



Sinopec Oilfield Service Corporation
2024 Environmental, Social, and
Governance (ESG) Report

Contents

About the Report	4
Scope of the Report	4
Explanation of the Report	4
Responses to Reporting Principles	4
Confirmation and Approval	5
Board's Statement	5
ESG Management System	6
ESG Philosophy	6
ESG Management Structure	6
Honorary Awards	8
Communications with Stakeholders and Assessment of Materiality of Key Issues	8
Safe Operation.....	10
Safety Management System	10
Production Safety Management.....	12
Management and Security.....	12
Emergency Management.....	14
Safety Training	15
Key Performance	17
Innovation Empowers Safety	17
Protection of Occupational Health.....	19
Green Development	21
Responses to Climate Change	22
Resource Usage Management	30
Pollution Prevention and Control	35
Ecological Protection	38
Quality Control.....	42
Optimizing Management System	42
Ensuring the Quality of Projects	43
Pursuing Quality Service	47
Responsible Operation	49

Promote anti-corruption and integrity	49
Intellectual Property Protection.....	51
Information Security Management.....	51
Win-win Cooperation with Partners	54
Employee Care	57
Paying Attention to Staff Care.....	57
Safeguarding Employees' Interests.....	60
Emphasis on Welfare Protection	61
Facilitating Employee Development.....	62
Better Society	66
Rural Revitalization	66
Deepening International Collaborations	68
Green and Environmental Protection.....	69
Volunteer Activities.....	70
Emergency Rescue	71
Appendix: Hong Kong Stock Exchange ESG Reporting Code Index Table ...	72

About the Report

Scope of the Report

The 2024 Environmental, Social and Governance (ESG) Report (hereinafter referred to as the "ESG 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 2024*, 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 2024 to 31 December 2024 (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 periods.

Explanation of the Report

The Report has been prepared mainly pursuant to Appendix C2: *Environmental, Social and Governance Reporting Code* 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-Regulation Rules for Listed Companies-Standardized Operation* of the Shanghai Stock Exchange.

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, please refer to the simplified Chinese version. 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.

Responses to Reporting Principles

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 Hong Kong 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 significantly 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 seventh meeting of the eleventh Board of Directors on 18 March 2025 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 continuously strive for the improvements of ESG management. Acting as the highest responsible 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, including climate-related risks. The Board of Directors take full responsibility for the Company's ESG strategy and reporting.

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 Materiality Assessment of Substantive Issues" in the Annual ESG 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 ESG issues concerning safe operation, green development, quality assurance, responsible operation, employee care and better society 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. This Year, the Company has successfully achieved the goals in relation to greenhouse gas emissions, energy use efficiency, water conservation and waste management for 2024. In the meantime, the Company has set relevant environmental goals for 2025 based on its own development status and has been reviewed by the Board of Directors, in order to realize the Company's vision for sustainable development.

ESG Management System

ESG Philosophy

Sinopec Oilfield Service Corporation adheres to the philosophy of "integrity and standardization, win-win cooperation, return to the local community", actively fulfills its corporate social responsibility, and ensures the compliance with relevant laws and regulations in 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 fulfill its commitment to building a world-class tech-orientation oil service company.

We continue to improve corporate governance, and integrate our environmental, social and governance philosophy into our corporate values, unswervingly moving forward to the path of sustainable development. We insist on paying heed to the health and safety of employees, and provide high-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 endeavor.

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, including climate change related matters. The Company has established an ESG management organization structure, covering Department of Party Work, Human Resources Department, Reform and Development Department, Finance and Asset Department, Marketing Department, Health, Safety and Environmental Protection Department, Technology and Information Department, Production Technology 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 2024, the Company has successively won the following numerous ESG-related honors, demonstrating the high recognition we have received from the public in relation to the Company's ESG information disclosure and management:

- Achieved the highest rating of A from the Shanghai Stock Exchange in 2023-2024 in relation to the information disclosure.
- Achieved Grade BBB in Wind ESG Rating in 2024.
- The Uganda project of the Company's wholly-owned subsidiary Zhongyuan Petroleum Engineering Company earned the EcoVadis "Committed" badge.

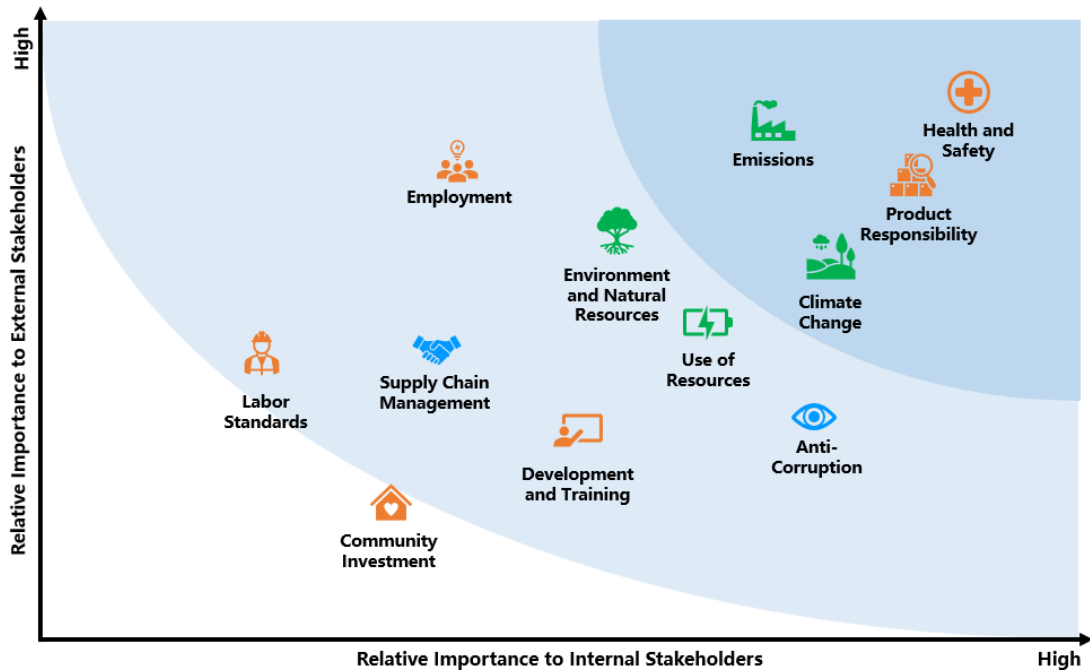
Communications with Stakeholders and Assessment of Materiality of Key Issues

The Company continues to enhance its of environmental, social and governance management. We have identified the major stakeholders, including government and regulatory agencies, shareholders and investors, customers, employees, suppliers, partners, communities and the public. In the process of ESG management, the Company constantly 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 • Occupational health and safety
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", "labor standards", "supply chain management", "anti-corruption", and "community investment". We will respond to the content of each topic separately in the Report.



Safe Operation

2024 Performance Highlights

- Carried out safety observations for a total of **189,135** times, representing an increase of approximately **96%** from 2023, and reported **34,722** potential hazards in total with a **100%** rectification rate in potential hazards.
- Held 15 training courses on obtaining HSE supervisory qualifications and certificates, with **1,308** trainees and **1,133** people passing the qualification examination.

Upholding the concepts that "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 HSE 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 the 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 national laws and regulations. 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 (Group Company), the Company continues to strengthen its HSE management system infrastructure. We have formulated the HSE management system manual and the enterprise-level management system, and clarified the management process to ensure the systematization, adaptability and effectiveness of the

¹ HSE: Health, safety and environment.

system documents. Since 2024, each enterprise has revised or changed 683 clauses in the system manual, and formulated and revised 202 management systems to further improve the suitability, adequacy and effectiveness of the HSE management system.

We have set up not only the HSE Committee but also the HSE Committee Office for Sinopec Oilfield Service and its 11 subordinate companies, respectively, 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 reasonably adjusted the monitoring indicators of multiple HSE elements, established a working mechanism for monitoring, reporting, analysis and improvement of key elements, and gradually integrated the HSE management system into the daily management of various business departments.

In addition, we continue to strengthen the internal audit for our safety management system, and promote the construction of the safety management system at all levels:

- The Company held 1, 75, 430 and 4,734 publicity and training sessions at the Sinopec Oilfield Service level, enterprise level, professional business unit level and grassroots unit level throughout the year, with over 90,000 employees attending, creating a pleasant environment featuring "learning, understanding of, and compliance with the system".

Full-factor Matrix Audit

In 2024, the Company organized and conducted a major HSE inspection and a "full-factor matrix" audit of the system. Adhering to the principle of "returning to universal elements in professional management and embodying universal elements with professionalism", we organized the audit on a total of 10 subordinate companies, 41 professional operating units, as well as 354 grassroots units. Through such an audit, we have further enhanced the concept of systematic management of all staff and optimized 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.



▲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 are located, 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 construction of safety and leadership, further promotes the requirements of "Three Managements and Three Musts"², and continuously deepens its efforts in the "Three Fundamentals"³, in order to strive for the improvement in safety in its essence.

Management and Security

Attaching considerable importance to production safety management across its petroleum engineering construction sites, the Company formulated and conscientiously implemented systems including the *Ten Measures for Strengthening the Safety Management of Direct Operations*, the *Management Measures of Safety Score for All*

² "Three Managements and Three Musts": industry management, business management, production and operation management must encompass safety management.

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

Staff, and the *HSE Responsibility System* 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 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 HSE 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 results into our employees' performance assessments to effectively promote on-site safety management. During the year, the Company implemented the following safety production supervision measures:

Production Video Monitoring	<ul style="list-style-type: none"> • 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; • The Company has arranged production, technology, equipment and safety 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 stop and rectify any unsafe practice of our employees.
Production Safety Inspection	<ul style="list-style-type: none"> • All units of the Company have carried out safety observations for a total of 189,135 times; • The Company has reported 34,722 potential hazards in total with a 100% rectification rate in potential hazards.
Inspection and Supervision Under the Principle of "Four Nos and Two Directs" ⁴	<ul style="list-style-type: none"> • The Company continued to carry out inspection and supervision under the principle of "Four Nos and Two Directs", and supervised all domestic industrial areas and drilling and workover teams to achieve the goal of "three full coverages"; • The Company has conducted domestic grassroots units' supervision over a total of 709 teams throughout the year, and

⁴ "Four Nos and Two Directs": 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.

	identified 1,652 potential violations and hazards as well as 277 environmental issues, which have all been rectified.
--	---

Emergency Management

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 are located, 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), the Company leveraged 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 centers of subordinate companies, effectively improving the speed of emergency response and the efficiency of emergency incident handling.

During the year, the Company carried out corresponding work in response to extreme weather such as extremely cold weather and blizzards, and emergency response to sudden natural disasters. In view of the performance degradation risk of well control equipment in the low temperature environment in winter, the Company took into account the characteristics of safe construction in winter, and implemented strict control and inspection on the operation status of key well control equipment such as blowout preventer units, choke and kill manifold, liquid gas separator, remote console and overflow monitoring device, and on the high-risk construction links such as well completion testing, large-scale fracturing, operation with pressure and side drilling overhaul, so as to ensure the safety of well control during winter construction.

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.

Safety Training

During the Year, the Company actively optimized the top-level design of safety training, focused on safety training for key positions such as HSE supervisors, heads, and team leaders of frontline units, and vigorously implemented the "all-staff training and competition " to promote the transformation of training into a daily routine.

The Company has organized a special training class for HSE supervision and established an HSE supervision team construction system integrating selection, training and use around the three main lines of "system construction, resource development and qualification training". The Company has improved 5 HSE supervision training repositories including teachers, courses, test questions, violation analysis and knowledge, to provide resource guarantee for HSE supervision and training.

HSE Supervision Teacher Training Course

In order to further strengthen the construction of the HSE supervision team and improve the level of on-site safety supervision, the Company has organized 2 training courses for HSE supervision teachers successively, and trained 108 full-time and part-time teachers, so as to effectively improve the teaching ability of teachers. The Company held 15 training courses on obtaining HSE supervisory qualifications and certificates, trained 1,308 HSE supervisors and 1,133 people passed the qualification examination, fully enabling HSE supervisors to hold certificates before taking up their posts.



▲HSE Supervision Training Course

The Company continued to enhance the safety awareness of all employees by regularly conducting practical drills to continuously improve the quality of safety plans and enhance the ability to respond to safety incidents.

Iron Army Top 10 Competition

In 2024, with the goal of "strengthening the three basics, preventing risks and promoting safety", Shengli Oil Engineering Company held the "Iron Army Top 10 Competition" by combining "on-the-job preliminaries + centralized finals" and "recommendations based on merit + blind draw for all employees" for major types of work, key positions, and high-risk and violation-prone operations, to improve employees' awareness of safety risk prevention and enhance their ability to respond to safety incidents.



▲ "Iron Army Top 10 Competition" of Shengli Oil Engineering Company

Joint drill for well control and fire hazard

In September 2024, the Company conducted a joint drill for well control and fire hazard at the drilling site of Well Xinqiao 1, simulated the emergency of sudden well kick and fire on the drilling floor in the drilling construction process. Such drill focused on the evacuation of staff and emergency disposal, which not only further standardized our well control and fire emergency reporting and disposal process, but also enhanced our practical well control and emergency response capabilities.



▲Joint drill for well control and fire hazard

Key Performance

During the year, there were 3 work-related deaths⁵ in the Company. Over the last three years, the number of work-related deaths, ratios⁶, lost time incident rates (LTIR⁷) and working days lost due to work-related injury per year are as follows:

Indicators	2024	2023	2022
Employee Death (Person)	3	3	1
Employee Death Rate (%)	0.0050	0.0047	0.0015
Lost Time Injury Rate (LTIR)	0.01	0.01	0.03
Number of Working Days Lost due to Work-related Injuries (days)	74	341	838

Innovation Empowers Safety

Information and technology construction is one of the core factors to enhance safety in its essence. The Company steps up efforts to promote internal scientific and technological

⁵ The work-related deaths occurred this year were related to failure to operate in accordance with the operating rules and were dealt with in strict accordance with the *Regulations on the Management of Accidents of Sinopec Group*. After the accident, the Company immediately conducted on-site emergency disposal, set up an accident investigation team to investigate and deal with the cause of the accident, and came up with solutions from the aspect of construction technology and management based on the cause of the accident to ensure the problem to be properly solved. Besides, the Company also held an emergency meeting to inform the accident and carried out investigation and rectification throughout the Company to avoid similar accidents from happening.

⁶ Calculated by dividing the number of deaths due to work-related injuries by the total number of employees at the end of the Year.

⁷ Calculated by dividing the number of work-related injuries by the total hours worked in the year and multiplying the result by 200,000 hours worked.

information and actively carries out scientific and technological innovation activities with the aim to further improve the Company's production safety with technological strengths.

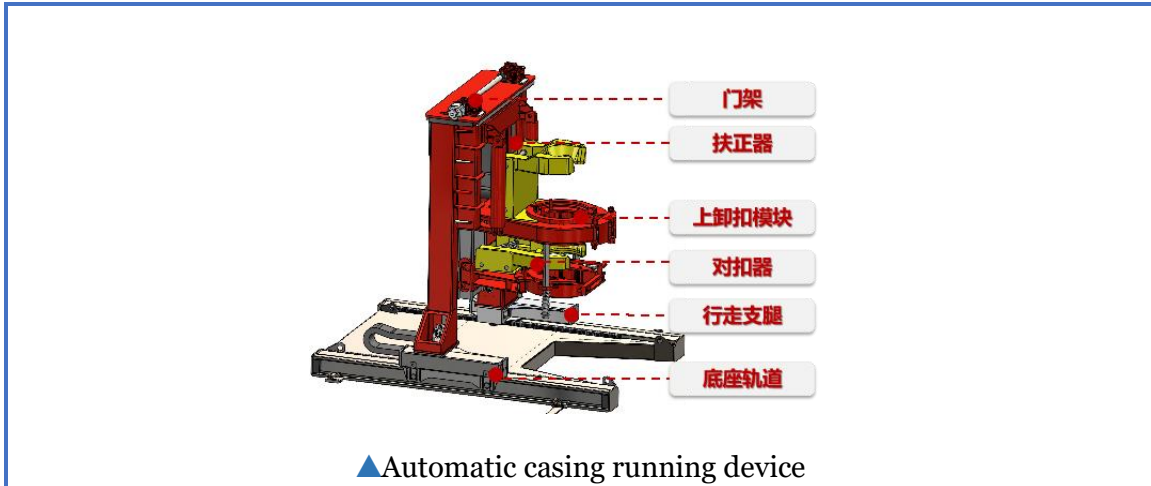
The Company has established the safety technology exchange platform for its headquarter and its subordinate companies and, through the "Safety and Environmental Protection" column of the website, organized and released the 12th edition of the "Safety Technology Information of Petroleum Engineering" with contents including 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.

During the Year, the Company continued to promote the automation and intelligent upgrading of equipment to improve safety management level with new productivity. Since 2023, the Company has completed safety-related upgrading and transformation with a total investment of RMB 2.36 billion, and completed safety-related upgrading and transformation of 22 drilling rigs and 8 sets of large-scale frac pumps, and equipped 135 sets of automatic catwalks and 21 automatic pipe racking machines, using advanced and intelligent equipment to ensure the safety of the operation site.

During the Year, the Company initiated a number of safety technology innovations and applications, such as "HSE Inspection and Operation System", "Analysis and Monitoring System for Positioning Safety of Jack-Up Platform", "Wellsite Smart Eye Smart Helmet System", "Automatic Casing Running Device", "Electric Control System for High-Voltage Gate", "Electronic Early Warning System for Construction Machinery" and other technology research projects, providing more comprehensive protection for safe production.

Research and development of automatic casing running device

During the Year, Shengli Oil Engineering Company independently developed the automatic casing running device. The device adopts the mechanical structure of "telescopic boom + rail car" to automatically complete the drilling tool alignment and make-up and breakout operations, realizing the automation of the casing running operation, improving the efficiency of the operation and reducing the labor intensity of the operator. During the operation, the operator can remotely operate the device, which improves the intrinsic safety of the casing running operation.



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 been committed to providing every employee with a safe and healthy work environment to avoid occupational hazards. The Company has taken the following measures to ensure multiple protections for the occupational health of its employees:

Types of Measures	
Labor Protection Products	<ul style="list-style-type: none"> • Provide employees with all-round, high-standard labor safety protection products • Explicitly require that occupational disease protection facilities must be put into use at the same time as other production facilities • Assign occupational health management personnel to instruct employees on the proper use of labor protection products • Organize special inspections on labor protection products

Employee Health	<ul style="list-style-type: none"> • Organize regular health examinations for all employees, occupational health examination for personnel in hazardous positions, and provide special EAP⁸ services such as mental health counseling • Carry out health condition assessment and adjust the positions of those with health abnormalities such as occupational contraindications • Formulate "one person, one plan" health intervention programs for high-risk personnel and follow up and monitor them
Emergency Response	<ul style="list-style-type: none"> • Formulate internal systems such as emergency plans for construction work and guidelines for the provision of emergency medicines and equipment • Configure emergency medical treatment and rescue equipment, and equip automatic external defibrillators (AEDs) in places with conditions • Provide qualified medical personnel in large-scale living camps and large-scale project departments that are far away from medical institutions
Training and Drills	<ul style="list-style-type: none"> • Carry out various types of occupational health training • Organize occupational health emergency plan drills to improve employees' ability and level of emergency response

During the Year, aiming to further reduce the occurrence probability of incidents hazardous to employees' health and safety, the Company fully implemented the *Control List of High-risk Diseases on the Field Construction Sites of Petroleum Engineering*, implemented strict control over the types of high-risk diseases that are not suitable for field construction by giving full consideration to the actual work conditions such as special working environment, special operations and special labor requirements, and effectively controlled non-productive health events.

⁸ EAP (Employee Assistance Program) : Employee assistance program, also known as employee psychological assistance program or employee psychological management technology.

Green Development

2024 Performance Highlights

- The annual emission reduction of greenhouse gases was approximately **1.77 million tons** of carbon dioxide equivalent.
- The Company used electric grid drilling rigs to drill 1,294 wells with a total drilling depth of 5.558 million meters to promote 8 energy efficiency improvement projects, such as energy-saving transformation of transformers and transformation of electric drilling rigs, replacing approximately **522,000 tons** of diesel in total, saving about **632,000 tons** of standard coal.
- The electrification of drilling rigs was accelerated, and the proportion of electric drilling rigs reached **66.2%** in 2024.
- Fixed-site photovoltaic power generation installations had a total installed capacity of **0.9MWp** and an annual total power generation capacity of **655,000 KWh**, replacing a total of **199.8 tons** of standard coal and reducing the emission of carbon dioxide by approximately **523.6 tons**.

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 are located, 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 that "lucid waters and lush mountains are invaluable assets", the Company is committed to implementing the concept of green development in 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 Company's business impact on the environment.

Responses to Climate Change

Governance

The Company has integrated the concept of climate change into its ESG management structure (see the section headed "ESG Management System" in this report for details). The Board of Directors is responsible for overseeing climate-related risks, and supervising and reviewing the formulation and achievement of targets in relation to the climate and "carbon peaking and carbon neutrality". Relevant departments are responsible for the identification and management of climate change-related risks and opportunities in accordance with the requirements of the Board of Directors, formulate corresponding management systems and countermeasures for the identified significant risks, and conduct daily risk management. The Board of Directors is briefed at least once a year on ESG matters including climate topics, and receives trainings on climate change on a regular basis, to continuously improve its understanding of the climate-related profession and its governance capabilities.

Strategy

The Company has periodically identified and evaluated climate risks and opportunities in combination with the future development trend of climate change, the progress towards "dual carbon" targets and the operation of its own business segments. The Company continues to identify, evaluate and manage the risks and opportunities of climate change with reference to the Guideline on the Task Force on Climate-Related Financial Disclosure, the International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate Related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) and other major international proposals on climate information disclosures.

During the Year, based on the previous evaluation results and the suggestions from internal and external experts, the Company has identified that the physical risks mainly come from natural hazards such as hurricanes and mudslides caused by climate change; while the transition risks, with relatively low impact, mainly involve compliance,

technological transformation, market and reputation risks arising from low-carbon development.

Risk category	Risk description	Potential financial impact	Time horizon	Countermeasures
Physical risks	<p>Acute risks: Extreme weather such as typhoons, heavy rains and mudslides</p>	<ul style="list-style-type: none"> • Damage to construction sites, offshore platforms, office buildings and equipment, causing asset losses; • Abnormal production affected by equipment damage, employees' inability to work, safety threats, transportation interruption, etc. 	Increase in capital expenditure	<p>Short-term, medium-term, long-term</p> <ul style="list-style-type: none"> • Formulate emergency response plans for natural disasters before construction based on specific geographical features, and continuously improve the emergency response mechanism for natural disasters; • Identify potential asset damage and purchase necessary insurance; • Reserve water, electricity and other essential resources for production and operation in advance.

	<p>Chronic risks: Continuous high temperature, severe cold, drought, etc.</p>	<ul style="list-style-type: none"> • The rising temperature will require the Company to equip more refrigeration equipment, increasing its energy consumption and operating costs; • Equipment may be damaged under severe cold conditions in winter, increasing its energy consumption. • Employees may not be able to work outdoors for a long time under high temperature conditions or during severe cold seasons, which affects its operational efficiency. 	<p>Increase in capital expenditure Increase in operating expenses</p>	<p>Medium-term, long-term</p>	<ul style="list-style-type: none"> • Apply more energy efficient refrigeration equipment under high temperature conditions; • Take precautionary anti-freezing and heat-preservation measures to protect equipment, and standardize the operation requirements in winter; • Scientifically arrange production plans, deploy production organizations carefully, and improve operational efficiency.
<p>Transition risks</p>	<p>Policy and legal risks</p>	<ul style="list-style-type: none"> • The government may introduce more stringent policies and regulations to mitigate climate change, increasing 	<p>Increase in compliance costs</p>	<p>Short-term, medium-term, long-term</p>	<p>Closely monitor changes in environmental laws, regulations and policies and respond in a timely manner.</p>

		<p>the works of enterprises in technical reforms for energy conservation and carbon reduction, energy structure transformation and operational compliance. This may lead to an increase in low-carbon transformation costs, administrative fines, and lawsuits or claims.</p>			
	<p>Technical risks</p>	<ul style="list-style-type: none"> • Failure in identifying relevant risks and applying low-carbon technologies in a timely manner, resulting in the low-carbon transformation of products falling behind industry peers and affecting the efficiency of low-carbon transformation. 	<p>Increase in capital expenditure</p>	<p>Medium-term and long-term</p>	<ul style="list-style-type: none"> • Increase the proportion of new energy use and actively carry out cooperation with peers; • Research new cooperation methods in technologies and equipment; • Improve the Company's own new technology and new equipment

					research and development ability.
Market risks	<ul style="list-style-type: none"> • Increase in raw material and energy costs; • Decrease in demand for fossil fuels. 	Increase in operating expenses	Medium-term, long-term	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Obtain negative feedback from stakeholders due to poor performance in climate change and sustainability. 	Decrease in operating income	Long-term	<ul style="list-style-type: none"> • 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 mainly include:

Opportunities		Potential financial impact	Time horizon	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; Supportive policy incentives for green transition. 	Decrease in operation costs	Short-term, medium-term, long-term	<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;
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. 	Revenue growth	Medium-term, long-term	<ul style="list-style-type: none"> Strengthen the research and development of low-carbon technologies, and continue to increase the proportion of green and low-carbon emission products;
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. 	Revenue growth	Medium-term, long-term	<ul style="list-style-type: none"> Identify and participate in emerging markets; Promote the development and utilization of renewable energy.
Adaptability	<ul style="list-style-type: none"> Energy substitution and diversified solutions; Participation in renewable energy projects. 	Decrease in operation costs	Short-term, medium-term, long-term	

Climate Resilience

During the Year, the Company has conducted a systematic analysis regarding its ability to tackle risks and grasp opportunities in the future based on the analysis results of climate-related risks and opportunities. For physical risks, we will strive to reduce the health and safety impacts caused by acute and chronic physical risks through continuously implementing a strict HSE management system and formulating extreme weather response plans based on the climatic conditions of the places where we operate. For transition risks, we will actively respond to the national “dual carbon” strategy, and promote the low-carbon and green transformation of production and operation, the use of clean energy and the electrification of equipment, so as to avoid the potential financial impact associated with transition risks on the Company.

Risk Management

The Company has periodically identified and evaluated its business operation risks, including climate-related factors. Based on the risk identification results and the overall market conditions, we have formulated countermeasures at all stages of our production and operation to continuously improve our climate resilience. At present, the climate-related risk management measures adopted by the Company include:

Project planning	<ul style="list-style-type: none"> • During the site selection stage, we will analyze the climatic conditions of each potential operation site and formulate countermeasures including resource reserves and emergency proposals in advance against site-specific climate risks, and will not choose areas with high risks of natural disasters.
Procurement	<ul style="list-style-type: none"> • Suppliers who adhere to low-carbon and environmental-friendly principle will be selected in priority, and those who have adverse environmental incidents will be seriously punished.
Production and operation	<ul style="list-style-type: none"> • Assemble photovoltaic power generation facilities at fixed operation sites and popularize the use of clean energy in production. • Strengthen the research and development and application of low-carbon technologies, continue to promote the electrification of drilling rigs and CCUS, and actively carry out the projects for geothermal cascade utilization and geothermal power generation.

Resource utilization	<ul style="list-style-type: none"> Continuously improve the energy and material efficiency, minimize resource consumption, and accelerate asset recycling.
----------------------	---

Indicators and Targets

The Company actively responds to the national “dual carbon” strategy and constantly promotes the clean and low-carbon development of its own business. We have formulated the Action Plan for Carbon Peaking and Carbon Neutrality 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 achieve net zero emissions in 2050, so as to fully achieve carbon neutrality. Meanwhile, we set our next-year targets for greenhouse gas emissions and resource usage based on our business operations annually (For details, please refer to the sections headed “Responses to Climate Change” and “Resource Usage Management” in this report).

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 energy converted from fossil fuels, mainly including carbon dioxide, methane and nitrous oxide. In 2024, the greenhouse gas emissions by the Company were approximately 2.10 million tons, and our greenhouse gas emissions per RMB10,000 were 0.322 tons, which demonstrates our success in achieving the goal we set earlier in 2023 of limiting our greenhouse gas emissions to under 2.336 million tons. In 2024, we reduced greenhouse gas emissions by 1.77 million tons of CO_{2e}.

During the Year, based on the reasonable increase in our workload, we have set the following greenhouse gas emission control target: the greenhouse gas emissions in 2025 shall not exceed 2.125 million tons.

The Company has a new energy technology research and development center. As a support unit of the CCUS key laboratory of the Group Company, it possesses CCUS whole-process engineering and technical achievements with independent intellectual property rights and has undertaken the first million-ton CCUS engineering project in China and actively carried out projects for geothermal cascade utilization and geothermal power generation.

The Company actively promotes carbon dioxide storage and the application of carbon dioxide-enhanced energy fracturing technology, adopts high-pressure to inject liquid carbon dioxide to make fractures, which improves reservoir permeability and effectively solves problems of poor gel breaking performance, difficulty in flowback, severe formation damage, waste of water resources and environmental pollution of traditional fracturing fluids, and reduces the external environmental emission of carbon dioxide. In 2024, the Company applied the technology to 92 wells in industrial areas such as Northeast China, Inner Mongolia, Central China, Shengli Oilfield and Southwest China, with a total of 639 layers stored and 104,000 cubic meters of liquid carbon dioxide injected, equivalent to 114,000 tons of gaseous carbon dioxide.

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 are located, the Company strengthens resources management, increases the proportion of clean energy usage, and 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 energy efficiency transformation to increase the supply of clean energy and steadily improve the resource and energy utilization. Meanwhile, the Company has adopted the following key measures to promote energy saving and consumption reduction:

Promoting Clean Energy

- Accelerate the implementation of clean energy projects such as grid electric drilling, grid electric fracking, gas power and solar energy to replace high energy-consuming and high-emission equipment and facilities. In 2024, the Company's fixed investment in equipment upgrades totaled 2.8 billion RMB, with the ratio of rig electrification reaching 66.2%; grid electric drilling was applied in 1,294 wells a drilling footage of 5.558 million meters, representing 66% of the drilling footage in China; eight energy efficiency enhancement projects, including energy-saving renovation of transformers and renovation of electric drilling rigs, were implemented, resulting in a cumulative replacement of approximately 522,000 tons of diesel fuel, equivalent to a saving of approximately 632,000 tons of standard coal and a reduction in carbon dioxide emissions of approximately 1.656 million tons.

Adoption of Low Energy Consumption Technologies

- Continuously promote energy-saving technologies such as oil-to-gas conversion, oil-to-electricity conversion and waste heat and pressure recovery, and widely use new energy-saving devices such as dual-fuel engines, energy-saving variable-frequency motors, electric fracking skids, and dynamic powerless compensation.

Improving the Environmental Protection Awareness of Employees

- The Company has issued and posted initiative letters and energy-saving reminder cards to guide employees to work in a green office; carried out the "Empty Plate Campaign" to guide employees to practice saving; organized public open days to promote low-carbon concepts; and called on employees to participate in green and low-carbon activities.

During the Year, the Company and its subsidiaries have vigorously promoted the application of photovoltaic power generation technology in fixed places such as office buildings, workshops and employee apartments under the guiding principle of diversifying energy consumption structure. The total installed capacity reached 0.9MWp; and the total power generation of the year reached 655,000 kWh, which was equivalent to standard coal of 199.8 tons and a reduction of carbon dioxide emission of approximately 523.6 tons. Among them, the installed capacity of the Tarim drilling photovoltaic power generation project of Shengli Oil Engineering Company stood at 500KWp and its power generation of the year reached 253,200 kWh; the installed capacity of the photovoltaic power generation project of the Pipe Technology Service Center stood at 37.1KWp and its power generation of the year reached 147,300 kWh.

Solar PV Power Generation Equipment



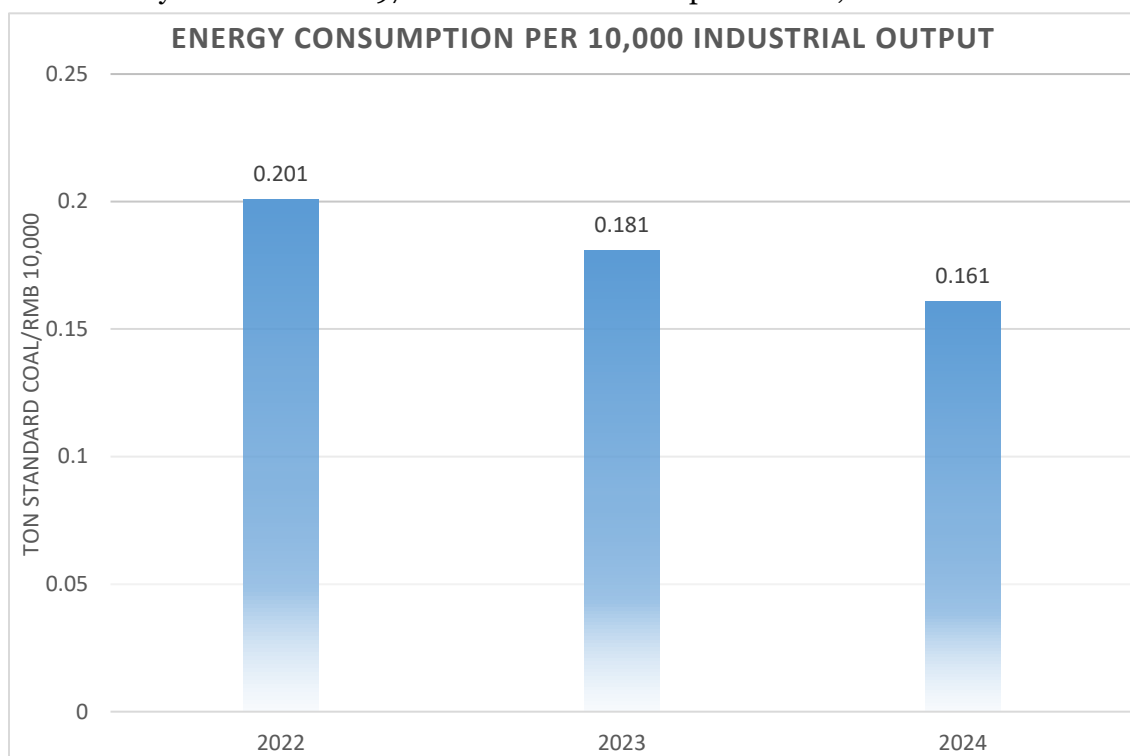
▲ Tarim Drilling PV Power Generation



▲ PV Power Generation at the Pipe Technology Service Center

In 2024, the Company's comprehensive energy consumption per RMB10,000 of industrial output was 0.161 tons of standard coal, representing a decrease of 0.020 tons of standard

coal per RMB10,000 as compared with 2023 or a year-on-year decrease of 11%, which demonstrates our success in achieving the goal we set earlier in 2023 of limiting our energy use intensity to be under 0.197 tons of standard coal per RMB10,000.



In view of the above and our estimated business development, our energy use target for 2025 is under 728,981 tons of standard coal, and the energy use intensity shall not exceed 0.174 tons of standard coal per RMB10,000.

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

Indicators	2024	2023
Total energy consumption (MWh)¹	5,777,285.53	6,476,180.37
Direct energy consumption (MWh)	4,092,145.75	4,524,269.54
Petrol (MWh)	64,740.15	81,089.00
Diesel (MWh)	3,403,993.00	3,924,160.59
Natural gas (MWh)	574,802.04	487,286.49
Coal (MWh) ²	-	-
LPG (MWh)	356.02	433.76
Crude oil (MWh) ³	-	-

Other energy (MWh) ⁴	48,254.54	31,299.70
Indirect energy consumption (MWh)	1,685,139.78	1,951,910.83
Purchased Electricity (MWh)	1,553,107.80	1,836,106.41
Heating Power (MWh)	132,031.98	115,804.42
Comprehensive energy consumption of industrial output value (ton of standard coal / RMB10000)	0.161	0.181

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 2589-2020)*.

2 During the Year, the Company vigorously promoted clean energy, and carried out technological transformation, with coal no longer used as the fuel.

3 During the Year, the Company continued to advance energy-conserving technologies and new energy-saving devices, with crude oil no longer used as the fuel.

4 Other energies mainly refer to the fuel converted from fossil fuels such as waste oil.

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

Water Conservation

The Company attaches great importance to 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 the 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.

The Company continues to standardize the process management of keeping 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 2024, the planned industrial water used was 6.604 million cubic meters, and the actual water used was 6.045 million cubic meters. The annual industrial water used target per RMB10,000 of output was 1.833 cubic meters, and the actual water used was 1.623 cubic meters per RMB10,000, which demonstrates our success in achieving the goal for 2024.

During the Year, under the principle of “whoever consumes water resources shall be responsible for managing water resources”, the Company has set a target for water consumption in 2025 of no more than 920 cubic meters⁹, with a water consumption intensity of not exceeding 2.622 cubic meters per RMB10,000.

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 are located, 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, etc. We continue to carry out air pollution, wastewater treatment, waste disposal and other pollution control work, in order to ensure all subordinate companies 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 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

⁹ The Group Company has entrusted the Petroleum Engineering Company with a target of 3 million cubic meters of water supply to project owners in the Jiangnan industrial area.

vehicles and other equipment, as well as the dust generated at the construction sites. During the construction and operation of projects, we have adopted measures such as increasing the frequency of water spraying and laying dust-proof nets 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 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 actual requirements, we actively promoted the use of eco-friendly restrooms, and increased the reuse of industrial wastewater and domestic wastewater, thereby continuously reducing wastewater discharge. In 2024, the Company continued to promote the use of environment-friendly toilets on the frontline of production, including all drilling well sites and most underground operation sites. During the Year, 1,338,000 cubic meters of domestic sewage, 241,000 cubic meters of drilling wastewater, and 440,000 cubic meters of operation wastewater were treated by the Company in compliance with relevant regulations, achieving 100% compliance rate of wastewater discharge.

Wastewater Treatment Facility



▲ Centralized treatment of industrial wastewater and domestic sewage in Southwest industrial area

Waste Disposal

The waste generated during the operation of the Company includes general industrial solid waste and hazardous waste. In 2024, the Company has generated a total of 9,000 tons of general industrial 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. 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 of the external parties engaged by it in relation to the management of hazardous waste disposal and their relevant measures. During the Year, the Company has generated 4,000 tons of hazardous waste, all of which has been delivered to qualified third parties for disposal in compliance with relevant regulations. In 2025, we will continue to have all general solid waste treated in accordance with the requirements of the place of operation, and all hazardous waste delivered to qualified third parties for disposal in compliance with relevant regulations.

During the Year, the Company established an asset operation subsidiary to deal with the disposal, reallocation and leasing of idle assets and the recycling of idle equipment. Meanwhile, we implemented measures such as “direct supply of recycled materials to end-users”, “recycling of complete machines or accessories” and “original factory remanufacturing” to facilitate the recycling of resources and increase the value of idle assets. As of the Reporting Period, the Company has cumulatively dismantled 2,036 transformers, cut and processed over 3,200 tons of scrap steel, and repaired 51 electric motors and 7 diesel generator sets with recycled materials.

Waste Disposal Facility



▲ 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, and 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 are located. We also adhere to the use of environmental-friendly and technological construction methods, and strive to protect the ecological environment of the place of operation of our projects through various measures and projects, such as efficiently utilizing the pore spaces of the reinjection strata and optimizing the brand services for rock cuttings reinjection.

Overseas Ecological Protection

The Company undertakes its social responsibility in protecting the environment in its overseas constructions on its own initiative. The Thailand project of East China Oil Engineering Company takes the on-site conditions into full consideration to strictly separate and process its daily food waste and provide the waste to local farms as a part of feed. This not only reduces the pollution of the environment by food waste, but also provides sustainable resource support for local agriculture. During the construction process of the Thailand project, strict oil cleaning measures were adopted and cleaning

agents that met environmental protection standards were used to prevent oil from seeping into the soil or water sources and causing pollution.



▲Working site of the Thailand project

Overseas Biodiversity Conservation

In the construction and operation of overseas projects, the Company always adheres to the principle of giving priority to environmental protection, and endeavors to protect local animals and plants and promote the harmonious coexistence of man and nature. The Uganda project of the Company is located in Murchison Falls National Park. In order to protect the habitat of wild animals to the maximum extent, the management department of the Uganda project designed animal migration passages in the pipeline operation area, divided the area into zones according to the standard of "reserving an animal passage with a width of not less than 30 meters for every 500 meters", and used iron fences, steel pipes and fine mesh safety nets to fully enclose and manage the construction area. It also used drone aerial photography technology to monitor the whereabouts and behavior patterns of wild animals to prevent wild animals from accidentally entering the pipeline operation area. In addition, the project management department conducted speed limit and exhaust emission tests on construction vehicles and required vehicles to give way to wild animals. If wild birds are found laying eggs in the pipeline operation area, the project management department will reduce the construction time, avoid or suspend operations in the relevant areas, and isolate and fence them to reduce external disturbance during the incubation period of the wild birds.

To reduce the risks of injury to animals and injury to workers by animals, workers are required to wear khaki-colored work uniforms and strictly adhere to fixed daily working hours. Meanwhile, the project management department invested a large amount of

funds in the special modifications of equipment for noise reduction, utilized noise barriers to prevent and control noises, and deployed forest rangers at each work surface to perform the duties of protecting project personnel and animals.

In order to reduce impact on the ecology, the project management department retains the original vegetation to the maximum extent possible during the construction process, equipped all heavy vehicles with oil spill kits, and placed oil spill trays under generators and other devices to avoid the risk of oil leakage. To prevent the invasion of alien species, all operating equipment and vehicles must be cleaned and disinfected before entering the park to ensure that there is no risk of alien species invasion; all materials and the site must be cleaned up on a daily basis before leaving, and all garbage generated on the work surface must be cleaned up daily and taken away by vehicles. We will continue to promote green operations, ensure biodiversity in our operation areas and help build a green "Belt and Road".





▲ Working site of the Uganda project

In situ reduction of oil-based drilling cuttings

In 2024, Shengli Oil Engineering Company continued to propel the "Green Enterprise Campaign". At 12 wells in the Shengli Shale Oil National Demonstration Zone, it accumulatively treated about 4,800 tons of oil-based drilling cuttings and recycled 207 tons of synthetic drilling fluid, actively practicing its waste utilization concept of "in situ processing and turning waste into wealth".



▲ In situ reduction device of oil-based drilling cuttings

Quality Control

2024 Performance Highlights

- **20** national excellent QC achievements, **47** provincial and ministerial-level excellent QC achievements, **24** "National Excellent Welding Project" awards and **1** national "Quality Trustworthy Team" award.
- **Two cases** were selected as typical cases of "Metrology Promotes the Industrial Development of New Quality Productive Forces" in the PRC.
- Comprehensively promoted the **petroleum engineering business management and control platform (IPPE)** to achieve the full-process control over engineering design, plans, well history and indicator statistics and comparison.

The Company always adheres to the quality policy that "quality is always one step ahead". We further strengthen the awareness of quality first and customer service, effectively prevent and control quality risks, and build competitive edges based on the Sinopec Oilfield Service brand, standard, quality and services to continuously improve the quality of products, engineering and services and the brand value and effect of core products of petroleum engineering. During the Year, we steadily pushed forward the construction of the "National Metrology and Testing Centre for Petroleum Drilling Instrument Industry", established 35 calibrations and 14 testing capabilities, developed seven sets of metrology and testing instruments that are key to the development of the industry, and formulated and revised 4 national technical specifications for metrology, and two cases were selected as typical cases of "Metrology Promotes the Industrial Development of New Quality Productive Forces" in the PRC.

Optimizing Management System

The Company insists on promoting its high-quality development continuously by leveraging on its quality management systems. We strictly abide 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. All subsidiaries, in addition to ensuring the integrity and the controlled process of their

quality management systems, optimized and improved their quality management system documents and continuously improved the suitability, adequacy and effectiveness of their quality management systems. Meanwhile, the Company requires each subsidiary to regularly conduct 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" and forms a management system under the core of "project management". Meanwhile, guided by the Research Report of Digital Transformation Strategy of Sinopec, we strive to build our digital oil service through digital transformation and intelligent upgrades. The Company has developed the "petroleum engineering business management and control platform (IPPE)" and has realized real-time monitoring of engineering data and further improved management efficiency.

Ensuring the Quality of Projects

The Company strictly abides 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*, the *Petroleum Engineering Company's Malfunction Management Measures for Drilling Engineering* and other quality management systems, so as to continuously improve the quality management level and ensure the quality of its projects. The Company has established a malfunction management system, and continues to implement engineering quality control in the entire process. We analyze and map out the key issues that 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. In 2024, in order to further improve the efficiency of malfunction management for drilling engineering, the Company revised the *Malfunction Management Measures for Drilling Engineering* to set a classification requirement for the reporting and handling of malfunctions and specify the standards of various classification requirements, with an aim to handle malfunctions in more accurate and efficient manner and improve management efficiency.

The Company has established a complete failure management system according to the principle of minimizing losses to make prompt decisions and solve failures as soon as possible. The Company further strengthens source risk control, carries out drilling geological design of key projects and hierarchical review of construction design through the "two-hierarchy integration" experts office, and continues to carry out quality management checks at an earlier stage to reduce construction risks from the design source and lay a solid foundation for construction quality control. If a failure occurs that may affect the quality of the project, the Company will require relevant units to report it step by step as soon as possible and formulate preliminary measures to avoid the complication of the failure. Meanwhile, the Company will organize experts to evaluate the situation and formulate a disposal plan and will arrange experts and key technical personnel to provide on-site guidance when necessary. During the Year, the Company has not received any complaints related to its project quality.

Full support from experts to ensure smooth implementation of key projects

In 2024, in view of the technical problems and guarantee demands of key projects, the Company provided full-process support for key projects through the "two-hierarchy integration" experts office and the on-site drilling and well completion expert group of the Petroleum Engineering Company, and held regular on-site expert group meetings to regularly summarize the phased construction results and jointly develop plans for the next step. This mechanism ensured the smooth implementation of a number of drilling and well completion projects, such as Hexing 1 Well, the first ultra-deep exploratory well in western Sichuan with volcanic rocks as the target layer, Xinsheng 1 Well, the first exploratory well in Songbei New District, Fushenre 1 Well, the first deep geothermal exploration well in China, and Qiyeshen 1 Well, the ultra-deep shale gas well.

Application of digital technology to ensure engineering quality

During the Year, the Company comprehensively promoted the petroleum engineering business management and control platform (IPPE) to achieve the full-process engineering quality control over engineering design, plans, well history and indicator statistics and comparison, and utilized integrated data real-time collection, drilling optimization and other modules to conduct remote monitoring, trajectory optimization and real-time construction parameter analysis for construction works so as to achieve information-based management and control of engineering quality. Besides, for key wells of high risk, the Company sets up technical and operational support groups of all levels and selects

experts in geology, directional drilling, logging and rotary steering to provide on-site guidance to implement the integral geological engineering work.

During the Year, the Company carried out engineering evaluation and analysis works, such as ECD analysis and wellbore cleaning, MSE monitoring and friction tracking, casing running simulation and geo-mechanical analysis, for the construction wells in the Tongnanba Block through the management and control platform, which effectively improved the timeliness in handling complex failures in the region and improved drilling efficiency. The drilling cycle of Ma 2-10HTNB Well was reduced by 16 days, and no complex downhole failure occurred in the whole well.

Quality Training

During the Year, the Company's quality training continued to focus on key work, key technologies and key posts, and carried out quality training activities of all categories and at all levels for key personnel such as technical management and operation staff at all levels. During the Year, the Company held all kinds of regular training courses for employees, including seminars on well control technology management and typical cases, advanced seminars on drilling fluid technology, geological capacity improvement courses for drilling technology experts, demonstration training courses for key well control management personnel and other key training courses, as well as trainings on key technologies in the quality management of drilling wells (covering geological engineering integration, drilling technology, drilling fluid technology and well control technology), which further enhanced the engineering quality awareness and technical level of key personnel.

"Quality Day" and "Quality Month" Campaigns

In 2024, the Company continued to carry out "Quality Day" and "Quality Month" campaigns. The campaigns revolved around the theme of "Strengthening Quality Support and Jointly Building a Powerhouse of Quality" and implemented the "customer-centric" work requirements," with various thematic activities being arranged. Through various forms of activities, such as quizzes, competitions and experience sharing, 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 Month Grassroots Technical Competition

Social Recognition

During the Year, the Company has won multiple engineering awards, including 20 national excellent QC achievements, 47 provincial and ministerial-level excellent QC achievements, 24 "National Excellent Welding Project" awards and one national "Quality Trustworthy Team" award.



▲National Excellent QC Achievement ▲National Excellent Welding Project Award

Pursuing Quality Service

The Company has been insisting on being customer-oriented to continuously optimize the customer feedback system and create more value for customers. During the Year, the Company continued to carry out customer communication activities and organized teams of different levels, regions and specialties according to market regions and specialties to meet and visit customers to get to know customers' needs. Meanwhile, the Company intensively demonstrated its achievements in market quality control through seminars and reports on achievements of key projects. In addition, the Company attached great importance to overseas markets, continuously implemented the cooperation mechanism for mutual visits and mutual trust with major overseas customers, and continued to maintain a normalized cooperation, communication and coordination mechanism for market projects in overseas regions and countries, so as to gain an in-depth understanding of and meet the needs of customers in different regions.

The Company continues to be market-oriented, prioritizes efficiency, and improves our service quality. With the production scheduling system, the Company discovers and collects problems and defects in production, notifies the subordinates to deal with them according to the types of problems and defects, and reports to the leaders in charge to track the process. The Company also establishes a market information management system to receive customer feedback in time and standardizes the problem-solving process to improve the efficiency of customer feedback reception, complaint and suggestions processing as well as service quality. If a complaint is received at the corporate level, it will be assigned to a certain business department according to its content, nature and severity.

If a complaint is received at the subordinate unit level, the subordinate unit will respond according to the handling process.

We keep improving the return visits mechanism for market quality, carrying out service quality feedback and special project connection, investigating the difficulties in the process of market operation, focusing on the changing market demand, and responding to customers' concerns in terms of team allocation and service prices. Dedicated personnel are assigned to be responsible for the tracking and implementation to continuously improve customer satisfaction. We conduct scientific and effective assessments on customer satisfaction through user satisfaction assessment indicator system, measurement model, statistical analysis, digital calculation and other methods.

Responsible Operation

2024 Performance Highlights

- Conducted Party committee inspections in a solid manner and completed routine inspections on **16** professional operating units.
- Made patent applications actively and obtained **779** authorized patents, including **417** invention patents.

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

Promote anti-corruption and integrity

The Company pays particular attention to improving the integrity of the Party members and anti-corruption efforts in strict compliance with national 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 effectively implements the rules and regulations for enterprises including the Working Rules of the Commission for Discipline Inspection, Working Rules of the Supervisory Commission, and Working Measures for Inspection of Party Committee. The Company further promotes daily supervision, integrity risk prevention and control and anti-corruption, advances corporate governance system construction, and creates a fair and honest corporate atmosphere to enhance the Company's compliance management and management by law.

Strengthening responsibility implementation

During the Year, the Company formulated and earnestly implemented the List of Responsibilities for Strictly and Comprehensively Governing the Party. The Company's Party Committee regularly listened to working reports from the Commission for Discipline Inspection, and studied and analyzed the situation and tasks of party integrity building and anti-corruption work. The Company regularly listened to reports from the leadership team on the implementation of "one post with two responsibilities"¹⁰ to solidify the

¹⁰ 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.

responsibilities of each main body to strengthen the implementation of "two responsibilities"¹¹.

Implementing inspection and supervision

The Company's Party Committee carried out anti-corruption inspections and completed routine inspections on 16 professional operating units. We make full use of inspection and rectification results, promote the prevention and recovery of loss, push forward reform, enforce accountability, and effectively improve corporate governance efficiency.

Solidifying daily supervision

The Company brings the role of the Supervision Committee mechanism into full play. During the Year, the Company regularly carried out supervision by the head and leading group of the Company in promoting the implementation of major decisions and preventing and mitigating operational risks. Meanwhile, we arranged and deployed 7 annual key supervision and inspection matters throughout the Company including "ensuring the continuous increase in domestic upstream reserves and production" and "rectifying the problems of formalism and bureaucracy in the fields of safety and environmental protection". We paid closer attention to the supervision of various resource integrations to enhance the Company's supervision system construction.

Regulating the handling of letters and visits

The Company has established smooth channels with the public and internal employees 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, assessed and assigned clues to issues in a comprehensive and accurate manner, rigorously verified and actively addressed related issues, achieving a 100% rate in the handling for reporting letters and visits.

Carrying out integrity education

¹¹ 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.

The Company continued to carry out education on party discipline, anti-corruption and integrity promotion and promoted the implementation of the "three studies, three talks and two lectures" measures, namely, studying party regulations and national laws, studying typical cases of violations of discipline and laws and studying fine traditions of the petroleum and petrochemical industry; the secretary of the party committee, the secretary of the discipline inspection committee and the secretary of the party branch having talks with staff members at different levels; and the secretary of the party committee and the secretary of the discipline inspection committee giving special lectures, to further deepen the understanding and application of party discipline regulations by all employees.

In 2024, 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 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. During the Year, in order to further enhance the patent management and control capabilities of the Company's management personnel, the Company organized training on the patent early warning system and held seminars on the construction of the patent infringement management system to explain the application skills of the Company's patent early warning system and prevent the occurrence of patent infringement in a timely manner.

In 2024, the Company applied for a total of 1,034 domestic patents, including 659 invention patents; obtained 779 authorized patents, including 417 invention patents; applied for 9 PCT patents and 5 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 Information Security Protection* and other relevant laws and regulations, and continues internal systems such as the Management Measures for Cyber security 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" cyber security work and safeguarding the Company's overall cyber security.

Comprehensive network security management system

We have a sound information security management system. We have established a Network Security and Informatization Leadership Group in the Company and its subsidiaries and set up offices with corresponding working groups to clarify the management responsibilities of network security and informatization. Among them, the Company's Chairman and General Manager jointly serve as the leaders of the Network Security and Informatization Leadership Group, with the Deputy General Manager responsible for information work serving as the deputy leader of the group.

Meanwhile, we set up an "network 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, and effectively promoted the construction of network security management system in accordance with the Network Security Notification Management Regulations for Petroleum Engineering Company.

The Company actively carried out network security self-examination, 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. For the Company's self-developed application systems, we have conducted a corresponding level protection certification for information in accordance with the national Information Security Level Protection Management Measures (Level Protection) requirements.



▲ Certification for level protection issued by the Ministry of Public Security

Strengthening network information emergency handling capabilities

During the Year, the Company updated 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 organized network security emergency personnel and system maintenance staff from subsidiaries to conduct emergency drills and training, ensuring they can respond to network security incidents quickly, effectively, and accurately.

The Company carried out hierarchical handling of network security emergencies by obtaining sufficient and accurate information in a timely manner in accordance with the mechanism of handling priority and rapid response and promptly dealing with it in accordance with relevant emergency plans so as to minimize the harm and impact of network security emergencies. We fully utilize the existing network security emergency support service facilities, and integrate the existing information security emergency force to carry out information security emergency work. Additionally, based on the emergency plan, we select a portion of application systems each year to conduct drills as required, simulating scenarios where the system is attacked or paralyzed due to other unforeseen circumstances. We require system maintenance and emergency personnel to handle the situation according to the designed flow of the emergency plan. We also insist on combining emergency response and prevention work, carrying out proper risk assessment, monitoring and early warning and plan revision during normal times, regularly backing up data in the information system and strengthening promotion, training and education work to enhance the emergency handling capabilities of personnel in related positions and strengthen the Company's overall defense level of network security.

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" by organizing a series of cyber security activities. Each subsidiary was organized to conduct network security promotion work in the form of official documents to raise employees' awareness of cyber security and improve their security protection skills. We mobilized employees to participate in extensive cyber security promotion and education activities to spread cyber security knowledge. In addition, the Company actively organized cyber security management personnel from subsidiaries to discuss work-related issues, discuss and

exchange ideas on issues encountered in network security protection works and share network security protection experiences.

Win-win Cooperation with Partners

The Company continues to optimize the supplier management system to protect the legitimate rights and interests of suppliers, as well as to promote a win-win cooperation with partners. We revise, improve and strictly abide by relevant regulations such as the *Management Measures for Material Purchase* and the *Management Measures for Material Purchase and Supply Resources*, formulating a cooperation channel between the Company and our suppliers to seek for mutual growth. Following the principle of "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, warning and handling. Meanwhile, we attach great importance to anti-corruption and integrity promotion among suppliers and require all suppliers to sign a Responsibility Statement for Integrity during the admission stage.

The Company continues to reinforce supplier risk management, strengthens supplier qualification review and site visits, incorporates occupational health assurance, production safety emergency management, environmental protection (factory environment and sanitation, emission and waste disposal) and other qualifications into the supplier review process and provides guidance to suppliers based on the review results. For suppliers with significant negative environmental and social impacts, we will take strict measures against them in view of the circumstances, including warning talks, downgrading for breach of contract or suspension of trading qualifications; for suppliers that cause direct economic losses, major accidents or environmental penalties, we will impose punishment by suspending trading qualifications, blacklisting and other means.

We actively carry out various compliance promotion activities to convey the concept of honesty and lawful operation to all suppliers. We carry out annual quality management evaluations of related parties and give extra points to suppliers making major contributions in emergency rescue and disaster relief and suppliers providing steady supply in emergencies to encourage suppliers to jointly promote good business ethics. In addition, the Company will clearly specify equipment replacement or renewal due to the restrictions of carbon emission policy in the technical requirement and require suppliers to comply with relevant regulations.

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 2024, we continued to consolidate partnerships with various domestic and overseas suppliers to realize win-win cooperation. The Company's domestic and international suppliers are set out below:

Supplier location		Number of suppliers
Total number of suppliers	Total number of suppliers	9,737
Number of suppliers in Chinese mainland	Number of suppliers in East China	4,843
	Number of suppliers in South China	424
	Number of suppliers in Central China	1,528
	Number of suppliers in North China	1,417
	Number of suppliers in Northwest China	535
	Number of suppliers in Southwest China	577
	Number of suppliers in Northeast China	337
Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	76

At the same time, the Company constantly strengthens subcontractor management, pays close attention to assessment supervision and dynamic management, and further enhances risk prevention and control. We formulated the *Management Measures on Engineering Subcontractors and Project Subcontracting of Sinopec Oilfield Services*, upgraded the information platform for petroleum engineering subcontractors and project subcontracting management, realized basic information inquiry and subcontracting information announcement, and improved the information management capability and transparency of subcontractors. We regularly organize all units to carry out training on the

adoption of the information system and the subcontracting management system, and improve the service quality of the new subcontracting management information system.

Employee Care

2024 Performance Highlights

- Facilitated diversified mid-to-long-term incentives, implemented management measures for key core problem-tackling teams and wages specifically managed for the backbone talents of enterprises in the "Science and Technology Reform Demonstration Action", and increased the preference for front-line scientific research and high-skilled talents.
- Launched the "cloud" medical consultation services and distributed a total of **15,000** service accounts.
- The training hours per employee were **62.64 hours** for operation and management personnel, **61.88 hours** for professional and technical personnel, and **110.31 hours** for skilled operation personnel.
- Hosted the National Industry Vocational Skills Competition - Logging Worker Competition and won 1 first prize, 1 second prize and 1 third prize for the group, 4 gold awards, 3 silver awards and 3 bronze awards for the individual, and 2 awards for outstanding coaching team.

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.

Paying Attention to Staff Care

During the Year, the Company continued to deepen the practical activities featuring "I do practical things for the people", which made precise efforts for daily lives, working environment and physical health of employees in urgent problems, cultivating the feeling of caring for employees, so that employees have a stronger sense of gain, happiness and security. During the Year, the major tasks carried out by us included:

- Providing 452 living camps;
- Providing more than 15,000 industrial washing machines, disinfection cabinets, fitness equipment and other living facilities;
- Renovating driller duty room with installation of refrigerators, multifunctional drinking water (beverage) machines, etc.;
- Establishing baby care rooms and bookstore services;
- Equipping with blood pressure monitors, effective heart-relief pills, holiday gifts, etc. to employees;

We also conducted in-depth inclusive services and targeted assistance programs to closely meet the actual needs of employees and continuously fulfill their yearning for a better life. Labor unions at all levels of the Company carried out solid work such as "connecting with grassroots employees and visit their families", delivering coolness in summer and warmth in winter, assistance and aid, and caring for overseas employees, providing precise and refined services, fully releasing the warmth of "family". During the Year, we provided condolences to employees and their family members who were hospitalized due to illness, retired employees, and funeral for immediate family members of employees on 27 occasions, and distributed nearly RMB 50,000 of condolence funds and condolence items, while the green medical channel facilitated employees and their family members on 75 occasions.

We continued to improve the health service protection for our front-line employees. Health services were introduced to front-line teams and "cloud" medical consultation services were realized to serve the front-line drilling, downhole, and logging team members. We distributed a total of 15,000 service accounts, with a registration rate of 100% and a cumulative utilization rate of 78%, providing timely health consultation and medical services for front-line employees.

During the Year, we also held activities such as "EAP + Safety" group counselling, "Heart-warming Rice Dumpling" for front-line employees during the Dragon Boat Festival, and National Day condolence performance to enrich employees' lives and enhance employees' sense of belonging and team spirit.



▲ "EAP + Safety" group counselling of East China Oil Engineering Company



▲ "Heart-warming Rice Dumpling" condolence activity for front-line employees of Shengli Oil Engineering Company



▲ National Day condolence performance of Bohai Drilling Company of Shengli Oil Engineering Company

Safeguarding Employees' Interests

The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor 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, and strictly supervises labor practices in daily work; if such behavior occurs, we will strictly deal with it in accordance with laws and regulations and the requirements of the Group members. In 2024, none of the above violations of laws and regulations occurred within the Company.

Employment Performance Index¹

Indicators		2024
Number of employees		60,162
By employment category	Management personnel	7,053
	Professional technicians	26,321
	Skilled operators	26,788
By employment type	Full-time	60,162
	Part-time	0
By gender	Male	52,385
	Female	7,777
By age	35 and younger	4,668

	36 to 45 years old	15,114
	46 to 50 years old	15,069
	51 and older	25,311
By region	Mainland	56,293
	In regions other than Mainland China (International, Hong Kong, Macao and Taiwan)	3,869

Employee Turnover Rate Performance Index ²

Indicators		2024
Employee turnover rate by gender (%)	Male	0.40
	Female	0.69
Employee turnover rate by age (%)	35 and younger	3.34
	36 to 45 years old	0.51
	46 to 50 years old	0.12
	51 and 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)	0.21

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, regularly benchmarks performance and salary market with peers for improvement based on the results, and reasonably adjusts the salary levels based on performance levels, salary levels, and income ranges. In the Year, the Company facilitates diversified mid-to-long-term incentives, implements management measures for key core problem-tackling teams and wages specifically managed for the backbone talents of enterprises in the "Science and Technology Reform Demonstration Action", to 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 provide additional overseas subsidies and leave for home return, and timely adjust the standards for overseas risk subsidies to provide protection for them.

The Company formulates a corporate annuity plan, which covers in-service contract employees in key positions and major positions and former formal employees in ordinary positions. We improve the enterprise annuity model according to the principles of favoring core talents in key positions and taking job differences into account to enhance employees' sense of belonging.

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 and policy, establishing multi-channel career promotion opportunities, and continuously carrying out job competition and competitive selection to stimulate talent innovation and creativity and team vitality.

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, and further standardizing staff training and management so as to help employees grow and develop their careers. In 2024, the Company comprehensively promoted the experience of "Best Practices Competition", organized the compilation and publication of the "Petroleum Engineering HSE Supervision" training materials and distributed 5,500 copies to help improve the quality and capability of employees.

The Company continues to promote online learning, combining technology to refine the remote training system. Through the adoption of mobile terminals to promote learning courses, we have increased the efficiency of remote training. Meanwhile, we have expanded online and offline training methods, relying on Sinopec Network College to

optimize and customize the unified online learning and training platform for petroleum engineering – "Tiejun Online" e-learning platform, to provide more systematic training for employees.

Focusing on building a team of heads of frontline units and team leaders with strong responsibilities, capabilities and work styles, the Company has studied and drafted the *Guiding Opinions on Strengthening the Capacity Building of Heads of Frontline Units and Team Leaders*, established and improved the post competency model, pragmatically promoted the assessment and verification of job performance capabilities, planned and clarified the cultivation paths and learning diagrams, and formed a systematic arrangement for capacity improvement rotation training. During the Year, for the positions of heads of frontline units and team leaders, we held a demonstration class on core competency rotation training and a demonstration class on basic competency pre-employment training, training a total of 67 heads of frontline units and 77 team leaders.

We also vigorously promoted the experience of "Best Practices Competition", printed and distributed the *Work Plan for Promoting the "Best Practices Competition"*, and supervised all units to incorporate the principles of "randomized participant selection, system-based skill assessments, practice-aligned scenarios and values-driven engagement" into business competitions, guiding all units to carry out "full-staff training sessions" for 78 positions (job types).

Provide multi-level special training to improve talent training

The Company has always attached great importance to the construction of the front-line operation technician team, unblocked the growth channel for skilled talents, vigorously selected chief technicians and senior technicians, actively built platforms, and constantly improved the quality and ability of first-line employees. In October 2024, the Company hosted the National Industry Vocational Skills Competition - Logging Worker Competition. Jingwei Company, a subsidiary of the Company, won 1 first prize, 1 second prize and 1 third prize for the group, 4 gold awards, 3 silver awards and 3 bronze awards for the individual, and 2 awards for outstanding coaching team, ranking first in the "three barrels of oil".



▲ National Industry Vocational Skills Competition - Logging Worker Competition

In 2024, the Company held a capacity-enhancing training course for technical backbones of Kuwait's large-scale contracting project at Yangtze University, training a total of 79 participants in drilling fluid, cementing, directional well and other majors, comprehensively improving participants' foreign language proficiency, professional skills, international perspective and risk management capabilities.



▲ Capacity-enhancing training course for technical backbones of Kuwait's large-scale contracting project

Employee Training Performance Indicators:

Indicators		2024
Percentage of trainees by gender (%)	Male employees	86.46
	Female employees	77.84
Percentage of trainees by employee level (%)	Management personnel	85.56
	Professional technicians	78.91
	Skilled operators	93.97
Training hours per employee by gender (hours)	Male employees	86.70
	Female employees	51.83
Training duration per employee by employee level (hours)	Management personnel	62.64
	Professional technicians	61.88
	Skilled operators	110.31

Better Society

2024 Performance Highlights

- Actively responding to the "Belt and Road Initiative", the Uganda project won the **"Best Localization Skills Training and Employment Award"** and **"Excellent Contribution Award for Localization"**.
- Increased community support and donated approximately **RMB 3.21 million** to external parties.
- Vigorously supported rural revitalization and spent approximately **RMB 33.1 million** on purchasing products for rural revitalization.
- Actively encouraged employees to give back to the society, with a total of **7,800** employees participating in volunteer activities.

The Company always adheres to the concept of "integrity and standardization, win-win cooperation, return to the local community", earnestly fulfills its social responsibility and makes full use of its own resources to empower people in building a better society. We attach great importance to giving back to the society and sharing 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 to enhancing our international collaborations relationship, all of us putting in effort to create harmonious and stable community relations together. We formulated the *Administrative Measures for External Donations*, which has standardized procedures for external donations. In 2024, the Company spent a total of approximately RMB 33.1 million on purchasing products for rural revitalization and donated approximately RMB 3.21 million to external parties.

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 implement the Group's "14th Five-Year Plan" for rural revitalization and further promote the three major projects of education assistance, namely "cognitive empowerment through joyful learning", "quality enhancement via elite cultivation", and "aspiration building with academic support", Southwest Petroleum Engineering Company organized a study and practice activity of "Explore the World outside of the Mountains" in Chengdu for 30 outstanding students and 4 teachers from the central school of Sanhekou Town, Mabian Yi Autonomous County, Sichuan Province, which is under the paired assistance of Southwest Petroleum Engineering Company. The company led the children in the mountainous areas to carry out study and practice activities, "read" the long history of the motherland and feel the ever-changing science and technology through personal experience, interactive communication and other methods, and encourage the children to be positive and diligent in their studies through teaching and learning.



▲ Study and practice activity of "Explore the World outside of the Mountains"

During the Year, Zhongyuan Petroleum Engineering Company organized volunteers to go to the Junior High School of Sanhekou Town, Mabian Yi Autonomous County, Leshan City, Sichuan Province to carry out activities such as student assistance during the opening season, further strengthening its support for paired assistance schools. Since the launch of paired assistance, a total of 18 smart blackboards, 3 biochemical laboratories and 36 computers have been donated, and Chaoyang Scholarship of RMB 20,000 has been distributed; "one-to-one" hand-in-hand paired assistance activities

have been carried out in depth, and 125 assistants have sent "gift packages" to poor students.



▲ Zhongyuan Petroleum Engineering Company's "Student Assistance during the Opening Season" activity

Deepening International Collaborations

In 2024, 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.

Assistance to the local development of Uganda

During the Year, at the Fifth Petroleum Localization Meeting in Uganda, the Uganda Tilenga Project Department of Petroleum Engineering and Construction Company, a subsidiary of the Company, won the "Best Localization Skills Training and Employment Award" for its excellent welder skills training, high proportion of local employment and professional engineer training, becoming the only Chinese enterprise to win the award in Uganda's localization work in 2024, which effectively demonstrated the Company's active response to the "Belt and Road Initiative" and its unremitting efforts to promote a pattern of mutual trust and win-win cooperation in the field of energy construction between China and Uganda. In November 2024, the Uganda Project of Africa Company

of Zhongyuan Petroleum Engineering Company, a subsidiary of the Company, won the "Excellent Contribution Award for Localization".

By the end of 2024, the proportion of local employees in the project had exceeded 80%, a total of more than 900 Ugandan employees received systematic skills training, and 9 design engineers went to China for on-site study visits, making a positive contribution to the improvement of the professional quality of employees in the Ugandan petroleum industry.



▲ "Best Localization Skills Training and Employment Award" in Uganda



▲ "Excellent Contribution Award for Localization" in Uganda

Green and Environmental Protection

During the Year, the Company actively practiced the concept of building a green enterprise. While promoting the green and low-carbon development of production engineering, we

actively carried out green activities such as afforestation to promote the concept of green environmental protection among employees.

Voluntary afforestation

On the arrival of the 46th Tree-planting Day, the Underground Special Operation Company, Drilling Company No. 2, Pipe Company, and Engineering Service Management Center of Zhongyuan Petroleum Engineering Company actively carried out voluntary tree-planting campaigns, learned about the knowledge of sapling survival and maintenance, and practiced the development concept of "Lucid waters and lush mountains are invaluable assets" with actions to build a beautiful home.



▲ Tree planting activity of Zhongyuan Petroleum Engineering Company

Volunteer Activities

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 caring for left-behind children and assisting the elderly in the community to help people in the places where we operate to solve problems. In 2024, a total of 7,800 employees participated in volunteer activities.

Taking Practical Action for the Public and Fulfilling Corporate Responsibility

On the arrival of the 61st "Learning from Lei Feng Day", East China Oil Engineering Company came to Qiushu Village, Zhenwu Town, Yangzhou City to carry out the volunteer service activity of "Volunteer Service Entering Rural, Petroleum Spirit Entering Campus". In the square of Qiushu Village Party Masses Service Center, it set up service points such as exchanging used batteries for green plants, repairing small

appliances, publicity of anti-fraud knowledge, voluntary haircutting and blood pressure measurement.



▲ Volunteers provide convenient services to villagers

Emergency Rescue

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

Maritime rescue

In October 2024, the vessel "Xinrun 3" managed by Offshore Oil Engineering Company learned that two fishing boats had collided nearby. In accordance with the emergency plan, "Xinrun 3" immediately initiated the emergency search and rescue procedures, and sailed to the accident area for full rescue, flexibly applying fan-shaped search, extended square search, track line search and other technologies to fully assist in the search and rescue of people who fell into the water.



▲ "Xinrun 3" searching and rescuing people who fell into the water

Appendix: Hong Kong Stock Exchange ESG Reporting Code Index Table

Issue	Issue Description	Corresponding Report Chapter
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 the Report-Responses to Reporting Principles
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should</p>	About the Report-Scope of the Report

	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 relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	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-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 minimising 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	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	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	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	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-Facilitating Employee Development
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	Employee Care-Safeguarding Employees' Interests

	on the issuer relating to preventing child and forced labour.	
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	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality Control-Optimizing 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 is not applicable.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Control-Ensuring the Quality of Projects
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 is 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	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	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.	Better Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Better Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Better Society