point	2	
2-4	Restatements of information	12	
2-5	External assurance	107	
2-6	Activities, value chain and other business relationships	6, 77	
2-7	Employees	64, 67	
2-8	Workers who are not employees	64	
2-9	Governance structure and composition	19-20	
2-10	Nomination and selection of the highest governance body	19-20	
2-11	Chair of the highest governance body	20	
2-12	Role of the highest governance body in overseeing the management of impacts	3, 19-22	
2-13	Delegation of responsibility for managing impacts	19-20	
2-14	Role of the highest governance body in sustainability reporting	3, 22	
2-15	Con icts of interest	Refer to the Financial Statements of Annual Report 2023, PDF 111-115	

GRI Standard	Disclosure	Location	Omission
2-16	Communication of critical concerns	3, 20-22	
2-17	Collective knowledge of the highest governance body	21	
2-18	Evaluation of the performance of the highest governance body	22	
2-19	Remuneration policies	22	
2-20	Process to determine remuneration	22	
2-21	Annual total compensation ratio	Con dentiality constraints	Disclosure omitted due to commercial con dentiality restrictions
2-22	Statement on sustainable development strategy	3	
2-23	Policy commitments	27, 30, 33, 52, 63	
2-24	Embedding policy commitments	10-12	
2-25	Processes to remediate negative impacts	27, 67-68	
2-26	Mechanisms for seeking advice and raising concerns	14	
2-27	Compliance with laws and regulations	28-29, 31, 34, 37, 56, 68	
2-28	Membership associations	10	
2-29	Approach to stakeholder engagement	14	
2-30	Collective bargaining agreements	64	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	15	
3-2	List of material topics	15	
Economy			
GRI 201 Economy 2016			
3-3	Management of material topics	39	
201-1	Direct economic value generated and distributed	94	

GRI Standard	Disclosure	Location	Omission
201-2	Financial implications and other risks and opportunities due to climate change	39	
201-3	De ned bene t plan obligations and other retirement plans	Refer to the Financial Statements of Annual Report 2023, PDF 218, 265	
201-4	Financial assistance received from government	Refer to the Financial Statements of Annual Report 2023, PDF 314	
GRI 204 Procurement Practices 2016			
3-3	Management of material topics	79	
204-1	Proportion of spending on local suppliers	79	
GRI 205 Anti-corruption 2016			
3-3	Management of material topics	28	
205-1	Operations assessed for risks related to corruption	94	
205-2	Communication and training about anticorruption policies and procedures	28	
205-3	Con rmed incidents of corruption and actions taken	28	
GRI 206 Anti-competitive Behavior 2016			
3-3	Management of material topics	29	
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	29	
Environment			
GRI 302 Energy 2016			
3-3	Management of material topics	42	
302-1	Energy consumption within the organization	96	
302-2	Energy consumption outside of the organization	Information unavailable / incomplete	Not yet counted, gradually improving
302-3	Energy intensity	42	
302-4	Reduction of energy consumption	43	

GRI Standard	Disclosure	Location	Omission
302-5	Reductions in energy requirements of products and services	42-43	
GRI 303 Water and Ef uents 2018			
3-3	Management of material topics	44	
303-1	Interactions with water as a shared resource	44	
303-2	Management of water discharge-related impacts	36-38	
303-3	Water withdrawal	44-45	
303-4	Water discharge	38	
303-5	Water consumption	45	
GRI 305 Emissions 2016			
3-3	Management of material topics	39	
305-1	Direct (Scope 1) GHG emissions	41	
305-2	Energy indirect (Scope 2) GHG emissions	41	
305-3	Other indirect (Scope 3) GHG emissions	Information unavailable / incomplete	Scope 3 GHG emissions are currently not included in the statistics and are gradually being improved
305-4	GHG emissions intensity	41	
305-5	Reduction of GHG emissions	43	
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	No ODS emissions during company operations and production processes
305-7	Nitrogen ox- ides (NO_x), sulfur oxides (SO_x), and other signi cant air emissions	38	
GRI 306 Waste 2020			
3-3	Management of material topics	36	
306-1	Water discharge by quality and destination	36-37	
306-2	Waste by type and disposal method	36-37	

GRI Standard	Disclosure	Location	Omission
306-3	Signi cant spills	38	
306-4	Transport of hazardous waste	38, 96	
306-5	Water bodies affected by water discharges and / or runoff	38	
GRI 308 Supplier Environmental Assessment 2016			
3-3	Management of material topics	75	
308-1	New suppliers that were screened using environmental criteria	76	
308-2	Negative environmental impacts in the supply chain and actions taken	75-80	
Society			
GRI 401 Employment 2016			
3-3	Management of material topics	64	
401-1	New employee hires and employee turnover	64	
401-2	Bene ts provided to full-time employees that are not provided to temporary or part-time employees	65	
401-3	Parental leave	Information unavailable / incomplete	The number of employees who enjoy parental leave has not been counted yet, and is gradually being improved
GRI 402 Labor/ Management Relations 2016			
3-3	Management of material topics	64	
402-1	Minimum notice periods regarding operational changes	64	
GRI 403 Occupational Health and Safety 2018			
3-3	Management of material topics	57	
403-1	Occupational health and safety management system	57	
403-2	Hazard identi cation, risk assessment, and incident investigation	55	
403-3	Occupational health services	57-58	

GRI Standard	Disclosure	Location	Omission
403-4	Worker participation, consultation, and communication on occupational health and safety	51	
403-5	Worker training on occupational health and safety	53, 59	
403-6	Promotion of worker health	58, 65	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58, 65	
403-8	Workers covered by an occupational health and safety management system	95	
403-9	Work-related injuries	56	
403-10	Work-related ill health	56	
GRI 404 Training and Education 2016			
3-3	Management of material topics	69	
404-1	Average hours of training per year per employee	70	
404-2	Programs for upgrading employee skills and transition assistance programs	69-70	
404-3	Percentage of employees receiving regular performance and career development reviews	71	
GRI 405 Diversity and Equal Opportunity 2016			
3-3	Management of material topics	67	
405-1	Diversity of governance bodies and employees	67	
405-2	Ratio of basic salary and remuneration of women to men	Con dentiality constraints	The company adheres to the principle of “equal pay for equal work” and is committed to creating an equal and diverse workplace. Due to information con dentiality requirements, disclosure is omitted
GRI 406 Non-Discrimination 2016			
3-3	Management of material topics	67	
406-1	Incidents of discrimination and corrective actions taken	67-68	

GRI Standard	Disclosure	Location	Omission
GRI 407 Freedom of Association and Collective Bargaining 2016			
3-3	Management of material topics	65	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	68	
GRI 408 Child Labor 2016			
3-3	Management of material topics	67	
408-1	Operations and suppliers at signi cant risk for incidents of child labor	68	
GRI 409 Forced or Compulsory Labor 2016			
3-3	Management of material topics	67	
409-1	Operations and suppliers at signi cant risk for incidents of forced or compulsory labor	68	
GRI 414 Supplier Social Assessment 2016			
3-3	Management of material topics	75	
414-1	New suppliers that were screened using social criteria	76	
414-2	Negative social impacts in the supply chain and actions taken	75-80	
GRI 416 Customer Health and Safety 2016			
3-3	Management of material topics	82	
416-1	Assessment of the health and safety impacts of product and service categories	82	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	82	
GRI 418 Customer Privacy 2016			
3-3	Management of material topics	30	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	31	

SDGs Actions and Performance

Sustainable Development Goals	Our Framework for Action	Section
	• Make continuous efforts in industrial assistance, consumption assistance, and education assistance, etc. Expand the achievements effectively of connect with rural revitalization	Community Participation
	• Carry out a series of assistance measures to help rural masses obtain a satisfactory income and reliable social security	Community Participation
	• Establish and improve a sound occupational health and safety management system for employees, identify occupational health risk factors and improve positively • Provide employees with protective equipment, regularly organize physical examinations for all employees, actively prevent occupational diseases • Organize various cultural and sports activities, mental health training, etc. to help employees release work pressure	Employee Rights Occupational Health and Safety
	• Create a comprehensive “horizontally by class, vertically by profession” employee training system to help employees continuously improve their professional value and capabilities • Make supporting education an important action in the eld of social responsibility to help improve education quality and opportunities	Talent Development Community Participation
	• Adhere to gender equality, provide equal pay for equal work, strictly prohibit discrimination and harassment incidents, and provide employees with a diverse, equal and inclusive working environment • Set up a female employee committee, establish a “mommy huts”/ mother and child room, while strictly implementing the regulations on women’s maternity and breastfeeding leave, and providing support for female employees	Employee Rights Diversity, Equity and Inclusion

Sustainable Development Goals	Our Framework for Action	Section
	• Continuously optimize production processes, technical processes, and water circulation system, to continuously improve the recycling rate of water resources	Environmental Management Pollution Prevention
	• Actively develop new energy business, and deploy energy industry chains • mprove energy ef ciency and reduce energy consumption through R&D and technological improvement • Purchase and use clean energy, gradually increasing the proportion of renewable energy	Resource Utilization
	• Comply with international human rights and domestic employment laws and regulations; protect the basic human rights of internal and external employees including the supply chain, illegal acts such as child labor and forced labor are strictly prohibited and establish channels for complaints and reports about violations of workers' human rights • Provide employees with stable job opportunities, good working environment, competitive salary, and bene ts • Establish a multi-incentive mechanism covering the short-, medium- and long-term to achieve simultaneous growth of employee income and enterprise development	Employee Rights Talent Development
	• Adhere to the strategy of innovation-driven, build an integrated scienti c and technological innovation system, and focus on the construction of scienti c and technological innovation capabilities and the construction of scienti c and technological talent teams • Continue to increase investment in scienti c research, and promote continuous technological progress and accelerated product upgrading • Build an open innovation center and open up and share scienti c and technological research and development resources	Technological Innovation
	• Clearly stipulates that no discriminatory discrimination shall be made on the grounds of race, social class, religious belief, disability, gender, sexual orientation, age, marital status, pregnancy or political status • Advocate a culture of diversity, equity and inclusion in the work environment, guarantee equal opportunities for employees in all aspects of recruitment and promotion	Employee rights Diversity, Equality and Inclusion
	• Carry out in-depth investigation and management of hazardous chemicals and related factories and parks for potential safety and environmental hazards, and do our utmost to reduce impacts on surrounding communities • Carry out community communication and promote knowledge such as ecological protection and safety education to the community	Environmental Management Community Participation

Sustainable Development Goals	Our Framework for Action	Section
	• Enhance chemical and waste management and the environmentally sound management of chemicals and waste throughout their life cycle to reduce adverse impacts on community and the environment • Implement a sustainable production model, strictly enforce national and local pollutant discharge standards, and continuously strengthen the HSE management system to ensure that safe production, occupational health and environmental protection comply with standards	Chemical Management Environmental Management
	• Integrate climate change governance into the sustainability governance framework, systematically identify and manage climate risks, and establish a sound climate risk response mechanism • Set scienti cally-based carbon reduction targets and related action plans, clearly state the commitment of “striving to achieve carbon peak in our own operations by 2029”; formulate action plans for carbon peak and carbon neutrality, and comprehensively deploy low-carbon development plans	Climate Change Clean Technology Opportunity
	• Monitor the quality of waste water, increase waste water recycling, and ensure that discharge comply with standards • Protect the marine ecological environment and biodiversity, and take actions to reduce plastic waste	Environmental Management Pollution Prevention
	• All projects must carry out environmental impact assessments as required, to avoid carrying out projects in areas that would affect biodiversity; take targeted ecological protection and restoration measures to protect biodiversity	Environmental Management
	• Abide by business ethics, strengthen the publicity and implementation of business ethics among employees and suppliers, keep under strict supervision, and prevent corruption • Adhere to the rule of law and compliant operation, and build an anthoritative and ef cient audit and supervision system • Strictly abide by relevant laws and regulations, and participate fairly in market competition	Corporate Governance Compliance Management Business Ethics
	• Support international initiatives such as the United Nations Global Compact, actively participate in international organizations and industry associations, and jointly promote sustainable development with partners • Integrate environmental and human rights requirements into supplier management, carry out capacity improvement, and build a sustainable supply chain with suppliers	Supplier Management Industry Cooperation and Exchange

Third Party Assurance

Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., member of TÜV Rheinland Group, Germany (hereinafter “TÜV Rheinland”, “We”) has been entrusted by Sinochem International Corporation (hereinafter “Sinochem International”, “the Company”) to conduct independent assurance of Sinochem International 2023 Sustainability Report (hereinafter “the Report”). All contractual contents for this assurance engagement rest entirely within the responsibility of Sinochem International. Our task was to give a fair and adequate judgment on the Report.

The intended users of this assurance statement are stakeholders who have relevance to Sinochem International’s overall sustainability performance and impacts of its business activities during year 2023 (1 January 2023 ~ 31 December 2023).

TÜV Rheinland is a global service provider of Corporate Social Responsibility (CSR) & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement, and we were not involved in the preparation of the Report contents.

Assurance Standard

TÜV Rheinland undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) Moderate level of assurance.

Scope & Type of Assurance

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 1, Moderate level on Sinochem International’s sustainability performance information and data disclosed in the Report. The following assurance criteria were used in performing the assurance work:

- In accordance with GRI Sustainability Reporting Standards (GRI Standards)
- With reference to the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Report (Trial)
- The United Nations Sustainable Development Goals (UN SDGs)
- Adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness, and Impact

Assurance Methodology

Our assurance activities included:

- Reviewing Sinochem International’s sustainability management practices and processes, to evaluate relevant management systems, including sustainability strategy, management policy, corporate governance, compliance management, risk management, stakeholder engagement, material issue analysis and impact, and key performance.
- Conducting interviews with company management and managers responsible for gathering and analyzing information on sustainability performance.
- Reviewing and examining sustainability management practices and performance information and data to test the accuracy of such information and data based on a sample basis and applied analytical procedures.
- Collecting documentary evidence and assessing management representations to support adherence to the AccountAbility Principles.

Limitations

TÜV Rheinland performed the assurance based on the scope of de ned engagement agreement, and on a moderate level assurance under the AA1000AS for engagement. Information and performance data subject to assurance is limited to the contents of the Report.
Our assurance work did not>>>ce is -2. Rsdelated to sustainability.

Conclusions

Based on our methodology and activities performed within the scope of this assurance, we can yd2a 8aach a conclusion that no instances or information came to our attention that would be to the contrary of the statement made as below:

- Sinochem International 2023 sustainability yd2a 8aport and its contents adhere to the AA1000 AccountAbility Principles and align with disclosure yd2a 8aquirements of GRI Sustainability Reporting Standayd2a 8ds (GRI Standayd2a 8ds).
- Sinochem International has implemented management processes, including application of energy and low-carbon management information system to collect and aggregate key performance data related to material issues within the yd2a 8aporting boundayy, while the company identis -es, evaluates, de nes and manages material issues.
- The sustainability information and performance indicators disclosed in this report have been evaluated and supported by documentary evidence which truly yd2a 8a ect Sinochem International’s sustainability management practices.
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AA1000
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Expert Commentary

The 2023 Sinochem International Sustainability Report marks the release of the company's 20th sustainability report. This report not only showcases the latest advancements in all major aspects in the year 2023, covering the environmental, social, and governance, but also contributes wisdom and strength to the industry's sustainable development. Over the past twenty years, Sinochem International has continued to deepen its information disclosure logic and enhance its professional level of information disclosure. Building upon the virtuous-circle foundation of "management driven by reporting", the company has set new benchmarks in chemical industry for comprehensive sustainable development.

Keeping Abreast of Time, Demonstrating Forward-Looking Responsibility

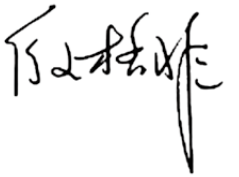
The report closely tracks the development trend in our era. Against the backdrop of global advancements in sustainable development and external changes to industry conditions, Sinochem International, guided by the criteria of the present era, delves deeper into the disclosure of risk and opportunity, management target, and management strategy analysis at the beginning of each chapter of the report, illustrating the company's profound re ections on sustainable development and rm actions in response to major national policies. The disclosure of the sustainable development strategic system and management model highlights deep insights into future sustainable development trends and a comprehensive, forward-looking layout, showcasing not only the company's sense of social responsibility and mission, but also setting an example for sustainable development throughout the industry.

Highlighting Industry Characteristic, Responding Comprehensively to Concerns

Bringing together the characteristics speci c to the chemical industry, Sinochem International conducts in-depth analyses from various dimensions such as industry trends, market changes, and policy environments, and continuously discloses the progress of sustainable development goals in the report, showcasing the movement from verbal commitment to tangible contributions to industry development. The company optimizes disclosure logic and re nes disclosure content in the report on key topics in the chemical industry such as climate change, clean technology and carbon reduction across the value chain, further enhancing the professionalism, substance and relevance of said disclosure. Additionally, the company fully considers the concerns of stakeholders such as shareholders, partners, customers, employees, and suppliers, articulates the company's efforts and achievements in sustainable development through clear management logic diagrams, detailed data disclosure, and vivid case sharing in the report, improving communication and trust among all parties involved.

Adapting to Changes in Standards, Strengthening Report Compliance and Responsiveness

Sinochem International tracks the latest international and domestic standards, and together with actual corporate situations, comprehensively optimizes and enhances reporting logic, framework



Feedback Form

Thank you for reading the 2023 Sinochem International Sustainability Report. We value and look forward to hearing your feedback on the company's sustainability efforts and this Sustainability Report. Your opinions and suggestions help us continuously improve the disclosure standards of corporate social responsibility and promote corporate social responsibility management and practices. You could ll out the form below and send us feedback by post or email. We welcome and sincerely appreciate your valuable comments.

Your overall impression of this report.

Î Very Good Î Good Î Average Î Slightly Poor Î Poor

Do you think this report is readable?

Î Very Reasonable Î Reasonable Î Average Î Slightly Unreasonable Î Unreasonable

Do you think the report had a reasonable structure?

Î Very Reasonable Î Reasonable Î Average Î Slightly Unreasonable Î Unreasonable

How well is the information you are concerned about disclosed in this report?

Î Fully Disclosed Î Mostly Disclosed Î Disclosed Î Partially Disclosed Î Not disclosed

Information you are concerned about that is not re ected in this report:

Your suggestions on our sustainability effort or on this sustainability report:

Contact us

86-21-31768000

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Sinochem International