



Sinopec Oilfield Service Corporation

**2022 Environmental, Social and
Governance (ESG) report**

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About the Report

Scope of the Report

The 2022 Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "ESG Report" or "the Report") of Sinopec Oilfield Service Corporation (hereinafter referred to as "Sinopec Oilfield Service" or the "Company" or "we") aims to give an objective and fair view of the management performance in the aspects of environmental, social and governance of the Company. For details of the governance part, please read in conjunction with the section "Corporate Governance" in *Sinopec Oilfield Service Corporation Annual Report 2022*, which will help readers understand the Company more comprehensively.

Unless otherwise specified, the scope of the Report includes Sinopec Oilfield Service Corporation and its subsidiaries, with the reporting period of the Report being from 1 January 2022 to 31 December 2022 (hereinafter referred to as the "Year" or the "Reporting Period"). In order to enhance the comparability and completeness of the Report, part of the disclosure also covers other time points.

Explanation of the Report

The Report has been prepared mainly pursuant to Appendix 27: *Environmental, Social and Governance Reporting Guideline* to the *Main Board Listing Rules of The Stock Exchange of Hong Kong Limited* (hereinafter referred to as "Hong Kong Stock Exchange" or the "Stock Exchange"), and Chapter 8: *Social Responsibility* of *The Guidelines No. 1 for the Application of Self-Regulatory Rules for Listed Companies* on the Shanghai Stock Exchange – Standardized Operation.

The information and cases in the Report are extracted from the original records of actual operations of Sinopec Oilfield Service Corporation and its subsidiaries. The Report is published in three languages: Simplified Chinese, Traditional Chinese and English. In case of discrepancy between the texts, the simplified Chinese version shall prevail. The electronic version of the Report can be downloaded from and read on the official website of Sinopec Oilfield Service, the official website of the Shanghai Stock Exchange and the website of the Hong Kong Stock Exchange.

Reporting Principles and Responses

Principle of Materiality: We have conducted stakeholder engagement and identified material issues, and defined the content and scope of the Report with reference to our identified results in compliance with the requirements of the *Environmental, Social and Governance Reporting Guideline* of the Stock Exchange. For specific details, please refer to the "Communications with Stakeholders and Assessment of Importance of Key Issues" of the Report.

Principle of Balance: The Report includes the disclosures of both positive and negative information, which ensures the impartial report on the ESG performance of the Company during the Reporting Period in its content.

Principle of Quantitative: The scope of data and the calculation methods employed in the Report have been indicated herein.

Principles of Consistency: Unless otherwise specified, the extent of disclosures of the Report has not been materially adjusted as compared with that of the ESG Report of the previous year, and consistent disclosure and statistical methods have been used.

Confirmation and Approval

The Report was approved by the fourteenth meeting of the Tenth Board of Directors on 28 March 2023 upon confirmation by the management.

Board's Statement

Sinopec Oilfield Service Corporation is keenly aware of the importance of exceptional ESG management to the Company, and never ceases to strive for the improvements of its ESG management. Acting as the highest accountable and decision-making body for ESG matters, the Board of Directors of the Company mainly performs the overall ESG-related management of the Company, and is responsible for monitoring and coordinating the

management of ESG-related risks. The ESG strategy and reporting of the Company are also the sole responsibility of the Board of Directors.

The Company assesses the materiality of environmental, social and governance issues on a regular basis. The specific assessment process and results are outlined in detail in the subsection of "Communications with Stakeholders and Assessment of Materiality of Key Issues" in the Annual Environmental, Social and Governance Report of the Company. The Board of Directors of the Company has assessed the potential impact and opportunities of ESG issues on the Company's overall strategies, and reviewed the results of the materiality assessment of the ESG issues. The Board of Directors has gained a good understanding of the ESG-related issues of the Company, and confirmed the current ESG-related management policies and ESG management concepts. Details of the Company's key ESG issues including safe operation, green development, quality assurance and responsible operation have been disclosed in detail in the Report.

The Board of Directors has continuously strengthened the supervision and participation in the ESG governance of the Company, and reviewed the achievements of the ESG environment-related goals set by the Company. During the Year, the Company has successfully achieved the goals in relation to greenhouse gas emissions, energy use efficiency, water conservation and waste management set in 2021. In the meantime, the Company has set relevant environmental goals for the Year based on its own development status in order to realize the vision of sustainable development, and the Board of Directors has reviewed and made recommendations on such goals.

Environmental, Social and Governance Management System

ESG Concept

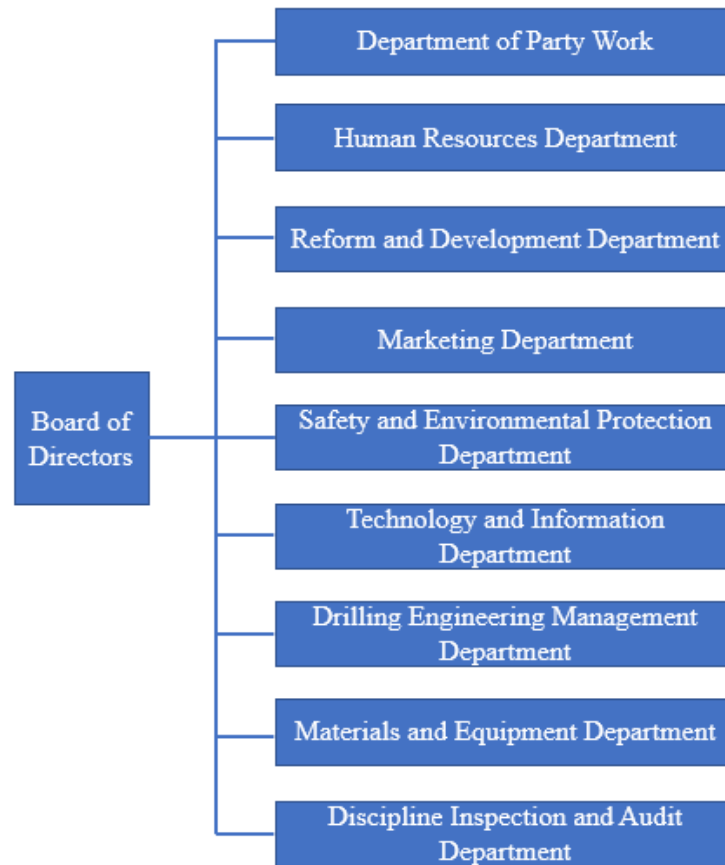
Adhering to the concept of "integrity norms, win-win cooperation, and giving back to the local area", Sinopec Oilfield Service Corporation actively fulfils its corporate social responsibility and ensures the compliance with relevant laws and regulations in its daily operations. Meanwhile, it implements the development strategy of "specialization, marketization, internationalization, high-end orientation, specialization", and practices the development philosophy of "serving customers, supporting oil and gas, taking the lead in technology, creating value", to fulfil its commitment to building itself into a world-class tech-orientation oil service company.

We insist on paying heed to the health and safety of employees, and provide quality working environment for them. We value project quality control, pursue the goal of "zero injury, zero pollution, and zero accidents", and achieve the economical use of materials and energy, lower waste emissions and minimize our damages to the environment, in order to achieve not only safe operation, but also green and low-carbon development in our endeavour. We continue to improve corporate governance, and integrate our environmental, social and governance concepts into corporate values, which is the road of the Company now moving forward to sustainability in an unswerving matter.

ESG Management Structure

The Company proactively improves its ESG management system, and continues to promote the orderly implementation of its ESG management. The Board of Directors of the Company assumes ESG-related responsibilities, and is responsible for the formulation of the overall ESG strategy, the assessment of major ESG-related matters, and the regular review of the Company's ESG-related performance. The Company has established an ESG management organization structure, covering Department of Party Work, Human Resources Department, Reform and Development Department, Marketing Department, Safety and Environmental Protection Department, Technology and Information Department, Drilling Engineering Management Department, Materials and Equipment Department, and Discipline Inspection and Audit Department. Each department in relation to ESG issues shall be responsible for promoting the implementation of ESG

matters and conducting regular reporting to the Board of Directors at the Board of Directors' request.



Honorary Awards

In 2022, the Company has successively won numerous of ESG-related honours, demonstrating the high recognition we have received in the capital market in relation to our ESG information disclosure and management:

- Participated in the 22nd China Business Top 100 Forum and the 8th China Top 100 Cities Overall Development Forum, and awarded the "Chinese Enterprise Award for Business Ethics".
- Awarded the "The Most Socially Responsible Listed Company of 2022" by The Power of www.stockstar.com.
- Won the title of "Top 10 ESG Mining Industry" credited by the China Corporate Governance Experts 50 Forum.

- In the selection of the 2022 Top 100 Companies in Beijing held by Beijing Enterprise Federation and Beijing Enterprise Directors Association, Sinopec Oilfield Service ranked 47th among the list of "2022 Top 100 Listed Companies in Beijing"

Communications with Stakeholders and Assessment of Materiality of Key Issues

The Company continues to enhance its management of environmental, social and governance. We have identified the major stakeholders, including shareholders and investors, government and regulatory agencies, employees, suppliers, customers, partners, communities and the public. In the process of ESG management, the Company improves the communication mechanism to maintain good communication with major stakeholders through multiple channels, deepens the understanding of the requirements of various stakeholders, and responds to the expectations and demands of stakeholders in a timely manner, in order to consolidate the mutual benefit and win-win results.

Summary of major communication channels and concerns of stakeholders of Sinopec Oilfield Service		
Stakeholders	Communication channels	Topics of concern
Government and regulators	Important conferences, Policy advisory, Case report, Inspection, Documents exchange, Information disclosure	<ul style="list-style-type: none"> • Operation compliance • Corporate governance • Environmental management
Shareholder and other investors	Shareholders' meeting, Periodical report, Interim report	<ul style="list-style-type: none"> • Profitability • Operating strategy • Transparent disclosure
Clients	Client visits, Client satisfaction survey	<ul style="list-style-type: none"> • Service quality • Information security
Employees	Employee satisfaction survey, Employee activity, Employee training, Internal publication	<ul style="list-style-type: none"> • Salary and welfare • Development and training • Healthy working environment
Suppliers	Supplier identification, Communication meeting	<ul style="list-style-type: none"> • Fair cooperation • Honest agreement
Partners	Strategic cooperation talks, Bilateral talks	<ul style="list-style-type: none"> • Fair cooperation • Honest agreement • Joint development
Community and the public	Public benefit activities, Community activities, Recruitment talks, Opportunity of internship	<ul style="list-style-type: none"> • Community relationship • Employment promotion • Community investment and public welfare

The Company maintains communications with stakeholders through multiple channels. Based on the received feedbacks and the actual operation circumstance of the Company, we have summarized the stakeholders' focus on the Company's ESG fields. The key ESG issues identified by the Company include "health and safety", "product responsibility", "emissions", and "climate change", whereas the related topics include "environment and natural resources", "use of resources", "employment", "development and training", "labour standards", "supply chain management", "anti-corruption", and "community investment". We will respond to the content of each topic separately in the Report.



Safe Operation

Upholding the concepts of "HSE¹ is the top priority" and "all accidents are preventable and avoidable", the Company unceasingly reinforces its safe production management through its continuous efforts in propelling and improving the HSC management system infrastructure, in order to provide a healthy, safe, environmentally friendly and comfortable working environment for the employees.

Safety Management System

The Company attaches great importance to the construction of HSE system. Adhering to the HSE policy of "people-oriented, safety first, prevention-prioritized and comprehensive governance", the Company actively promotes the operation of the HSE management system infrastructure, and regulates the safety production system of the enterprise in a comprehensive manner.

The Company never ceases to identify and strictly observe relevant laws and regulations of the country. Taking into account the standards of national management systems including the *Occupational Health and Safety Management Systems – Requirements with Guidance for Use* GB/T 45001, and in accordance with relevant requirements of China Petrochemical Corporation, the Company continued to strengthen its HSE management system infrastructure. During the Year, we revised both the HSE management system manual and the enterprise-level management system, clarified the management process, and further improved the systematization, adaptability and effectiveness of the system documents. We have set up not only the HSE Committee, but also the HSE Committee Office for the Company and its 11 subordinate companies where safety supervisors are assigned to. Following the concept of "Three Managements and Three Musts" under the principle of "industry management, business management, production and operation management must encompass safety management", we have also reasonably adjusted the monitoring indicators of multiple HSE elements, established a working mechanism for monitoring, reporting, analysis and continuous improvement of key elements, and gradually integrated the HSE management system into the daily management of various business departments.

¹ HSE: Health, safety and environment

In addition, we have strengthened the internal audit of our safety management system, and continued to strengthen the establishment of the safety management system from the supplier level:

- Organized 13 batches of nearly 2,000 employees to participate in the qualification training for internal auditors of the safety management system throughout the year, in order to strengthen the internal audit capabilities of the safety management system.
- Reviewed the QHSE ² management system of nearly 400 subcontractors throughout the year, supervised and rectified the identified non-compliance items, and removed or put the contractors who did not meet the QHSE management requirements into the "blacklist".

Full-factor Matrix Audit

In 2022, the Company organized and conducted its annual full-factor matrix audit. Adhering to the principle of "returning to universal elements in professional management, and embodying universal elements with professionalism", the Company organized the audit on a total of 9 subordinate companies, 28 professional operating units, 19 project departments, as well as 81 units on the frontline. Through such audit, the Company has further enhanced the concept of systematic management of all staff, and continued to strengthen the professional safety management. It has also standardized the operation of the enterprise system infrastructure, through which it has accumulated valuable experience for its upcoming full-factor audit and special audit of key elements.

² QHSE: Quality, health, safety and environment



▲ Auditing on working sites

Production Safety Management

With the strict compliance with the requirements of laws and regulations including the *Production Safety Law of the People's Republic of China* and the *Special Equipment Safety Law of the People's Republic of China*, as well as those where our overseas operations locate, the Company regards safe production as its core enterprise value which is put in place in every aspect and sector of its production and operation. The Company reinforces the establishment of safety and leadership, further promotes the requirements of "Three Managements and Three Musts", and continuously deepens its efforts in the "Three Foundations"³, in order to strive for the improvement in safety in its essence.

On-site Management

Attaching considerable importance to the production safety management across its petroleum engineering construction sites, the Company conscientiously implements systems including the *Ten Measures for Strengthening the Safety Management of Direct Operations*, the *Management Measures of Safety Score for All Staff*, and the *HSE Responsibility System for Petroleum Engineering Company*, in order to continuously promote the standardized construction of on-site safety management.

The Company clarifies the responsibilities of its management and employees from different business departments at all levels in relation to safe production. With the

³ "Three Fundamentals" refers to: fundamental construction, fundamental work and fundamental function training.

adoption of a cascade supervision model to address various safety production risks, we have implemented the assessment and accountability system in relation to our safety performance at all levels, broken down and implemented HSC responsibilities to relevant positions, and clarified the scope of responsibility of the person-in-charge. We have formulated safety production assessment standards, regularly conducted assessments, and incorporated the assessment results into our employees' performance assessments to effectively promote on-site safety management.

During the Year, with the continuous use of its production video monitoring system platform, the Company has conducted video monitoring of all construction and operation sites of its subsidiaries. Also, the Company and its subsidiaries have arranged production, technology, equipment, safety and other professional management personnel to conduct regular video monitoring and safety observations, which has helped not only to timely discover potential safety hazards on our operation sites, but also to rectify and stop any unsafe practice of our employees. During the Year, all units of the Company have carried out safety observations for a total of 114,019 times, with an accumulating 19,899 potential hazards reported.

The Company continues to conduct its on-site inspections by way of training under the principle of "Four Nos and Two Directs"⁴. Throughout the year of 2022, the Company has organized and rolled out a total of 5 on-site inspections across its key industrial areas in different parts of country including Southwest and Northwest China to provide inspection assistance and "diagnostic" on-site HSC supervising methods. In the meantime, the Company has monitored 36 management organizations and construction sites, released HSE inspection reports in a timely manner, supervised and urged the rectification of 237 issues and potential hazards, put forward 21 rectification recommendations, and carried out the source analyses for "five regressions" on 12 typical non-compliance items.

In the meantime, the Company has actively identified the potential production safety hazards. In 2022, the Company has summarized and screened out safety hazards with high

⁴ "Four Nos and Two Directs" refers to: no prior announcement, notice, report, escort nor reception, and go direct to the frontline and the sites. Originally from the unannounced inspection and visit system regarding safe production established and implemented by the State Administration of Work Safety in September 2014.

re-occurrence rates across its operation sites, and formulated a list for managing on-site potential hazards. In addition, the Company has clarified departments which would be held accountable, formulated implementation plans for the management of re-occurring potential hazards across all operation sites, and carried out focused safety hazard rectifications, updates and renovations for offshore drilling platforms with high risks and multiple potential dangers.

Technology for Strengthening Safety

Promoting the construction of information technology is one of the cores to facilitate safe production and smooth completion of work. With our dedication for ensuring safe production leveraging our scientific and technological resources, the Company continues to accelerate the promotion of internal scientific and technological information, and actively carries out scientific and technological innovation exchange activities.

With the backdrop of the establishment of the safety technology exchange platform for its headquarter and its subordinate companies by the Company, we have organized and released contents such as the domestic and foreign petroleum engineering safety technology trends, corporate safety technology, equipment innovations and safety standardization information, which has promoted the exchange of frontline safety technology information. In the meantime, the Company has extended its invitations to 21 companies for the joint holding of 2 "Safety Lectures" in 2022, which promoted the publicity and implementation of safe operation standards and reinforced the exchange of management experience among different levels of employees.

In 2022, the Company has developed and implemented numerous safety technology innovations and applications, including the "Blowout Preventer Hydraulic Turning Device", the "Hydraulic Adjustment Device for Hoisting Large Rope Guide Wheel", and the "Electronic Management of the Operation of Earthquake Project System", providing more comprehensive protection for safe production. In addition, the Company has comprehensively promoted the application of the Internet of Things technology, propelled the digital transformation and empowered new growths in its equipment. With the use of the Internet of Things system, the Company remotely monitors the operating status of its equipment in real time, changing the traditional on-site mode, realizing the transformation from manual on-duty monitoring to online monitoring, and reducing the

risk of safety accidents at the production sites. At present, the Company has equipped with 16 sets of MRO Internet of Things systems for its key drilling equipment.

“Shengli Tiangong” Drilling Fluid Intelligent Feeding Device

During the Year, the Company’s intelligent information technology R&D team successfully developed the "Shengli Tiangong" drilling fluid intelligent automatic feeding device. Such device is equipped with a visual perception system which is used to judge the shape of the bagged treatment agents. It is also operated by the use of robotic arms instead of manual operation to achieve precise grasping of the treatment agent. The entire system has realized the automatic addition of drilling fluid in timing, quantity and sequence, which reduces the labour intensity of operators and improves operation safety.



▲ "Shengli Tiangong" Drilling Fluid Intelligent Feeding Device

Emergency Control

Strictly complying with laws and regulations including the *Emergency Response Law of the People's Republic of China*, as well as those where our overseas operations locate, the Company continues to improve its emergency management command system, reinforce the emergency mechanism and capacity building, standardize emergency procedures, and promote the building of its on-site emergency control capabilities.

Based on the integrated cloud platform (ICP) project, the Company has established an emergency control centre to coordinate three sets of systems, namely the production operation system, the well bore business integration platform and the production video monitoring mechanism, forming an emergency command and management system with top-to-bottom linkage among the emergency command centres of all subordinate companies, effectively improving the speed of emergency response and the efficiency of emergency incident handling.

In order to continuously improve its emergency plans and emergency response capabilities, the Company actively promotes the establishment of voluntary emergency response teams on the frontline, conducts regular practical drills and targeted training, and clarifies responsibilities and division of labour.

Special Emergency Drill for Well Control

On 28 September 2022, we organized and conducted an offshore joint comprehensive emergency drill on the platform of an offshore oil production plant. Such drill focused on the production, well control and disposal of the platform in the event of fire and the evacuation of platform staff, which has not only further improved our offshore well control and emergency response capabilities, but enhanced our well control and emergency response systems.



▲ Offshore emergency drill site

In regard to major emergency incidents, for instance, overflow and well leak, the Company has established a statistical analysis system for routine management and prevention, and conducted monthly summary analysis on well control abnormalities and complex downhole faults. As for major emergencies that have occurred, topic sessions will be convened to review the process of such faults, identify reasons for management and operation, analyse issues stemmed from design, and propose measures for improvement.

In 2022, the Company has carried out corresponding work in relation to its emergency response to extreme climates. To ensure our optimal production performance with safety during the winter, the Company has conducted a random video check focusing on areas of winter protection and heat preservation for its 143 drilling teams and 70 downhole operation teams at the drilling sites located at different industrial areas across Northwest China, North China and Northeast China, which effectively supervises and urges the implementation of the preventive measures on our operation sites to ensure the safe production during the winter.

Safety Education

The Company actively involves in safety education for all employees in order to continuously raise their safety awareness through various safety production education training, such as through the publicity and implementation of laws and regulations, experience sharing of incidents and cases, as well as job operations. In 2022, the Company adopted both the online or offline methods to organize safety training for safety management personnel, system element administrators and HSE personnel in key positions of all of its subsidiaries, which helps managers at all levels to establish and improve the concepts of HSE management system, and further creates a system operating atmosphere of "learning the system, complying with the regime, and observing the standards" for all employees. The Company attaches great importance to the safety training of its employees on the frontline, and improves employees' safety skills and safety awareness through various channels, for instance, through practical training, intensive training, and mobile APP online learning. During the Year, there were a total of 63,700 attendances in the intensive training organized by the Company, and 74,900 attendances in the practical training.

Key Performance

In 2022, a total of 838 working days has been lost by the Company's employees due to work-related injury. Over the last three years, the number of work-related deaths and ratios⁵ per year are as follows:

Year	Number of employee deaths (person)	Employee death rate (%)
2022	1	0.0015
2021	1	0.0014
2020	1	0.0014

Protection of Occupational Health

The Company attaches great importance to the occupational health protection for its employees. Strictly abiding by relevant laws and regulations including the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Production Safety Law of the People's Republic of China*, as well as management documents including the *Specification of Occupational Hazards Monitoring in the Workplace*, the Company has continuously improved its occupational health management system, conducted risk assessments of occupational diseases, strictly implemented the pre-job, on-the-job, and off-the-job occupational health examination and health examination of all employees, and implemented protection measures for the well-being of its employees.

The Company has taken the following measures to ensure multiple protections for the occupational health of its employees:

⁵ Calculated by dividing the number of deaths due to work-related injury by the total number of employees at the end of the Year.

Measures	Guarantee
Labor Protection Products	<ul style="list-style-type: none"> • Providing employees with comprehensive and high-standard labor safety protection products • Setting clear requirements for occupational disease protection facilities and other production facilities to begin service simultaneously • Arranging occupational health management personnel to instruct on the proper use of labor protection products among employees • Organizing special inspections of labor protection products
Well-being of Employees	<ul style="list-style-type: none"> • Organizing routine physical examinations for all employees and occupational health examinations for personnel at positions associated with occupational diseases, and providing EAP⁶ special services, for instance, mental health counselling • Carrying out health status assessment, and adjusting positions for personnel with occupational contraindications and other abnormal health conditions • Formulating "One person, One policy" health intervention plans and follow-up monitoring for high-risk personnel
Emergency Response	<ul style="list-style-type: none"> • Formulating internal systems such as emergency plans for construction and operation, emergency medicines and guidance on equipment allocation • Allocating emergency medical and rescue equipment, and providing automatic external defibrillator (AED) in qualified places • Equipping qualified large living camps and project department that are far from medical institutions with qualified medical personnel
Training and Drills	<ul style="list-style-type: none"> • Carrying out occupational health training of all kinds • Organizing occupational health emergency plan drills to improve employees' emergency response capabilities and levels

In the meantime, the Company has fixed its focus on rolling out its management on occupational health hazards regarding noise during the Year. It has also promoted and implemented a series of management documents, including the *Sinopec's Alert Report on Personal Risks of Hearing Damage for Operators Exposed to Noise*, the *Assessment*

⁶ EAP (Employee Assistance Program): a program which provides assistance to employees, also known as Employee Psychological Assistance Program or Psychological Management Technique for All Employees

Report on Workplace Noise Hazard and Hygiene, the Sinopec's Health Management Plan for Operators Exposed to Noise, the Guidance on the Prevention and Control of Noise in Petroleum Engineering Well Borne Operation Premises, and the Guidance on the Management and Implementation of Hazard Control of Excessive Noise. On the field construction sites, we have implemented measures such as noise source control, hazard risk notification, and wearing of personal protective equipment in accordance with the principle of "engineering management as the mainstay and personal protection as the supplement" to continuously improve the level of noise prevention and control in the workplace.

Green Development

The Company has earnestly implemented the requirements of relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, as well as those where our overseas operations locate, and continued to improve its internal environmental management policies and systems, such as the *HSE Management System for Petroleum Engineering Company*. The Company has responded positively to the government's call for "focusing on the harmony between humanity and nature in planning China's development", and comprehensively promoted green and low-carbon operation. With its perseverance in the pursuit of the concept of "lucid waters and lush mountains are invaluable assets", the Company is committed to implementing the concept of green development into its entire business process. The Company continuously improves the cleanliness of its construction sites, optimizes and deepens the cleaner production model, reduces the consumption of energy and resources, and practices the action of "carbon peaking and carbon neutrality", so as to effectively reduce the environmental impact of its business.

Responses to Climate Change

The Company has identified and evaluated climate risks and opportunities in combination with climate change scenarios and its own business segments. It has also formulated the action plan of "3050 carbon peaking and carbon neutrality", that is to continue promoting the cleanliness of fossil energy, the mass production of clean energy and the low carbonization of the production process. By controlling the intensity and total amount of carbon emissions year by year, we strive to reach the peak by 2030, and eventually achieve net zero emissions in 2050, so as to fully achieve carbon neutrality.

Risks from climate change:

Risk category		Risk description	Countermeasures
Physical risks	Acute risks: Extreme weather such as typhoons and heavy rains	Damage to construction sites, office buildings and equipment, causing asset losses; abnormal production affected by equipment damage, employees' inability to work, transportation interruption, etc.	Formulate emergency response plans for natural disasters, and continuously improve the emergency response mechanism for natural disasters; identify potential asset damage and purchase necessary insurance.
	Chronic risks: Continuous high temperature, drought, etc.	The rising temperature will require the Company to equip more refrigeration equipment, increasing its energy consumption and operating costs; employees may not be able to work outdoors for a long time during the hot season, which affects its operational efficiency.	Apply more energy efficient refrigeration equipment; scientifically arrange production plans, deploy production organizations carefully, and improve operational efficiency.
Transition risks	Policy and legal risks	The government may introduce more stringent policies and regulations to mitigate climate change, which may increase the workload of business compliance, and the number of related lawsuits or claims.	Closely monitor changes in environmental laws, regulations and policies and respond in a timely manner.
	Technical risks	Failure in identifying relevant risks and applying low-carbon technologies in a timely manner, resulting in the low-	Increase the proportion of new energy use and actively carry out cooperation with peers; research new cooperation methods in technologies and equipment; improve

		carbon transformation of products falling behind industry peers and affecting the efficiency of low-carbon transformation.	the Company's own new technology and new equipment research and development ability.
	Market risks	Increase in raw material and energy costs; decrease in demand for fossil fuels.	Build an energy information platform to monitor and analyze energy use, and improve energy management and control capabilities; increase market development and increase the proportion of external market business.
	Reputational risks	Obtain negative feedback from stakeholders due to poor performance in climate change and sustainability.	Enhance the Company's sustainable development capabilities and actively respond to climate change; enhance management transparency in relevant aspects and respond to the concerns of stakeholders.

Opportunities from climate change:

Opportunities		Countermeasures
Resource efficiency	<ul style="list-style-type: none"> Develop more energy efficient equipment, construction and technologies to meet the market's low-carbon demand; Incentives of green transformation supportive policies. 	<ul style="list-style-type: none"> Actively explore and apply new technologies, new equipment, and new processes to improve resource use efficiency and reduce energy costs; Identify and respond to government support policies and green projects; Strengthen the research and development of low-carbon technologies, and continue to increase the proportion of green and low-carbon emission products; Identify and participate in emerging markets; Promote the development and utilization of renewable energy.
Product and Services	<ul style="list-style-type: none"> Research and development of green and low-carbon products; Solutions for climate 	

	change in the industry.	
Market	<ul style="list-style-type: none"> • Changes in user preferences and expansion of green market demand; • Increased demand for integrated energy services; • International market expansion. 	
Adaptability	<ul style="list-style-type: none"> • Energy substitution and diversified solutions; • Participation in renewable energy projects. 	

Emission Control of Greenhouse Gases

Based on the characteristics of petroleum engineering production and operation, the greenhouse gases generated during the Company's operations are derived from the use of electricity and fuels converted from fossil fuels, mainly including carbon dioxide, methane and nitrous oxide. In 2022, the greenhouse gas emissions by the Company were 2.314 million tons, and our greenhouse gas emissions per RMB10,000 was 0.379 tons, which demonstrates our success in achieving the goal we have set earlier in 2021 of limiting our greenhouse gas emissions to be under 2.446 million tons.

During the Year, based on our own operating conditions, we have set the following greenhouse gas emission control target: the greenhouse gas emissions in 2023 shall not exceed 2.55 million tons.

During the Year, through the promotion of network electrical drilling rigs, the Company has realized the substitute of approximately 324,000 tons of diesel in total as of the end of 2022, which was equivalent to saving approximately 367,000 tons of standard coal, i.e., a reduction of carbon dioxide emission by approximately 1.10 million tons. In addition, the Company will specify its equipment replacement or renewal due to carbon emission policy

restrictions in its technical requirements, where suppliers will be required to comply with relevant regulations.

Resource Usage Management

Strictly complying with the laws and regulations, including the *Energy Conservation Law of the People's Republic of China*, the *Renewable Energy Law of the People's Republic of China*, and the *Circular Economy Promotion Law of the People's Republic of China*, requirements of local energy-saving policies, as well as those where our overseas operations locate, the Company strengthens water resources management, increases the proportion of clean energy usage, constantly enhances the efficiency of energy and material use, so as to minimize its resource consumption.

Energy Saving and Consumption Reduction

Holding energy saving and consumption reduction in high regard during its daily operations, the Company continues to promote the "Energy Efficiency Improvement" plan to increase the supply of clean energy, and steadily improve the resource and energy utilization. In addition, the Company has carried out advocacy activities in relation to energy saving and environmental protection, and encouraged employees to work in a green manner to raise employees' awareness on energy saving.

As of the end of 2022, the Company has implemented the "Energy Efficiency Improvement" plan with a total investment of RMB31.38 million, saving about 109,000 tons of standard coal in total. Meanwhile, the Company has adopted the following key measures to promote energy saving and consumption reduction:

promoted clean energy

- Enhanced the implementation of clean energy projects such as grid-powered drilling, gridpowered fracturing, gas power and solar energy, and replaced equipment and facilities with high energy

adopted low energy consumption technologies

- Continued to promote energy-saving technologies such as oil-to-gas, oil-to-electricity, recovery of waste heat and pressure; widely used new energy-saving devices such as dual-fuel engines, energysaving frequency conversion motors, electric fracturing skids, and dynamic powerless compensation.

Enhanced employees' awareness of environmental protection

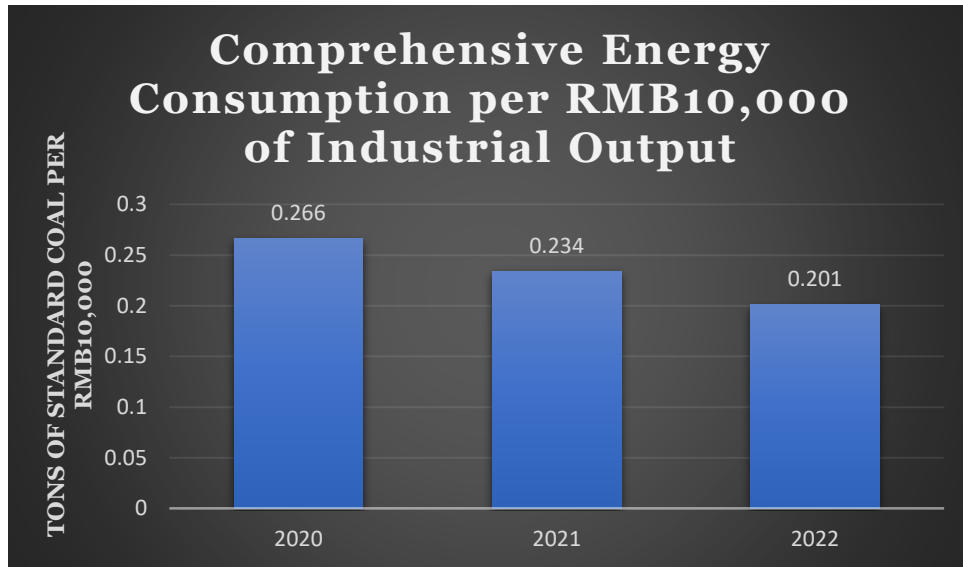
- Guided employees to work in a green manner by issuing and posting proposals and energysaving reminder cards; launched the “Empty Plate Campaign” to guide employees to practice saving; held public open days to publicize the concept of low carbon; called on employees to participate in green and low carbon activities.

Solar Energy Equipment



▲ Comprehensive utilization of solar energy

In 2022, the Company's comprehensive energy consumption per RMB10,000 of industrial output was 0.201 tons of standard coal, representing a decrease of 0.033 tons of standard coal per RMB10,000 as compared with 2021, which demonstrates our success in achieving the goal we have set earlier in 2021 of limiting our energy use intensity to be under 0.232 tons of standard coal per RMB10,000.



On this basis, our energy use target for 2023 is under 864,523 tons of standard coal, and the energy use intensity shall not exceed 0.218 tons of standard coal per RMB10,000.

Water Conservation

The Company thinks highly of water resource management. With the formulation of the *Energy Saving Management Regulations*, we have not only fully optimized our water usage structure, but also continuously reduced the use of water resources and improved the efficiency of use of water resources through the application of water-saving technologies, wastewater recycling process, project operation and management and other aspects. The water sources of the Company are mainly surface water, groundwater and municipal water supply, and there has been no shortage of water resources.

For areas with relatively dense operation teams, we have uniformly established drilling fluid transfer stations and increased the frequency of reusing drilling fluids. At the same time, the Company continues to promote the reuse of domestic wastewater at the construction sites by reasonably configuring domestic wastewater treatment devices, in a bid to realize the reuse of domestic wastewater after treatment.

The Company continues to standardize the process management of statistics, analysis and improvement of water resource consumption, and greatly reduces the consumption of freshwater through the treatment and utilization technology of fracturing flowback fluid, so as to achieve the goal of water-saving and control. In 2022, the planned industrial water

used was 7.1 million tons, and the actual water used was 6.154 million tons. The annual industrial water used target per RMB10,000 of output was 2.5 tons, and the actual water used was 1.755 tons per RMB10,000, which demonstrates our success in achieving the goal we have set earlier in 2021 of limiting our water use intensity to be under 2.0 tons per RMB10,000.

During the Year, the water-saving goal we set is that the water use intensity shall not exceed 1.979 tons per RMB10,000 in 2023.

Energy use (Scope: domestic projects of Sinopec Oil Services Headquarter and its subsidiaries)

Indicators	2022 data	2021 data
Total energy consumption (MWh)¹	7,420,244.06	8,128,791.58
Direct energy consumption (MWh)	5,546,469.21	6,503,368.13
Petrol (MWh)	200,715.87	269,092.62
Diesel (MWh)	4,951,888.89	5,709,752.58
Natural gas (MWh)	352,958.35	469,161.92
Coal (MWh)	138.28	2,907.56
LPG (MWh)	3,100.21	796.75
Crude oil (MWh)	2,395.83	10,696.56
Other energy (MWh) ²	35,271.78	40,960.14
Indirect energy consumption (MWh)	1,873,774.85	1,625,423.45
Purchased Electricity (MWh)	1,732,130.14	1,458,880.49
Heating Power (MWh)	141,644.71	166,542.96
Comprehensive energy consumption of industrial output value (ton of standard coal / RMB10,000)	0.201	0.234

Notes:

1 Energy consumption data is calculated according to the consumption of petrol, diesel, natural gas, coal, liquefied petroleum gas, crude oil, electricity, heat and other energy

and the conversion factors listed in the national standards of the People's Republic of China of General Principles for *Calculation of Comprehensive Energy Consumption* (GB/T 2589-2008).

2 Other energy mainly refers to the fuel converted from fossil fuels such as waste oil.

3 The operation of the Company does not involve the use of packaging.

Pollution Prevention and Control

As a non-key pollutant discharge unit, the Company has earnestly adhered to the requirements of relevant laws and regulations of China, local policies, as well as those where our overseas operations locate, and formulated relevant internal systems, including the *Environmental Protection Management Measures*, the *Pollution Prevention and Control Management Measures*, and the *Radiation Management Measures*. It has also strictly implemented the *Special Emergency Plan for Environmental Emergencies of Sinopec*, so as to specify the requirements, responsibilities, processes and contents of cleaner production. Committed to establishing cleaner production works, we also regularly assign special personnel to check the implementation of environmental protection policies and systems by means of HSE Management System review, HSE inspection, special environmental protection inspections, and etc. We continue to carry out air pollution, wastewater treatment, waste disposal and other pollution control work, in order to ensure all subordinate companies to pay taxes related to environmental protection in accordance with the provisions of relevant local government authorities. During the Year, the Company did not face any penalties in relation to the environmental matters.

Air Pollution Control

The air pollution generated during the operation of the Company mainly comes from the unorganized emissions of various non-road mobile machinery, diesel and gasoline vehicles and other equipment, as well as the dust generated at the construction sites. During the construction and operation of projects, the Company actively responds to the government's warnings for heavy air pollution, and initiates emergency plans for such warnings to effectively reduce air pollution. We have adopted measures such as increasing the frequency of water spraying, laying dust-proof nets, diesel engine exhaust gas treatment and grid-powered application, and etc., to effectively reduce our dust and exhaust gas emissions.

Dust Prevention Measures



▲ Spraying water at well sites to reduce dust



▲ Laying dust-proof nets at construction sites

Wastewater Treatment

The Company earnestly implements relevant standards and regulations for sewage discharge. At the construction sites, construction teams at all levels would carry out anti-seepage, anti-overflow, and anti-leakage measures, in order to continuously strengthen the centralized treatment of industrial wastewater and domestic sewage. Based on process requirements, we have increased the reuse of industrial wastewater and domestic wastewater, thereby continuously reducing wastewater discharge. In respect of underground operation, the Company actively promotes the sewage well cleaning process to realize the full recovery of drilling and operation wastewater.

In 2022, the Company continued to promote the use of environment-friendly toilets on the frontline of production. With the addition of 47 sets of various kinds of environment-friendly toilets throughout the year, the total amount of such toilets has reached 826 sets. Meanwhile, in response to environmental emergencies such as any leakages of construction wastewater, the Company has formulated environmental emergency plans for all levels, equipped itself with emergency supplies including dirt collection bags, oil

dispersants, woven bags and absorbent felts, and rolled out environmental emergency drills on a regular basis.

In 2022, 535,000 cubic meters of domestic sewage, 272,000 cubic meters of drilling wastewater, and 514,000 cubic meters of operation wastewater were treated by the Company in compliance with relevant regulations.

Wastewater treatment facility



▲ the centralized treatment of industrial wastewater and domestic sewage

Waste Disposal

At present, the waste generated during the operation of the Company mainly includes general industrial solid waste and hazardous waste. In 2022, the Company has generated a total of 22,000 tons⁷ of general solid waste, all of which has been treated through harmless treatment of solid waste, or treated by category through comprehensive utilization in accordance with the requirements of the place of operation. Meanwhile, the Company has generated 3,505 tons of hazardous waste, all of which has been delivered to qualified third parties for disposal in compliance with relevant regulations. In 2023, we will continue to have all general solid waste treated in accordance with the requirements

⁷ During the Year, the company has adjusted the management mode of general solid waste. As for waste mud and cuttings of water-based drilling, the company, as the agent, will no longer count the production volume of such waste. General solid waste statistics include packaging drums, rubber parts, impervious membranes, etc.

of the place of operation, and all hazardous waste delivered to the qualified third parties for disposal in compliance with relevant regulations.

For the disposal of hazardous waste, the Company has set up temporary storage sites for its hazardous waste in compliance with relevant requirements, and conducted monitoring on the external parties engaged by it in relation to the management of hazardous waste disposal and their relevant measures.

Waste Disposal Facilities



▲ Waste disposal device

Ecological Protection

Committed to reducing the impact on the local environment during its operation, the Company never ceases to build green and environmental protection projects, restore the ecological environment of its operation areas properly, in a bid to contribute to the environmental beautification and greening. We strictly comply with the requirements of the *Water and Soil Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on Appraising of Environment Impacts*, as well as those where our overseas operations locate. We also adhere to the use of environmental-friendly and technological construction methods, for instance, we preferred use of low-toxic, non-toxic and harmless materials to make drilling fluids, as well as acidized fracturing fluids and other environment-friendly materials, in order to protect the ecological environment of the place of operation of our projects.

Overseas Ecological Protection

The Company undertakes its social responsibility in protecting the environment in its overseas constructions on its own initiative. At the site of the Ecuadorian project of East China Oil Engineering Company, we have summarized the waste disposal methods of "natural pulping method", "dry and wet waste separation", and "common screening of slurry and rock cuttings slurry" and etc. with the support of our experience based on different drilling times of various drilling teams and lithology. Such has not only helped reasonably lowering our usage of xanthan gum, but also facilitated the safe and smooth disposal of hazardous pollutants, altogether effectively preventing the intact ecosystem of the local rainforest from being polluted and destroyed.



▲ Rock cuttings reinjection team of the Ecuadorian project

Clean Disposal of Slurry at Drilling Sites

In 2022, Shengli Oil Engineering Company continued to propel the "Green Enterprise Campaign", and realized its waste disposal concept of "zero oil spill on the ground, zero external discharge of fluids, and recycling all waste" in its pilot well team in the "Niuye District 1". Besides, the slurry recovery and reuse technology has been fully applied at the pilot wells, and the solid waste discharge was reduced by an average of more than 500 cubic meters per well.



▲ Clean disposal of slurry at drilling sites

Quality Control

The Company always adheres to the quality policy of “quality is always one step ahead”. We vigorously carry out actions to improve our quality, optimize our quality management system, reinforce our promotion and implementation to raise our employees’ awareness towards quality, in order to continuously improve the quality of our constructions and services.

Optimizing Management System

The Company strictly abides by the *Standardization Law of the People’s Republic of China* and the *Metrology Law of the People’s Republic of China*, while all production and business units have established a quality management system and passed the certification in accordance with the requirements of GB/T 19001. The construction of each subsidiary is based on quality risk-based thinking, and adopts the PDCA⁸ cycle method which integrates standard requirements into the business process of each unit. At the same time, each subsidiary regularly organizes internal audits and management reviews. By conducting inspections on the effectiveness of the quality management system and carrying out audit observation, the Company guides its subsidiaries to effectively control quality risks to ensure the quality stability of its products, projects and services.

The Company continues to promote the transformation of the management model from "functional management based" to "project management based". Guided by the *Research Report of Digital Transformation Strategy of Sinopec*, we regard "project management" as our core and digital oil service as our chosen area of focus. We strive to build our digital oil service through digital transformation and intelligent upgrade. During the Year, the Company has launched the "Services Integrated Cloud Platform (SICP)", continuing its efforts in consolidating the foundation of digital transformation:

- The construction of the platform fully supports the needs of usage by the Company’s headquarter, regional (professional) companies and professional operating units at all levels. It focuses on the production operation, as well as the

⁸ PDCA is a quality management system that combines Plan, implementation, Check and Action.

- operation and management mode of "single well, single construction, and single project", covering various areas of specialisation such as wellbore engineering, geophysics and construction on ground, which does not only form a dynamic management model as a whole, but also break the original closed management barriers. It also shortens the management chain, and reduces management costs;
- Leveraging on such platform, we have constructed "two pools, two warehouses and one platform" (fund pool, talents pool, equipment warehouse, materials warehouse), realizing the sharing and interconnection of talents, equipment, materials and fund information. Such has improved the efficiency of information transmission, and brought in changes to the traditional management and work mode.

Ensuring the Quality of Projects

The Company continues to abide by the *Malfunction Management Measures for Drilling Engineering*, the *Wellbore Engineering Expert Database Management Measures*, the *Twelve Measures to Strengthen the Control of Complex Malfunction*, the *Quality Management Measures for Petroleum Engineering Company* and other quality management systems, so as to continuously improve the quality management level and scientifically ensure the quality of its projects. The Company continues to implement the engineering quality control in the entire process. We analyse and map out the key issues occurred before and during the construction and conduct level-by-level approvals and hierarchical management, so as to continuously strengthen the dynamic management and risk control of key wells, and provide technical guidance for key wells and wells with complex malfunctions. The Company reports quarterly on the project quality of each construction unit and insists on adhering to system of "one well, one policy" to enforce accountability and penalties on construction units found with problems. It also supervises rectifications, forming a closed-loop of quality control. The Company strengthens source control and continues to carry out drilling geological design of key projects, construction design review and major risk assessment of drilling safety status. It also continues its path on migrating quality management gates, reduces construction risks from the design source, and lays a solid foundation for construction quality control.

Making full use of our information platform, we have improved the efficiency of data statistics, strengthened the monitoring of key wells, and further reinforced the management of project quality. During the Year, the Company unified indicators including its statistical management system of drilling indicators and reporting systems, and integrated them into the wellbore engineering section of the SICP platform, which is the Company's information platform. It also summarized data including the indicators, timeliness and project qualities of drilling from each construction unit and operation site, so as to improve the efficiency of data statistics. Through systems such as production operations and reports on key wells, we also report in the form of production daily report, weekly report on key wells, special report and etc., in order to keep track of the well control and engineering technical work of each construction unit and operation site at all times, and continuously conduct tracking and analysis of key wells to ensure that risks are under control during construction.

Prevention and handling of issues in relation to engineering failures is a focus of the Company. We strictly abide by the *Petroleum Engineering Company's Malfunction Management Measures for Drilling Engineering*, and revised it in order to continuously improve the applicability of such measures. In the meantime, we have established a complete failure management system based on the principle of minimizing losses, so as to make prompt decisions and solve failure issues as soon as possible. During the Year, we have added a post-failure evaluation session in the quality life cycle management, re-decomposed the process of failure occurrence, analysed the cause of the failure, and re-evaluated the failure handling process to promote the continuous improvement of the Company's quality management.

During the Year, the Company has not received any complaints related to its project quality.

Quality Training

The Company further enhanced its employees' engineering quality assurance awareness and technical level, and actively carried out various quality training activities at all levels. During the Year, the Company held a total of 297 online and offline training courses,

including integrated geological engineering training courses, rotating training courses for drilling engineers, quality supervision training courses, complicated failure prevention training courses, and training courses in relation to directional drilling, logging and rotary steering technology. Such courses aim to provide training of key technologies in the quality management of drilling wells (including drilling technology, drilling fluid technology, directional drilling, logging and rotary steering technology, and the prevention and treatment of complicated failures) for key personnel such as technical and operations at all levels. Throughout the year, the Company has carried out training for 9,400 drilling and directional drilling, logging and rotary steering technicians, and 4,752 operators in key positions.

"Quality Day" and "Quality Month" Campaigns

In 2022, the Company continued to carry out "Quality Day" and "Quality Month" campaigns. The campaigns revolved around the theme of "improving the effectiveness of the operation of the quality management system to facilitate Sinopec's high-quality development", with various thematic activities being arranged. Through various forms of activities, we have improved our quality management, raised the awareness of all staff towards quality, optimized the quality of our products, services and projects, and promoted the overall sustainable high-quality development of the Company.



▲ "Quality Day" and "Quality Month" campaigns

Social Recognition

The quality of the Company's projects has been recognised by the industry. This year, the Company has been awarded multiple engineering awards, including 28 provincial

and ministerial excellent welding engineering awards, 5 provincial and ministerial excellent industrial design awards, and 2 industry quality engineering awards. Meanwhile, the staff of Shengli Oil Engineering Company is awarded with "Quality artisan of China" title from China Quality Association.



▲ China Power Multiple Engineering Award ▲ excellent welding engineering awards

Pursuing Quality Service

The Company has been insisting to be customer-oriented to create more values for customer. We improve customer satisfaction by continuously optimise the customer feedback system to adequately understand the needs of the customers. The Company kept using the customer satisfaction evaluation method with characteristics of petroleum engineering, and test and evaluate with scientific and effective methods the level of customer satisfaction through the user satisfaction evaluation index system, measurement model, statistics analysis, digital computing, and other methods.

During the Year, the Company continues to be market-oriented and prioritises efficiency and has established a complete market quality feedback mechanism. Through the application of the "production scheduling system" and "market information management system", we have comprehensively improved the efficiency of customer feedback reception, complaint and suggestions processing and customer return visits, which have effectively improved our service quality. For problems that may exist during the operation, the Company organized special teams to visit branches and important local markets to carry out service quality feedback and special project connection, to investigate the difficulties

in the process of market operation, to focus on market demand, team allocation, service prices and other matters so as to respond to customers' concerns, which are then tracked and implemented by dedicated personnel to continuously improve customer satisfaction.

In addition, the Company values overseas markets and promotes the cooperation mechanism for mutual visits and mutual trust with major overseas customers. Through the establishment of a normalized cooperation communication and coordination mechanism for national market projects with overseas regions, the Company gains in-depth understanding to satisfy different needs of customers. During the Year, the Company focused on promoting the development of key markets such as Saudi Arabia, Kuwait, Mexico, and Ecuador, and urged all overseas teams to resume work and production to ensure the quality of overseas services.

Responsible Operation

Responsible operation has been the foundation of the Company's steady development. In order to ensure a sustainable development, the Company strictly abides by the national laws and regulations to promote anti-corruption work, implements the protection of intellectual property, ensure the safety of the information network, improves the supplier management system and create a green supply chain.

Promote anti-corruption and integrity

The Company gives particular attention to improving the integrity of the Party members in strict compliance with the relevant laws and regulations including the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Audit Law of the People's Republic of China* and the *Provisions on the Integrity of State-owned Enterprise Leaders*, and formulates rules and regulations including the *Working Rules of the Commission for Discipline Inspection*. We have created a fair and honest corporate atmosphere through in-depth supervision, inspection, and anti-corruption education.

Strengthening anti-corruption supervision

During the Year, the Company formulated and implemented the *List of Responsibilities for Strictly and Comprehensively Governing the Party*. The Company's Party committee regularly listened to reports from the leadership team on the implementation of "one post with two responsibilities"⁹ to strengthen the implementation of "two responsibilities"¹⁰. We continued to carry out anti-corruption inspections and have completed routine inspections on 11 domestic subsidiaries and 3 overseas branches (subordinate companies). In the past five years, we completed routine and special inspections on 83 domestic subsidiaries and 6 overseas institutions, enhancing the construction of clean Party and government conduct and stopping corruption from the start.

⁹ Leading cadres shall not only be responsible for the specific business work they should undertake, but also be responsible for the responsibility system for the construction of the Party's work style and clean government.

¹⁰ The Third Plenary Session of the 18th Central Committee of the Party proposed that the responsibility system for building a clean and honest government should be implemented, with the Party Committee taking the main responsibility and the Discipline Inspection Commission taking the supervisory responsibility, formulating and implementing a practical accountability system.

Solidify daily supervision

During the Year, the Company continued to improve the supervision and management mechanism and arranged 17 key supervision items for anti-corruption and promotion of integrity in terms of promoting the implementation of major decisions and preventing and mitigating operational risks. Meanwhile, the Company played the supervisory role of various functions and arranged a number of daily supervision key matters. In 2022, the Company identified a total of 125 issues in four categories and issued 59 Notices of *Immediate Rectification* to facilitate the investigation of various potential risks and resolve important issues.

Innovative methods in supervision

The Company continued to promote the construction of external supervision, consolidating the supervision forces of various regions across the country, and jointly creating an external market environment with integrity and honesty. During the Year, the Company continued to implement the cooperation zones for joint prevention and governance of integrity risks in Dongying and Hubei, consolidating the daily supervision mechanism for joint prevention and governance of integrity risks established with the Northwest Bureau, and continued to promote the construction of joint education, key link management and control and disciplinary review and joint operation mechanism.

Regulating the handling of reports

The Company has established smooth channels for reporting letters and visits, including reporting telephone numbers, reporting mailboxes, and reporting boxes. During the year, the Company strictly followed the principles of "centralized management, collective deliberations, scientific authorization, full-process tracking, and closed-loop operation" to register reported cases to further implement the procedures of handling reports, verified clues to the problems, and rigorously investigate and proactively handle the issues reported.

Carry out integrity education

The Company conducts anti-corruption training continuously, and carries out integrity education through document notifications, holding warning education conferences, and watching warning education videos. During the Year, the Company organized and carried out the anti-corruption and integrity education month "Rectification of enterprises depending on enterprises and promoting integrity practice in business", held specific learning and education seminars, watched the warning and education video of *Eliminating "Bad Bugs" of State-owned Enterprises*, and promoted and implemented *Regulations on the Management of Relatives of Sinopec's Leaders Running Businesses*. At the same time, the Company regularly conducts integrity talks with middle-level management personnel to comprehensively promote the implementation of various activities of the Education Month. During the Year, the Company carried out one anti-corruption education campaign for all members of the Board and employees.



▲ Anti-corruption and integrity promotion education activities

In 2022, the Company did not have any concluded legal cases regarding corrupt practices.

Intellectual Property Protection

The Company strictly complies with the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China* and other laws and regulations. The Company continues to implement the *Intellectual Property Management Measures* and

other rules and regulations to provide standardized guidance for the application and use of intellectual property rights. We protect self-owned intellectual property rights while avoiding infringement of other parties' intellectual property rights.

In 2022, the Company applied for a total of 8 software copyrights which includes benchmarking evaluation, comprehensive office, document management and talent evaluation, and 979 domestic patents, including 536 invention patents; obtained 787 authorized patents, including 166 invention patents; applied 6 foreign-related patents and 3 authorized patents.

Information Security Management

The Company strictly follows the *Network Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Management Measures for the Information Security Protection* and other relevant laws and regulations, and continues internal systems such as the *Management Measures for Cybersecurity of Petroleum Engineering Companies*, adopting multiple network safety management measures and put emphasis on the supervision of related work for the purpose of meeting the Company's objective of "practical, systematic and normalized" cybersecurity work and safeguarding the Company's overall cybersecurity.

Comprehensive network security management system

During the Year, the Company continued to improve its information security management system. We have established a network security and informatization leadership group in the Company and its subsidiaries and set up relevant offices and working groups to clarify the management responsibilities of network security and informatization. At the same time, we set up an "information security post" with designated personnel responsible for information security management related matters and included the leaders in charge of network security, the person in charge of the information department and the network security personnel of the Company into the scope of the liaison staff of the network

security notification mechanism, so as to effectively promote the construction of network security management system.

The Company actively carried out network security self-examination and evaluation and rectification work, and inspected the infrastructure, information system and desktop computer information to ensure the effectiveness of various systems and minimize network security risks.

Strengthening network information emergency handling capabilities

During the Year, the Company prepared the *Emergency Plan for Cyber Security Assurance of the Petroleum Engineering Division* in accordance with the *Emergency Response Law of the People's Republic of China*, the *Cyber Security Law of the People's Republic of China*, the *Guidelines for the Management of Information Security Technology and Information Security Incidents*, and the *Information security technology - Guidelines for the category and classification of information security incidents* and will continue to revise such plan.

The Company carried out hierarchical handling according to different levels of network security emergencies, which improved the handling efficiency of emergencies. In the process of hierarchical handling, we obtain sufficient and accurate information in a timely manner in accordance with the mechanism of handling priority and rapid response, and promptly deal with it in accordance with relevant emergency plans, so as to minimize the harm and impact of network security emergencies. We also fully utilise the existing network security emergency support service facilities, integrate the existing information security emergency force, and carry out information security emergency work with the help of the information security emergency force of the Group companies and third-party vendors. We also insist to combine emergency response and prevention work, carry out proper risk assessment, monitoring and early warning and plan revision during normal times, regularly back up data in the information system, strengthen promotion, training and education work, and improve the comprehensive handling capacity of network information emergency response.

Focus on governance of specific issues

In 2022, the Company organized its subsidiaries to carry out special rectification on items that has marks deducted in the "annual network security level evaluation of the Group" and provided targeted assistance to the five subsidiaries that had unsatisfactory results in the Cyber Security Level Evaluation. Meanwhile, five subsidiaries in total were awarded Grade A in the 2022 Cyber Security Level Evaluation.

Carrying out cyber security activities

During the Year, the Company continued to create a proper atmosphere of "enhancing cyber security awareness and jointly creating a cyber security ecosystem" and launched a cyber security promoting week with the theme of "network security for the people, network security depends on the people" for promotion and education with activities focusing on cyber security awareness. Each subsidiary was required to organize their own network security promotion work in the form of official documents to strengthen the publicity and implementation of important laws, regulations and system documents in the field of network security. Through a combination of online and offline methods, we mobilized employees to participate in extensive cybersecurity promotion and education activities to spread cybersecurity knowledge. At the same time, the Company organized talks on information security and confidentiality during the cyber security promoting week and invited external experts to give talks on levels of cyber security protection. Through this cyber security promoting week, the Company engaged employees in learning cyber security-related knowledge, enhancing cyber security awareness and proficiency in cyber security protection skills in an entertaining manner. In addition, the Company actively participates in the Group's 2022 Cyber Security Competition and the National Data Security Competition, and actively builds a cyber security space through cyber security awareness training and cyber security competition activities, promotes the cultivation of cyber security talents, and creates a proper cyber security ecosystem of the Company.

Win-win Cooperation with Partners

The Company continues to standardize supplier management to protect the legitimate rights and interests of suppliers, as well as to promote a win-win cooperation with partners. To this end, we keep abiding by relevant regulations such as the *Management Measures for Material Supply*, *Management Measures for Material Purchase* and *Management Measures for Material Purchase and Supply Resources*, formulating a cooperation channel with our suppliers to seek for mutual growth. For further optimization of our supplier management system, following the principle, "High Transparency in terms of Qualification Review and Measurable Evaluation; and Resource Sharing for Win-win Cooperation", we have improved our dynamic supplier management mechanism which covers aspects of supplier registration, review, usage, evaluation, information feedback and warning and handling. Meanwhile, we have reinforced our supplier risk management, incorporating suppliers' qualifications in health, safety, environment protection, etc. into our review coverage. We strengthen supplier qualification review and site visits and provide guidance to suppliers based on the results. Simultaneously, we actively carry out various compliance promotion activities to convey the concept of honesty and lawful operation to all suppliers.

The Company actively implements green procurement and follows rules and regulations such as the *Management Measures for the Green Procurement of Materials* and the *Catalogue of Green Materials Procurement*. We insist on selecting environmentally friendly and low-carbon materials when purchasing, use biodegradable and recyclable packaging materials and replace small packaging with large packaging to reduce the amount of packaging materials used for the same disposals.

In 2022, we continued to consolidate partnerships with various domestic and overseas suppliers to realize win-win cooperation.

Supplier location		Number of suppliers
Total number of suppliers	Total number of suppliers	11,869
Number of suppliers in Mainland China	Number of suppliers in East China	5,675
	Number of suppliers in South China	517
	Number of suppliers in Central China	2,012
	Number of suppliers in North China	1,699
	Number of suppliers in Northwest China	724
	Number of suppliers in Southwest China	777
	Number of suppliers in Northeast China	388
Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	77

Employee Care

Adhering to the core values of "being people-oriented, and pursuing good quality, innovation and win-win results", the Company strives to create an equal and harmonious working environment for employees, actively protects the legitimate rights and interests of employees and promotes a diversified and inclusive corporate culture. The Company always attaches great importance to the welfare and long-term training of employees, strictly implements various welfare systems, builds a smooth development platform and promotion channel, and is devoted to helping employees develop together with the Company.

Safeguarding Employees' Interests

The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and the *Special Provisions on Labor Protection of Female Employees*, etc. and advocates and implements the philosophy of equality, mutual trust, consultation, and win-win. We establish a legal employment relationship with every employee and fully protect the legitimate rights and interests of employees. The Company adheres to the principle of fairness and justice and is committed to creating a diverse, inclusive and non-discriminatory working environment for employees. The Company strictly eliminates inequality and discrimination caused by other factors, and employees have equal opportunities regardless of ethnicity, race, gender, age, family status, etc. The Company continues to care for the rights and interests of female employees and ethnic minority employees, protects the rights and benefits of female employees during pregnancy, childbirth and breastfeeding, respects the customs and culture of ethnic minorities, and ensures that ethnic minority employees enjoy their traditional ethnic festivals. The Company strictly prohibits the employment of child labor, forced labor, employment discrimination, gender discrimination and other violations of laws and regulations; if such behaviour occurs, we will strictly deal with it in accordance with laws and regulations and the requirements of the Group. In 2022, the Company did not commit any of the above violations of laws and regulations.

Employment Performance Index¹

Indicators		2022
Number of employees		66,792
By employment category	Management personnel	7,538
	Professional technicians	27,232
	Skilled operators	32,022
By employment type	Full-time	66,792
	Part-time	0
By gender	Male	57,679
	Female	9,113
By age	35 or younger	6,102
	35-45 years old	17,991
	45-50 years old	18,155
	50 or older	24,544
By region	Mainland	62,859
	In regions other than Mainland China (International, Hong Kong, Macao and Taiwan)	3,933

Employee Turnover Rate Performance Index²

Indicators		2022
Employee turnover rate by gender (%)	Male	0.41
	Female	0.74
Employee turnover rate by age (%)	35 or younger	2.82
	35-45 years old	0.51
	46-50 years old	0.15
	51 or older	0.06
Employee turnover rate by region of work (%)	Mainland	0.46
	In regions other than Mainland China (International, Hong Kong, Macao and Taiwan)	0

1: Statistical data of employee covers the headquarter of the Group, its branches and subordinate companies.

2: Calculation formula for employee turnover rate: turnover in each category this Year/the total number of employees in each category at the end of the Year

Emphasis on Welfare Protection

The Company continues to improve its employee salary and welfare protection system. In the Year, the Company has issued and implemented the *Measures for the Administration of Total Salaries* and revised the *Measures for the Administration of Performance Appraisal*, so as to promote the precision and simplification of performance appraisal, as well as the differentiation and marketization of remuneration distribution, facilitate diversified mid-to-long-term incentives, stimulate employees' enthusiasm and enthusiasm for work, and provide employees with market-competitive remuneration and benefits. We provide employees with additional health check-ups, psychological counselling, corporate annuities, supplementary medical insurance and other welfare programs on the basis of meeting the national, regional and overseas standard social insurance benefits. Also, we strictly implement policies related to employee benefits such as maternity leave and parental leave. For overseas employees, we also provide additional overseas subsidies and repatriation leave to provide protection for them.

Facilitating Employee Development

The Company is devoted to building a platform for sustainable development for employees, further promoting the strategy of strengthening the enterprise by talents, continuously improving the talent training system, establishing multi-channel career promotion opportunities, and continuously carrying out job competition and competitive selection to stimulate talent innovation and creativity and team vitality. During the Year, we have revised the *Implementation Measures for Improving the Construction of Talent Growth Channels* to further improve and unblock the growth channels of various talents and continue to build the talent pipeline.

We provide employees with a wealth of training resources and carry out special training activities for talents in order to boost the professional capacity and skillset of employees. The Company has established a training center to provide systematic support for

organizing diversified training, further standardizing staff training and management so as to help employees grow and develop their career.

The Company continues to promote online learning, combining technology to refine the remote training system. Through continuous adoption of MOOC, video and telephone conference system, Zhongyuan Project's "Tiejun E School" and other mobile terminals to promote learning courses, we have increased the efficiency of remote training. Meanwhile, we have expanded online and offline training methods to carry out more systemic trainings for employees.

Southwest Oil Engineering Company's Drilling (Workover) Champion Team Competition

In order to comprehensively consolidate the standard operating skills for positions in a drilling (workover) team and enhance drilling skills of its employees, Southwest Oil Engineering Company actively explored a competition which could enforce training. Eventually, the Company held 8 drilling (workover) production classes with team competition at the training base to select the strongest group in the class in 2022. Over 170 persons participated in the training which effectively promoted the on-site production staff to work safely and steadily after work shifts, standardized their operating habits, and got them mastering the shut-in procedures to ensure that their job skills fully meet the standards.



▲ Champion Team Competition

Drilling Skill Enhancement Training for High-ranking Saudi employees in Sinopec Training Center

For enhancing drilling operational skills of on-site employees, Sinopec Training Center opened the first "Drilling Skill Enhancement Training Class for High-ranking Saudi employees" in October 2022. The training syllabus covered driller's job responsibilities, drilling design, drilling operation instructions, drilling HSE knowledge and production site safety knowledge, practical operation training of full-scale drilling analog devices, etc., to help foreign employees improve their professional skills.



▲ Saudi employees earnestly participated in training

Employee Training Performance Indicators:

Indicators		2022
Percentage of trainees by gender (%)	Male employees	81.4
	Female employees	63.4
Percentage of trainees by employee level (%)	Management personnel	83.7
	Professional technicians	76.5
	Skilled operators	94.1
Training hours per employee by gender (hours)	Male employees	86.5
	Female employees	42.0
Training hours per employee by employee level (hours)	Management personnel	56.1
	Professional technicians	53.1
	Skilled operators	112.9

Pay attention to Staff Care

During the Year, the Company continued to further "I serve the people" Scheme with activities which focused on daily lives, working environment and physical health of employees, comforting staff in need with subsidies and emotion support. In the Year, the major tasks carried out by us included:

- Provision of blood pressure monitors, effective heart-relief pills, staff bookstore services, holiday gifts, etc. to employees;
- Renovation of driller duty room with installation of refrigerators, multi-functional drinking water (beverage) machines, etc. to improve working conditions of working-level stuff.

We continue to improve the health service protection for our front-line employees. Health services have been introduced into to front-line teams and "cloud" medical consultation services are realized through relevant APPs to serve staff of our 3 professional branch companies and the front-line drilling, downhole, and logging team members of our 7 regional companies. Such 24/7 family doctors, electronic medical records management and other services have offered 2,042 family doctor services, 1,972 consultations, and 123 serious illness medical services for our front-line employees. We have also organized employee birthday parties and thematic outdoor development activities to enrich their lives and enhance their sense of belonging and the team spirit.



▲ An employee birthday party



▲ A Snapshot from a thematic outdoor

activity

A Beautiful Society

The Company has always adhered to the concept of "integrity norms, win-win cooperation, and giving back to the local area", earnestly fulfilled its social responsibility and made full use of its own resources to empower people in building a beautiful society. We attach great importance on giving back to the society and share the results of economic development with all sectors of society, hence we have become a proactive force in rural revitalization, participated in voluntary activities and conducted emergency rescues, working hand in hand to ensure the well-being of all. Moreover, we attach great importance on enhancing our international collaborations relationship, all of us putting in effort to create a harmonious and stable community relations together. During the Year, we formulated and issued the *Administrative Measures for External Donations by Petroleum Engineering Companies* to further standardize the external donation process. In 2022, the Company donated a total of approximately RMB1,770,000 to external charities.

Rural Revitalization

During the Year, the Company has become a proactive force in rural revitalization and increased the income of villagers through enterprise-local cooperation, partner assistance, consumption assistance and other ways, pragmatically solving actual problems faced by those living in rural areas, the Company takes practical actions to consolidate and enhance the achievement of poverty alleviation and contribute to rural revitalization.

Cooperation between Enterprises and Local Governments to Promote Rural Revitalization

In order to give full play to the demonstration and leading role of civilized units at provincial and municipal levels and fulfill corporate social responsibilities, we have successively carried out partner assistance with Yangjing Village, Wujian Town, Yangzhou City and Tangzhuang Village, Tangzhuang Town, Gaoyou City, to contribute to rural revitalization. We provided assistance in construction of fitness venues, sports fitness equipment and cultural activity rooms for the villages in partner assistance, and carried out cultural co-construction activities to effectively improve the level of rural civilization. Meanwhile, we assisted villages and towns to develop the brand of

"Dajinggou" rice, assisted in publicity and promotion, and purchased vacuum packaging equipment of rice industry for the villages, making it a new channel for local villagers to increase their income and create benefits.



▲ Carried out partner assistance and social responsibilities

Volunteer Activities

While earnestly fulfilling its corporate social responsibilities, the Company encourages and supports employees to participate in voluntary activities, creating a civilized and harmonious living environment and promoting traditional virtues. During the Year, we held activities such as helping villagers to move cement piles and sending water to the door to help people in the places where they operate to solve problems.

Taking Practical Action for the Public and Fulfilling Corporate Responsibility

In 2022, the project team of Sinopec Jiangnan Oil Engineering Company participated in the volunteer activity of "Drought Relief and Loving Support" to solve the drinking water problem for villagers in Yumin Village, Dapo Town, Xishui County, Guizhou Province. The project team purchased water pumps and large plastic water tanks on its own, and converted the cargo trucks into water delivery trucks to help the villagers get through the "last mile" of water delivery.



▲ Upgraded water delivery trucks



▲ Delivered water to villagers

Emergency Rescue

The Company has been enthusiastic in its efforts to give back to the society by leveraging its own skills to participate in emergency rescues so as to protect the life and property of citizen, fully demonstrating its corporate responsibility.

Road Crash Rescue

In June 2022, the drilling team of the Third Drilling Branch of Zhongyuan Petroleum Engineering Company encountered a traffic accident of a villager on the way back. The staff immediately checked the injury severity of the injured villager, dialled the rescue call, and sent the injured to the hospital for treatment.



▲ The family members of the rescued villagers presented silk banners to the employees

Gold Mine Rescue

In December 2022, a downhole collapse accident occurred in the production process of Western Region Gold Ili Company Limited in Yining County, Yili Prefecture, Xinjiang. After the accident, the local Department of Emergency Management quickly launched the emergency rescue plan to organize the rescue work. The employees of the Western Branch of North China Petroleum Engineering Company actively responded to the

coordination of the local government by mobilizing rescue equipment and supplies and traveling more than 1,400 kilometers from Tahe Oilfield in Xinjiang to Yining County to assist in the rescue. The Company lived up to its social responsibilities, fully demonstrating the responsibility of the central enterprise.



▲ The rescue team carried out the rescue in Yining

Deepening International Collaborations

In 2022, the Company continued to respond to the State's "Belt and Road Initiative" and strengthen strategic cooperation with the world's renowned enterprises to boost the development of participating countries. Overseas, the Company has also proactively fulfilled its social responsibilities, implemented the strategy of harmonious development, and maintained a stable cooperative relationship with overseas communities.

Supporting the sustainability of local universities in Nigeria

In December 2022, the Nigeria Project Department of North China Petroleum Engineering Company organized employees to go to the local Rivers State University to carry out equipment donation for construction. Through the donation of supplies, equipment and materials required for the construction of the university, the Company strongly supported the sustainability of the Rivers State University and won the gratitude and praise from all the faculty of the university.



▲ A group photo of the project department with the teachers and students of Rivers State University

Appendix: Environmental, Social and Governance Reporting Guide Index table of Hong Kong Stock Exchange

Topics	Topic description	Corresponding report chapters
Governance Structure	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board’s oversight of ESG issues;</p> <p>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>	Board’s Statement
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/ or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	About this report- Reporting Principles and Response
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or	About this report- Scope of the Report

	operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Green Development
KPI A1.1	The types of emissions and respective emissions data	Green Development - Responses to Climate Change
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development - Responses to Climate Change
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development - Pollution Prevention and Control
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development - Pollution Prevention and Control
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Development - Responses to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development - Pollution Prevention and Control
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development - Resource Usage Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Green Development - Resource Usage Management

KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development - Resource Usage Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development - Resource Usage Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development - Resource Usage Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Green Development - Ecological Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development - Resource Usage Management
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Green Development - Responses to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Green Development - Responses to Climate Change
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Care-Safeguarding Employees' Interests
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Employee Care-Safeguarding Employees' Interests

KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Care-Safeguarding Employees' Interests
Aspect B2: Health and Safety		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Safe Operation-Production Safety Management
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Operation - Protection of Occupational Health
KPI B2.2	Lost days due to work injury.	Safe Operation - Protection of Occupational Health
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Operation - Protection of Occupational Health
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Care - Facilitating Employee Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Care-Safeguarding Employees' Interests
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Care - Facilitating Employee Development
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Care-Safeguarding Employees' Interests
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee Care-Safeguarding Employees' Interests

KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employee Care-Safeguarding Employees' Interests
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Operation-Win-win Cooperation with Partners
KPI B5.1	Number of suppliers by geographical region.	Responsible Operation-Win-win Cooperation with Partners
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Operation-Win-win Cooperation with Partners
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Operation-Win-win Cooperation with Partners
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Operation-Win-win Cooperation with Partners
Aspect B6: Product Responsibility		
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Quality Control-Optimize Management System
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Because the company's business is mainly for oilfield technical services and does not include producing products, this indicator does not applicable.

KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Control - Pursuing Quality Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operation - Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Because the company's business is mainly for oilfield technical services and does not include producing products, this indicator does not applicable.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Responsible Operation - Information Security Management
Aspect B7: Anti-corruption		
General Disclosure	Relating to bribery, extortion, fraud and money laundering. Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Operation - Promote anti-corruption and integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Responsible Operation - Promote anti-corruption and integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Operation - Promote anti-corruption and integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Responsible Operation - Promote anti-corruption and integrity
Community		
Aspect B8: Community Investment		

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	A Beautiful Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	A Beautiful Society -Volunteer Activities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	A Beautiful Society -Emergency Rescue