



**中国石化**  
**SINOPEC**

**中石化石油工程技术服务有限公司**  
**Sinopec Oilfield Service Corporation**

(Stock Code A Share : 600871 ; H Share : 1033)



**2025** Annual Sustainable  
Development Report

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# 1 About the Report

## 1.1 Scope of the Report

The 2025 Sustainable Development 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 2025, 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 2025 to 31 December 2025 (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.

## 1.2 Explanation of the Report

The Report has been prepared mainly in accordance with 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 *Guideline No. 14 for the Application of Self-Regulation Rules for Listed Companies-Sustainability Report (Trial) 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.

### 1.3 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 Stock Exchange. For specific details, please refer to the "Communications with Stakeholders and Assessment of Materiality 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.

### 1.4 Confirmation and Approval

The Report was approved by the seventh meeting of the eleventh Board of Directors on 16 March 2026 upon confirmation by the management.

## 2 Statement of the Board of Directors

Sinopec Oilfield Service 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. During the Year, the Company has successfully achieved the goals in relation to greenhouse gas emissions, energy use efficiency, water conservation and waste management for 2025. In the meantime, the Company has set relevant environmental goals for 2026 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.

## 3 ESG Management System

### 3.1 ESG Philosophy

Sinopec Oilfield Service 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 "professionalism, 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.

### 3.2 ESG Management Structure

The Company proactively improves its ESG management system, and continues to promote the orderly implementation of its ESG management. The Company has established an ESG management organization structure, covering General Administration Department, Department of Party Work, Organizing Department of the Party Committee, Reform and Development Department, Finance and Asset Department, Marketing Department, Legal Affairs Department, Health, Safety and Environmental Protection Department, Technology and Information Department, Production Technology Department, Management Department of Underground Special Operations, Materials and Equipment Department, and Discipline Inspection and Audit Department. Relevant departments responsible for ESG topics shall be specifically in charge of advancing the implementation of ESG matters. The Board of Directors shall review the ESG Report annually and disclose it to the public.



### 3.3 Honorary Awards

In 2025, 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 Grade A in Wind ESG Rating in 2025.
- In 2025, the Uganda project of the Company's wholly-owned subsidiary Sinopec Zhongyuan Oil Engineering Company was awarded "TotalEnergies 2025 Best Global Onshore Drilling Team" title.
- Successfully selected as "2025 Green Development Cases" by Beijing National Institute of Green Investment in Environmental, Social and Governance (北京綠投環境社會治理研究院) (Beijing National Institute of ESG).

### 3.4 Communications with Stakeholders

The Company continues to enhance its 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
<b>Government and regulators</b>	Important conferences, Policy advisory, Case report, Inspection, Documents exchange, Information disclosure	<ul style="list-style-type: none"> <li>• Environmental compliance management</li> <li>• Responses to climate change</li> <li>• Pollutant emissions</li> <li>• Waste disposal</li> <li>• Anti-commercial bribery and anti-corruption</li> <li>• Rural revitalization</li> </ul>

<b>Shareholder and other investors</b>	Shareholders' meeting, Periodical report, Interim report	<ul style="list-style-type: none"> <li>• Innovation-driven</li> <li>• Circular economy</li> </ul>
<b>Clients</b>	Client visits, Client satisfaction survey	<ul style="list-style-type: none"> <li>• Product and service safety and quality</li> <li>• Safe operation</li> <li>• Data security and customer privacy protection</li> </ul>
<b>Employees</b>	Employee satisfaction survey, Employee activity, Employee training, Internal publication	<ul style="list-style-type: none"> <li>• Employees</li> </ul>
<b>Suppliers</b>	Supplier identification, Communication meeting	<ul style="list-style-type: none"> <li>• Supply chain security</li> <li>• Equal treatment towards small and medium-sized enterprises</li> </ul>
<b>Partners</b>	Strategic cooperation talks, Bilateral talks	<ul style="list-style-type: none"> <li>• Anti-unfair competition</li> </ul>
<b>Community and the public</b>	Public benefit activities, Community activities, Recruitment talks, Opportunity of internship	<ul style="list-style-type: none"> <li>• Social contribution</li> <li>• Ecosystem and biodiversity conservation</li> <li>• Water resource utilization</li> <li>• Energy utilization</li> </ul>

### 3.5 Double Materiality Assessment

Sinopec Oilfield Service attaches great importance to and strengthens the materiality assessment of ESG issues, communicates with stakeholders through multiple channels, review the Company's actual operational circumstances based on the feedback received, and summarizes stakeholders' key concerns regarding the Company's ESG matters.

Step 1: Understanding of the background of the Company's activities and business relationships.	<ul style="list-style-type: none"> <li>• Interpret external, objective factors such as national macro policies and industry trends. Align these with the Company's business model and value chain to identify</li> </ul>
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	<p>affected stakeholders and the Company's dependencies on them.</p>
<p>Step 2: Identification of agenda items.</p>	<ul style="list-style-type: none"> <li>• Combine benchmarking against standards, policy analysis, and peer comparisons to identify and screen ESG issues relevant to the Company. Establish an issue repository and analyze the actual and potential impacts, risks, and opportunities associated with ESG matters.</li> </ul>
<p>Step 3: Assessment and confirmation of issue materiality.</p>	<ul style="list-style-type: none"> <li>• Through ongoing engagement with stakeholders and internal/external experts during daily operations, evaluate the significance of issue impacts based on the Company's actual operational circumstances and the dual materiality principle. Set materiality thresholds and develop an issue materiality matrix. Through ongoing engagement with stakeholders and internal/external experts during daily operations, evaluate the significance of issue impacts based on the Company's actual operational circumstances and the double materiality principle. Set materiality thresholds and develop an issue materiality matrix.</li> <li>• For financially material issues, establish a systematic management framework centered on the four pillars of “Governance - Strategies - Impact, Risks and Opportunities Management - Metrics and Goals”, and integrate materially important</li> </ul>

	issues into the Company's daily operational management.
Step 4: Disclosure of material issues.	<ul style="list-style-type: none"> <li>Following review and approval by the Company, key disclosures regarding highly material issues for 2025 will be included in the report.</li> </ul>

### Step 1: Understanding of the Background of the Company's Activities and Business Relationships

Sinopec Oilfield Service conducts annual assessments on issue materiality. In 2025, building upon its prior ESG issue identification and materiality assessment standards, the Company incorporated disclosure requirements from *Guideline No. 14 for the Application of Self-Regulation Rules for Listed Companies-Sustainability Report (Trial)* of the Shanghai Stock Exchange. As a dual-listed company on both the A+H-share markets, the Company conducted materiality assessments in accordance with the latest ESG requirements and ESG-related regulatory updates from both the Shanghai and Hong Kong exchanges. Materiality assessments were conducted in a manner aligned with the Company's development strategies and industry-leading practices, with materiality issue evaluation updated and 19 materiality issues identified.

Step 2: Identification of Agenda Items. In 2025, the Company systematically updated and optimized its 2025 ESG agenda in alignment with industry trends and the latest developments in sustainable development.

Dimension	Topic	Change from 2024
<b>Environment</b>	Pollutant emissions	In 2024, Emissions was split into two standalone topics. Resource Usage was divided into two separate topics. Newly added topics including Environmental Compliance Management, Ecosystem and Biodiversity Protection, and Circular Economy align closely with new
	Waste disposal	
	Energy utilization	

	Water resource utilization	policy requirements, expanding the connotations of the topics.
	Responses to climate change	
	Environmental compliance management	
	Ecosystem and biodiversity conservation	
	Circular economy	
<b>Society</b>	Employees	In 2024, Employee Employment, Health and Safety, Development and Training and Labor Standards were consolidated into the Employees topic. Product Liability was split into two standalone topics, Product and Service Safety and Quality and Operational Safety. Community Investment was divided into two separate topics, Social Contribution and Rural Revitalization. Newly added topics including Data Security and Customer Privacy Protection, Innovation-Driven Development, and Equal Treatment towards Small and Medium-Sized Enterprises align closely with new policy requirements, expanding the connotations of the topics.
	Data security and customer privacy protection	
	Innovation-driven	
	Supply chain security	
	Product and service safety and quality	
	Safe operation	
	Social contribution	
	Rural revitalization	
	Equal treatment towards small and medium-sized enterprises	
<b>Sustainability-related governance</b>	Anti-commercial bribery and anti-corruption	The newly added topic Anti-Unfair Competition aligns closely with new

	Anti-unfair competition	policy requirements, expanding the connotations of the topics.
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### Step 3: Assessment and Confirmation of Issue Materiality

Sinopec Oilfield Service conducts double materiality assessments in accordance with the *Guideline No. 14 for the Application of Self-Regulation Rules for Listed Companies-Sustainability Report (Trial) of the Shanghai Stock Exchange* and 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 engages internal and external experts to systematically score and analyze each issue from the dual perspectives of impact materiality and financial significance.

Aspect	Definition	Materiality Dimensions	Analysis
<b>Impact Materiality</b>	Whether an enterprise's performance on a corresponding issue will have actual or potential material impacts on the economy, society and environment.	Likelihood of impact occurrence Scale, scope and irreversibility of the impact	
<b>Financial Materiality</b>	Whether an issue is expected to have material impacts on the company's business model, business operations, development strategy, financial position, operating results, cash flow, financing methods and costs, etc. in the short, medium and long term.	Likelihood of impact occurrence Magnitude of financial impact	

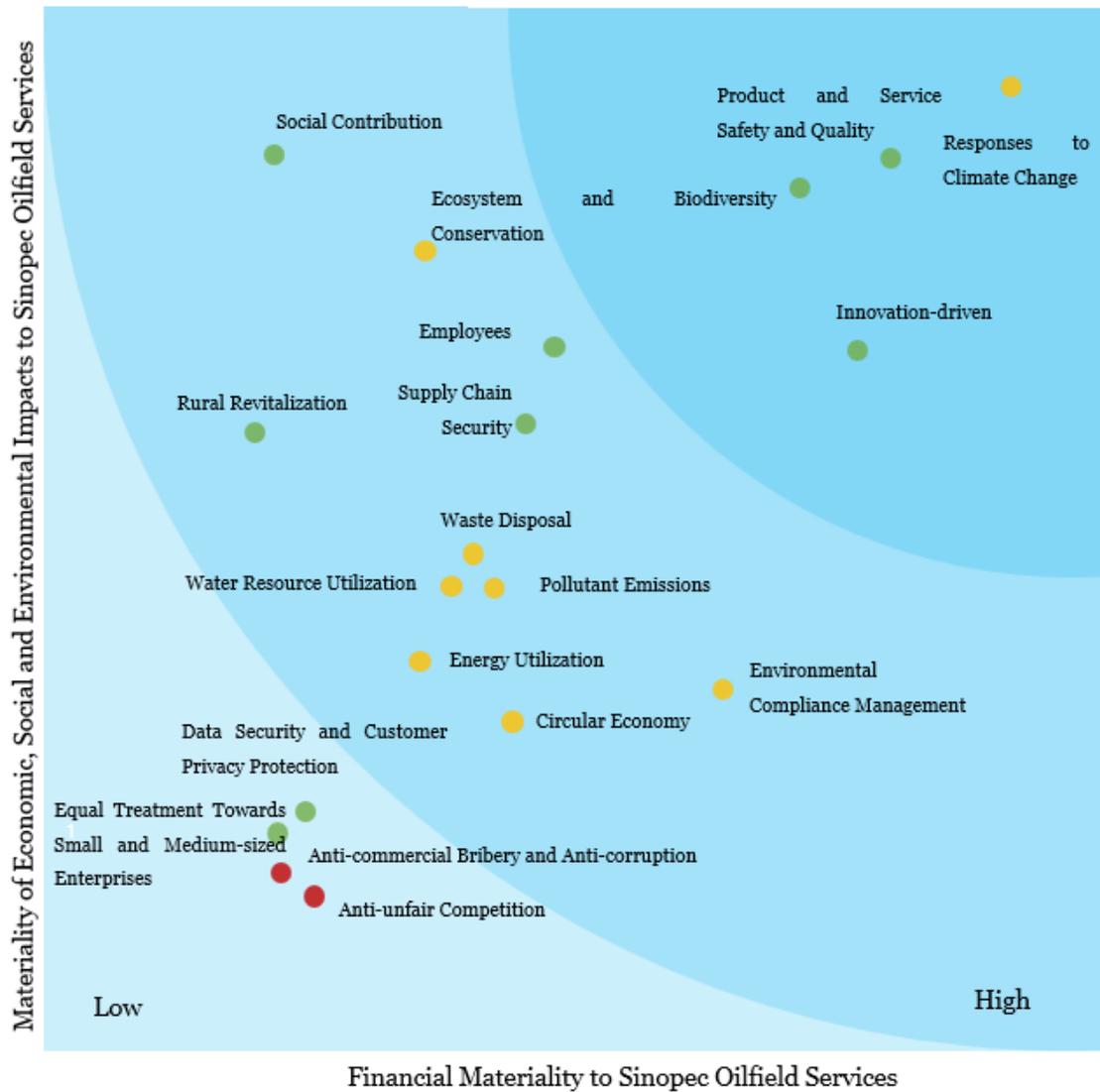
The Company has established a sound and comprehensive risk management system, integrating ESG topics such as product and service quality, safe operation, climate change

response, and innovation-driven development into its overall risk management process. It continuously conducts risk screening and dynamic assessments, identifies major risks and changes in key areas, evaluates the effectiveness of risk control measures, optimizes risk response plans, and regularly prepares risk assessment reports to achieve closed-loop risk management. Based on actual conditions, the Company monitors risks in key businesses and critical areas in real time, ensuring routine risk screening, refined risk early warning, and long-term risk prevention and control. In 2025, the major ESG risks identified by the Company were as follows.

Description of Key ESG Risks and Opportunities	Response Measures and Key Financial Impacts
<b>Climate Change Risks and Opportunities</b>	Sinopec Oilfield Services has been reducing carbon emission intensity and total emissions year by year to mitigate the impacts of climate change. For more details (including financial impacts), please refer to the "Green Development" section.
<b>Product and Service Quality Risks</b>	Sinopec Oilfield Services adheres to and deepens the development of its quality management system. It is committed to providing guarantees for metrological testing technologies and metrological innovation capabilities, helping the oil drilling instruments and meters industry break through the core key technologies that have been bottlenecks in domestic localization, and driving the economic development of the domestic oil drilling instruments and meters industry. For more details, please refer to the "Quality Assurance" section. Financial Impact: In 2025, the company completed the construction of the National Industrial Metrology and Testing Center for Oil Drilling Instruments and Meters, with an investment of 19.28 million RMB.
<b>Safe Operation Risks</b>	Sinopec Oilfield Services follows the HSE policy of "People-Oriented, Safety First, Prevention First, Comprehensive Governance", and places safe operation assurance at the core of management. For more details, please refer to the "Safe Operation" section.

	Financial Impact: In 2025, the company paid 10 million RMB for employees' work safety liability insurance.
<b>Innovation-Driven Opportunities</b>	<p>Sinopec Oilfield Services accelerates the R&amp;D of cutting-edge technologies and promotes the transformation of R&amp;D achievements into practical applications. For more details, please refer to the "Innovation and Development" section.</p> <p>Financial Impact: In 2025, the company's R&amp;D investment amounted to 2.283 billion RMB.</p>

Step 4: Disclosure of Material Issues. Through the above steps, Sinopec Oilfield Service has identified the following material issues. Among them, innovation-driven development, product and service quality, safe operation, and climate change response possess both impact materiality and financial significance. The Company's strategies and responses to these issues are discussed in detail in the Report.



2025 Material Issues	Key Risks/Oportunities	Financial Impact Analysis	Affected Stakeholders	Scope of Impact on Value Chain	Time Horizon	Response Measures
<b>Responses to climate change</b>	<b>Risks</b>	Revenue amount from CCUS-related	Government and regulators, Shareholders and investors, Clients, Communities and the public	Own operations, Downstream	Short, medium, long term	Sinopec Oilfield Service Corporation has been reducing carbon emission intensity and total
	Acute risks, Chronic risks, Policy and legal risks, Technological risks, Market risks, Reputational risks					

	<b>Opportunities</b>	business activities Percentage of CCUS-related business revenue to total revenue Capital expenditure amount related to electrification transformation of drilling rigs Percentage of capital expenditure for electrification transformation of drilling rigs to total capital expenditure				emissions year by year to mitigate the impacts of climate change. For more details, please refer to the "Green Development" section.
	Resource efficiency, Products and services, Markets, Resilience					
<b>Innovation-driven</b>	<b>Risks</b> Technological breakthrough risks, Science and technology system mechanism risks, Achievement transformation risks	R&D investment amount Ratio of R&D investment to main business revenue	Shareholders and investors, Clients, Suppliers, Partners	Own operations, Downstream	Short, medium, long term	Sinopec Oilfield Service Corporation accelerates the R&D of cutting-edge technologies and
	<b>Opportunities</b>					

	Policy resource support, High-quality economic development, Markets, Resilience					promotes the transformation of scientific research achievements into practical applications. For more details, please refer to the "Innovation Development" section.
<b>Product and service safety and quality</b>	<b>Risks</b>	Expenditure on product quality	Clients, Government and regulators, Employees, Communities and the public	Own operations, Downstream	Short, medium, long term	Sinopec Oilfield Service Corporation adheres to the quality policy of "Quality Always Takes the Lead", which is regarded as the core of the company's operations. Going forward, the company will continue to ensure the safety and quality of products and services. For more details, please refer to the "Quality Assurance" section.
	Organizational management risks, Human resource allocation risks, Technical solution risks, Process execution risks, Material and equipment risks, Metrological accuracy risks					
	<b>Opportunities</b>					
	Products and services, Competitiveness, Cost optimization					
	<b>Risks</b>					

<b>Safe operation</b>	Employee personal safety risks, Production interruption risks, Material and equipment risks	Operational stability, Fulfillment of social responsibilities, Enhancement of brand trust	Employees, The Company itself	Upstream, Own operations	Short, medium, long term	Sinopec Oilfield Service Corporation follows the HSE policy of "People-Oriented, Safety First, Prevention First, Comprehensive Governance", and places safe operation assurance at the core of management. For more details, please refer to the "Safe Operation" section.
	<b>Opportunities</b>					
	Operational stability, Fulfillment of social responsibilities, Enhancement of brand trust					

## 4 Safe Operation

### **2025 Performance Highlights**

- Launched the "Thunder Campaign" for Work Safety Hidden Hazard Inspection and Rectification
- Established the "343" Positive Incentive Mechanism to Strengthen the Implementation of HSE Management Responsibilities

The Company continues to step up its efforts to ensure safe operation, actively exploring the latest advancements in smart security and early risk warning. It has established a comprehensive safe operation management system that capitalizes on digital and intelligent prevention and control to facilitate stable enterprise operations. Meanwhile, the Company continuously strengthens company-wide safety training and emergency response mechanisms to ensure the safety of production and operations, thereby supporting the steady growth of its businesses.

### 4.1 Governance

The Company's Board of Directors attaches great importance to safe operation, which has been incorporated into the strategic development plan, corporate governance system, risk management system and daily operation management. A three-tier governance structure of "Board of Directors - Management - Executive" has been established to clarify the boundaries of power and responsibilities at each level.

The Board of Directors of the Company is responsible for studying and supervising the strategic planning and implementation effectiveness of key issues related to safe operation. The HSE Committee is the responsible management team for approving the HSE management system, work procedures and annual major work plan, coordinating and supervising the implementation of relevant functional departments and subsidiaries, and continuously promoting the improvement and compliance certification of safe operation system. The executive team refers to each of the subsidiaries, and is responsible for formulating and revising specific safe operation policies and objectives, organizing and carrying out safety technology research and promotion of advanced management methods, supervising and assessing the operation and effectiveness of safety system implementation of the subsidiaries. We are committed to ensuring the smooth and orderly operation through whole-process safety control.

## 4.2 Strategies

As a deep-rooted player in the oil service industry, the Company adheres to the concepts of "HSE<sup>1</sup> comes first, and more crucial and essential than else" and "all accidents are preventable and avoidable". Focusing on safe operation, the Company continuously strengthened the management of safe production through continuous promotion and enhancement on setting up the HSE management system, thus create a healthy, safe, environmentally friendly and comfortable working environment for its employees.

## 4.3 Impact, Risks and Opportunities Management

### 4.3.1 Safety Operation 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.

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 system documents. In 2025, the Company revised the HSE performance appraisal rules, established the "343" positive incentive mechanism, strengthened the implementation of HSE management responsibilities, and improved the safety awareness and code of conduct of all employees. Through continuous promotion and enhancement on setting up the HSE management system, the Company continues to strengthen the management level of safe production, and takes the systematic prevention and control of major risk

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<sup>1</sup> HSE: Health, Safety and Environment.

factors as guidelines and the systematic prevention and control of major risk factors at the core, the Company has clearly stated and has endeavour to prevent any safety and environmental events that needs to be reported to the Group, and to prevent five categories of consequential control objectives that involve well control events of grade II and above.

- 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, gradually integrated the HSE management system into the daily management of various business departments, and continued to strengthen the internal audit of HSE management system based on annual HSE inspection.

#### **Full-factor Matrix Audit**

In 2025, the Company organized and conducted a major HSE inspection and a “full-factor matrix” audit of the system. Adhering to the principle of "Identifying flaws in management and finding out reasons in the system", we organized the audit on a total of 10 subordinate companies, 31 professional operating units, as well as 229 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

### 4.3.2 On-site Safety Management

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 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. In 2025, the Company implemented the following safety production supervision measures:

Production Video Monitoring	<ul style="list-style-type: none"> <li>• 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;</li> <li>• 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.</li> </ul>
Production Safety Inspection	<ul style="list-style-type: none"> <li>• All units focused on combating the "three violations" throughout the year, and sturdily carried out the "Thunder Operation" to identify and rectify potential safety hazards; constructing an all-round and normalized anti-"three violations" mechanism of "online warning window + offline exposure platform + direct reporting channel", with 56,000 problems exposed and employees voluntarily reported 23,000 of the "three violations" incidents during the year.</li> </ul>

<p>Inspection and Supervision Under the Principle of "Four Nos and Two Directs"<sup>2</sup></p>	<ul style="list-style-type: none"> <li>• 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 professionals to achieve the goal of "three full coverages"; the Company has improved the list of prohibited and serious negative HSE behaviors, and dealt with typical "three violations" strictly and quickly. During the year, the Company has recorded safety violation incidents involving over 7,000 persons, and collected fines of over 5 million RMB, and transferred more than 400 persons;</li> <li>• During the whole process of direct operation potential hazards inspection, the "Iron Feet" activity was carried out, with more than 1.6 million people participating, and 38,000 potential hazards were identified and rectified.</li> </ul>
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#### 4.3.3 Safety Innovative Empowerment

The construction of technology, intelligence and informatization is one of the cores for improving intrinsic safety. The Company continues to expand the supporting facilities for equipment automation, continuously promotes the reformation of risk-reducing production organization model such as modular relocation, and coordinated the application of technical coupling such as sound and light alarm, BeiDou Navigation Satellite System, MRO the Internet of Things, informatization and artificial intelligence, and is committed to improve the production safety level of the Company based on the power of technology.

In view of the characteristics of numerous operation procedures, high risks and frequent accidents throughout the process of demolition and installation, the Company has set up a professional workforce to dissect the operation process step by step, and innovatively proposed the modular relocation plan of "one map, two tables and seven lists"; self-developed hydraulic self-propelled sleepers, and more than 60 innovations in safety technology such as functional sledges, which has greatly improved efficiency and reduced risks in demolition and installation work. The Company continued to iterate and promote the outstanding models, and gradually expanded to fracturing and engineering

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<sup>2</sup> "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.

construction. After the implementation, the relocation time efficiency for 7,000-meter drilling rigs has increased by 25%, the average number of hoisting and rigging has reduced by 20%, and the violations has reduced by 86%.

The Company continues to promote the automation of equipment and intelligence upgrades, to further the improvement of safety management level with new productivity, and focuses on building "low-risk" and "zero-risk" demonstration areas such as the Northwest Southern Xinjiang Industrial Zone, and full sets of automatic drilling rigs has been increased to 52 sets , with 215 sets of modular automatic drilling rigs have been upgraded and reconstructed, including power catwalks, robotic arms and iron drillers, , reducing the number of personnel required for high-risk operations such as running casing and forming columns from 11 to 3. The Group is equipped with 128 sets of fracturing automatic sand conveying devices, automatic welders and automatic sand mixing machines, which can effectively improve the operational efficiency of fracturing, mud logging and engineering construction, and reduce on-site labor intensity and operation risks. In addition, the Group tackles key problems and promoted technologies such as the "Intelligent Drilling Violation Recognition System", "Smart Well Site", "Black Light Factory" and "Electronic Fence for Construction Machinery" so as to guarantee safe production.

#### **Upgrading the Intelligent Drilling Violation Identification System**

In 2025, Shengli Oil Engineering Company iteratively upgraded the intelligent drilling violation identification system, with 31 drilling scenarios and 15 hoisting scenarios identified for violations of regulations, and recorded a comprehensive identification rate of over 80%. During the year, we have completed the trial operation of 128 drilling crews of Shengli Oil Engineering Company. Next, the Company will expand to key drilling areas such as the major industrial zones in the Southwest and Northwest regions



#### 4.3.4 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. The Company regularly carries 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 takes into account the characteristics of safe construction in winter, and implements 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.

#### 4.4 Metrics and Goals

In order to systematically encourage the Company to improve its safe operation and management level, we have formulated safe operation and management goals and continuously monitored the progress of the achievement of the goals, and drive the improvement of safe operation level through systematic construction, as well as continue to empower the steady development of the Company.

Topic	Targets	Progress
<b>Safe Operation</b>	<ul style="list-style-type: none"> <li>• Eliminate major and above level safety accidents and strive for zero accidents.</li> <li>• No incidents of production safety liability accidents due to inadequate prevention of natural disasters.</li> <li>• 100% detection rate of occupational disease hazard factors.</li> <li>• 100% rectification rate of facilities not meeting occupational health standards.</li> <li>• 100% customised intervention rate for high health risk individuals.</li> </ul>	Completed

**Performance of Safety-Related Indicators** In 2025, the Company recorded no work-related fatalities<sup>3</sup>. The number of work-related death, proportion<sup>4</sup>, lost-time incident rate

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<sup>3</sup> The work-related deaths occurred last 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.

<sup>4</sup> Calculated by dividing the number of deaths due to work-related injuries by the total number of employees at the end of the Year.

(LTIR<sup>5</sup>) and lost days due to work-related injuries in each of the past three years are as follows.

Indicators	2025	2024	2023
<b>Number of work-related fatalities (person)</b>	0	3	3
<b>Work-related fatality rate (%)</b>	0	0.0050	0.0047
<b>Lost Time Injury Rate (LTIR)</b>	0.001	0.01	0.01
<b>Lost workdays due to work-related injuries (days)</b>	87	74	341

## 5 Quality Assurance

### 2025 Performance Highlights

- The Company is awarded **21** "National Excellent Welding Project" awards, and **5** "National Excellent Project Survey and Design Achievement" awards.
- In the QC results appraisal by national and local industry associations and quality associations, the Company was awarded **14** national outstanding achievements awards and **38** provincial outstanding achievement awards.
- The "Key Technology Research and Industrialization of High-Precision and High-Reliability Rotary Steering Drilling Equipment in Harsh Downhole Environment" project won **the third prize of 2025 Quality Technology Award of China Association for Quality.**

The Company continues to deepen its efforts in the field of quality assurance, actively explores the path of whole-process quality assurance, establishes a comprehensive quality management system, and empowers products with excellent quality with strict process control. Meanwhile, the Company continues to improve the market quality return

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<sup>5</sup> 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.

mechanism to ensure the reliability and stability of the delivered results, so as to lay a solid foundation for corporate brand reputation.

## 5.1 Governance

The Company's Board of Directors attaches great importance to the safety and quality of products and services, and integrates them into strategic development plans, corporate governance system, risk management system, and daily operation management. The Company has established a three-tier governance structure comprising the Board of Directors, management, and the executive team, with clearly defined responsibilities at each level.

The Board of Directors of the Company is responsible for researching, approving, and overseeing the strategic planning and implementation effectiveness of key sustainable development issues, including product and service quality management. The management level, represented by the Technology and Information Department, is responsible for approving the Company's product and service quality inspection and monitoring standards system, workflows, annual plans, etc. It supervises the implementation by relevant functional departments and subsidiaries, continuously drives improvements in product and service quality, and monitors and evaluates the operation of the quality management system in subsidiaries. The executive level comprises the Production Technology Department, the Department of Underground Special Operations, and the Company's subsidiaries. It is responsible for formulating and revising specific quality management policies and objectives, organizing quality improvement initiatives, and promoting the application of advanced quality management methods. We are committed to ensuring the safety and quality of our products and services through whole-process quality control.

## 5.2 Strategies

As a dedicated player in the oilfield services industry, we consistently prioritize the safety and quality of our products and services while continuously optimizing our whole-process quality management system. The Company actively responds to national energy security and innovation-driven development strategies, propelling the high-quality development of the oil and gas services sector.

## 5.3 Impact, Risks and Opportunities Management

The Company always adheres to the quality policy that “quality is always one step ahead”, further strengthening quality control and effectively preventing and controlling quality risks. The Company builds 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 of core products of petroleum engineering.

### 5.3.1 Optimizing Management System

The Company insists on promoting its high-quality development continuously by leveraging on its quality management system. It strictly complies with laws and regulations including the *Standardization Law of the People’s Republic of China* and the *Metrology Law of the People’s Republic of China*. The Company rigorously implements requirements outlined in 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 requirements. These efforts continuously elevate quality management standards and effectively safeguard engineering quality. All production and operation units of the Company have established quality management systems and obtained certification in accordance with the requirements of GB/T 19001. Based on ensuring the integrity and full-process control of the quality management system, the Company continuously optimizes and improves system documentation, enhancing the system's suitability, adequacy, and effectiveness.

### 5.3.2 Failure Management System

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. Furthermore, the Company implements full-process engineering quality control, analyzing and mapping 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 2025, 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 manner and improve management efficiency.

**Full Support from Experts to Ensure Smooth Implementation of Key Projects**

In 2025, addressing technical challenges and support requirements for key projects in priority industrial areas, the Company established an integrated geological engineering experts office with cross-disciplinary, cross-unit specialists and the on-site drilling and well completion expert group of the Petroleum Engineering Company. This initiative deepened integrated engineering-geology collaboration, strengthened technical support for critical wells in key areas, and advanced the “demonstration well construction”. These efforts effectively ensured the discovery of high-quality dolomite reservoirs in the Qixia Formation at Xinjiao 1 Well (新橋 1 井栖霞組) in the southwest industrial area, Jiaoye 44-Z5HF (焦頁 44-Z5HF) achieving an Asian-record-breaking 5,442-meter maximum horizontal run, the discovery of favorable oil and gas indications in the Yageliemu, Bashijiqike, and Kumugeliemu formations at Kushen 1 Well (庫深 1 井層亞格列木組、巴西蓋組、庫姆格列木組) in the northwest industrial area, and the Liye 4HF Well (利頁 4HF 井) in the eastern mature area setting a new record for the highest number of completed sections in a single day (7 sections) during fracturing operations.



▲ Study and Exchange Activities at the Geology-Engineering Integration Recovery Factor Laboratory

### **Transitioning Management Models and Building Intelligent Oilfield 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, the Company strives to build its digital oil service through digital transformation and intelligent upgrades.

In 2025, the Company steadily pushed forward the construction of the “National Metrology and Testing Centre for Petroleum Drilling Instrument Industry”, established 46 calibrations and 27 testing capabilities. It secured 23 authorized patents and participated in formulating or revising 7 national metrology technical specifications, 9 industry standards, and 2 group standards.

### **High-Risk Construction Quality Control**

In 2025, the Company focused on comprehensive quality assurance, prioritizing the implementation of engineering quality assurance capabilities. Particular emphasis was placed on strictly controlling the operational status of critical well control equipment and enforcing full-process quality management during high-risk construction phases such as completion testing, large-scale fracturing, operation with pressure and side drilling overhaul.

### **Ultra-high Pressure Fracturing Equipment Supports Deep Shale Gas Exploration and Development**

In 2025, building upon the Company's pioneering safe deployment of 175MPa ultra-high-pressure fracturing equipment at Qiyeshen 1 Well (綦頁深 1 井) in the southwest industrial area—marking China's first such application—the 175MPa equipment has now been safely deployed across eight wells. Notably, the Tiebei 1 Side HF Well (鐵北 1 側 HF 井) achieved a high-yield gas flow of 424,100 cubic meters per day, securing a breakthrough in ultra-deep shale gas exploration at 5,300 meters within the Dalong Formation of the Puguang Permian System (普光二疊系大隆組).

### **Testing of Simultaneous Multi-Well Fracturing with a Single Rig Pioneers New Pathways for Efficiency Revolution**

In 2025, the Company innovated synchronous shale gas fracturing technology. At the Jiaoye 45 platform, four wells were paired in groups of two. Using 1.5 rig sets, the process simultaneously completed fracturing for two wells and plug pumping for the other two. Fracturing efficiency averaged 12 sections per day, with a peak of 16 sections per day. This marked the first successful field application of synchronous fracturing, achieving internationally advanced levels.

### **Application of Digital Technology**

The Company continues to promote 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 utilizes 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, further enhancing management efficiency. 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.

### **Quality Education and Training**

The Company's quality training continues to focus on key work, key technologies and key posts, and it carries out multi-tiered, diverse quality training activities for key personnel

such as technical management and operation staff at all levels. We have 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), further enhancing the engineering quality awareness and technical level of key personnel. In 2025, the Company continued to conduct quality training initiatives to enhance position-specific skills and solidify the foundation of quality management and safe production.

### **“Quality Day” and “Quality Month” Campaigns**

In 2025, the Company continued to carry out "Quality Day" and "Quality Month" campaigns. The campaigns revolved around the theme of "Strengthening Quality Management and Promoting 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, the Company has improved its quality management, raised the awareness of all staff towards quality, optimized the quality of its products, projects and services, and promoted sustainable high-quality development.



▲ Quality Day Campaign

### **Social Recognition**

In 2025, the Company has won multiple engineering awards, including 14 national excellent QC achievements, 38 provincial and ministerial-level excellent QC achievements, 21 "National Excellent Welding Project" awards, 5 "National Outstanding Engineering Survey and Design Achievement" awards and one national "Quality

Trustworthy Team" award. Additionally, the project "Key Technologies Research and Industrialization of High-Precision, High-Reliability Rotary Steerable Drilling Equipment for Harsh Downhole Environment" received the third prize of quality technology award from the China Association for Quality in 2025. The "Cementing Fluid Online Monitoring and Early Warning System" and "Rotary Geologic Directional Drilling System Measurement and Calibration Technology" were selected as two of the State Administration for Market Regulation's 100 exemplary cases for "Promoting New Productivity Development through Metrology."



▲ National Excellent QC Achievement Award ▲ National Excellent Welding Project



▲ China Excellent Power Engineering Award ▲ National Demonstration Award for "Quality Trustworthy Team"



### **CCTV Highlights “Jingwei Linghang (經緯領航)” Drilling Capabilities**

In 2025, CCTV-1 (Comprehensive Channel) and CCTV-13 (News Channel) broadcast a third-quarter observation feature in the Morning News (《朝聞天下》) program. Centered on the theme “Technology + Policy + Market: Fortifying the Foundation of High-Tech Manufacturing,” the segment highlighted the Company's rotary steerable drilling system as a prime example of China's high-tech manufacturing advancement. It detailed the technological progress of the Jingwei Linghang system, showcasing the Company's technical expertise and industry standing in this field.



▲ CCTV Reported on the Rotary Steerable Drilling System

### 5.3.3 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. In 2025, the Company received no customer complaint, with customer satisfaction remaining at a high level and complaint resolution satisfaction reaching 100%.

#### Tiered Engagement Mechanism

The Company organizes teams of different levels, regions and specialties according to market regions and specialties to meet and visit customers. Through forums, key project briefings, and other formats, it showcases market quality control achievements while gaining deep insights into customers' needs. Meanwhile, for overseas markets, the Company continuously implements the cooperation mechanism for mutual visits and mutual trust with major overseas customers, and continues to maintain a normalized cooperation, communication and coordination mechanism for market projects in overseas regions and countries, so as to precisely meet the needs of customers in different regions.

#### Information Platform Empowerment

The Company adheres to the principle of “market orientation and efficiency priority”. Leveraging its production scheduling system, it identifies and collects issues and defects arising during production processes. These are categorized and notified to the responsible units for resolution, while also escalated to the relevant supervisors for tracking and follow-up. Simultaneously, the Company utilizes market information management platforms such as the “Petroleum Engineering Production Operation Reporting System” and the “Petroleum Engineering Company Newly Signed Contract Value Ledger” for data traceability. This enables precise linkage between project and contract information, objectively pinpointing problem areas. Targeted corrective measures are then formulated and implemented, with dedicated personnel tracking the closed-loop process. Progress and outcomes are promptly communicated to clients, and service satisfaction is confirmed through regular follow-up visits. Regarding complaint handling, complaints received at the corporate level are organized and addressed by business departments, while those received at subordinate units are handled according to each unit's established procedures.

#### Quality Follow-up Mechanism

The Company continuously refines its market quality follow-up mechanism, carrying out service quality feedback and special project connection, investigating the operational

challenges in the market, 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. The Company conduct scientific assessments on customer satisfaction through user satisfaction assessment indicator system, measurement model, statistical analysis and other methods.

#### Routine Review

The Company conducts regular inspections and audit observations to assess the effectiveness of market quality management. Expert teams are dispatched to conduct systematic service quality follow-ups and specialized coordination across the Group's branches—including Jiangnan, Northwest, Southwest, and North China—as well as key external markets such as COSL, CNOOC, and Guizhou Shale Gas. These inspections cover all operational segments across major oil and gas regions and critical external markets. The Company coordinates solutions for critical issues including workforce allocation, service pricing, and support resources. By combining regular and dynamic follow-ups with targeted spot checks at project milestones, it ensures continuous quality oversight and reinforces market management accountability across all units.

#### Customer Service Processes Continuously Optimized

The Company combines routine inspections with digital empowerment, leveraging its production scheduling system and market information management system to enhance efficiency in receiving customer feedback, handling complaints, and conducting follow-ups.

- In the feedback receiving stage, real-time monitoring of workforce utilization rates, contract ledgers, and project dynamics enables timely awareness of regional market service conditions and evolving customer needs, providing data support for proactive feedback collection.
- In handling complaints and suggestions, system data enables rapid response and root cause analysis. By linking production and contract information, it precisely identifies problematic areas to enhance resolution efficiency.
- For customer follow-ups, system data provides the basis for formulating follow-up plans and selecting follow-up targets. Targeted follow-ups are conducted based on project phases and historical collaboration, focusing on understanding satisfaction

with service improvements to enhance the timeliness and continuity of follow-up efforts.

## 5.4 Metrics and Goals

In order to systematically promote the safety and quality assurance of the Company's products and services, we have formulated safety and quality management targets and metrics. We continuously monitor progress toward these goals, enhance quality effectiveness through process optimization and sustainably empower customer trust and brand value.

Topic	2025 Target	2025 Progress	Target	Future (2026)	Target
<b>Product and Service Safety and Quality</b>	Special operations first-time pass rate $\geq 96.5\%$	Completed; the first-time pass rate for special operations reached 99.74%		$\geq 96.5\%$	
	Pipeline welding first-time pass rate $\geq 95\%$	Completed; the first-time pass rate for pipeline welding reached 98.64%		$\geq 95\%$	

### Quality-related Indicators Performance

Indicators	Units	2025
<b>Number of customer complaints cases</b>	<b>case</b>	<b>0</b>
<b>Customer complaint resolution rate (%)</b>	<b>%</b>	<b>0</b>

## 6 Innovation and Development

### 2025 Performance Highlights

- Formed industry-academia-research joint innovation teams, undertaking key Beidou projects from SASAC for three consecutive years. Jointly participated in **20** major national science and technology projects for new oil and gas exploration and development, and **5** major national science and technology projects for deep earth exploration.
- Developed and launched Sinopec's **first independently developed** scientific drilling system, the “Idrilling (Yinglong) Scientific Drilling System”.
- Secured the contract for the survey and design of the million-ton-scale CCUS project at Yanchang Oilfield, with cumulative sales of Beidou terminal products exceeding **80,000** units.
- The “Cementing Fluid Online Monitoring and Early Warning System” and “Rotary Geologic Directional Drilling System Measurement and Calibration Technology” were selected as two of the State Administration for Market Regulation's **100 exemplary cases for “Promoting New Productivity Development through Metrology.”**

The Company is committed to technology-centric enterprise development and innovative growth. We deeply integrate into the national and the Group’s innovation-driven systems and strategies, coordinate and consolidate scientific research resources, improve the joint research mechanism, develop innovation platforms to high standards, and build high-caliber research teams.

### 6.1 Governance

The Board of Directors of the Company attaches great importance to innovation-driven development, integrating it into the strategic development plan, corporate governance system, risk management system and daily operation management. A three-tier governance structure of "Board of Directors - Management - Executive" has been established to clarify the boundaries of power and responsibilities at each level.

The Company's Board of Directors is responsible for studying policies, strategies, and plans addressing key sustainable development issues, including innovation-driven

development. The management level, represented by the Technology Information Department, is responsible for integrating scientific and research resources, refining mechanisms for tackling key challenges, and building high-level innovation platforms. The executive level comprises the Company's subsidiaries, which collaborate to implement innovation-driven development plans.

We are committed to accelerating breakthroughs in cutting-edge technology research and development, iteratively upgrading existing technologies, and facilitating the translation of scientific and research achievements into practical applications. Concurrently, the Company prioritizes the cultivation and retention of scientific and technological talent, actively engages in domestic and international academic exchanges and collaborations, and builds an open and collaborative innovation ecosystem.

## 6.2 Strategies

With self-initiated investment as foundation, external resources for synergy, and hardware foundation as support, the Company systematically empowers the management, products, services and business models innovation. By including R&D investment as the core of the budget, establishing a stable growth mechanism, continuously optimizing the input structure, increasing capital expenditure, and consolidating the foundation of laboratories and equipment, the Company consolidates the foundation of scientific research funds, improves the transformation efficiency of R&D, and continues to strengthen the core competitiveness and industry leadership driven by innovation.

## 6.3 Impact, Risks and Opportunities Management

### 6.3.1 Innovation Management System

The Company continues to optimize the management system of technology innovations, and adheres to the principles of "differentiated positioning, specialized excellent development, and synergetic empowerment", integrates R&D resources and improves the systems and mechanisms. The Company uplifts the level of investments in scientific and technological innovation through various channels such as increasing self-initiated investments, seeking external support and increasing capital investment. In 2025, the Company implemented a maturity assessment mechanism for technical products, which allows the Company to sort out all technical products and form a technical map, and rate the maturity of the proposed technologies to determine the starting point and maturity of

the R&D achievements, strengthening the research and transformation and application of key core technologies.

The Company continues to deepen its investment in research and development, building a high-level scientific and technological talent team, optimizing the innovation-driven management, and pay attention to enhancing the quality while steadily increasing the number of patents, so as to continuously enhance the supply capability of high-quality scientific and technological achievements.

The Company actively carries out domestic and foreign academic exchanges and cooperation to build an open ecosystem for innovation. In 2025, the Company has formed an industry-university-research joint innovation team through in-depth cooperation with companies such as PetroChina and universities, which undertakes the key projects of the SASAC and Beidou for three consecutive years, and jointly undertake 20 major national science and technology projects for new oil and gas exploration and development, as well as 5 deep-state national science and technology projects.

### 6.3.2 Technological Innovation Progress

Sinopec Oilfield Service focuses on breakthroughs and commercial application of key core technologies, and strengthens basic research, prospective exploration and disruptive technological innovation, thus achieved research and development progress in a number of key areas.

1. Shale Oil Drill Completion Technology	Researched and developed new-type drill bits and a series of drill completion technologies, and the drilling cycle for shale oil in the Minfeng Sag was reduced to 17.05 days, the shortest record.
2. Dipole Acoustic Remote Detection Technology	Included in the pilot program of SASAC's job-related scientific and technological achievements empowerment reform.
3. Carbon Capture, Utilization and Storage (CCUS) Technology	Established the Sinopec CCUS engineering construction standard system, and won the bid for the survey and design of a million-ton CCUS engineering project in Yanchang Oilfield.

4. Iteration of Spinning “Longitude and Latitude Navigation” Products	The temperature indicator was increased from 150°C to 175°C, and a 4.75-inch small-diameter instrument was newly developed, with the maximum build rate of 15.5°/30m in real drilling.
5. “Idrilling (應龍)” Scientific Drilling System	The first set of self-initiated research and development was applied in 526 wells, the average rate of penetration was increased by 18.31%, and the drilling cycle was shortened by 11.63%.
6. Digital intelligence empowerment and intelligent scenarios	Layout of the "Five Intelligent Scenarios", and the application of intelligent robots in sub-scenarios such as drilling tool buckle inspection, casing diameter and pipeline welding was accelerated.
7. 200°C high temperature direct-driven storage micro-resistivity scanning image logging tool	Listed on the Recommended Catalog of Scientific and Technological Innovation Achievements of Central SOEs (2024 Edition) issued by the SASAC.
8. 260°C/206MPa UHTHP logging tool	Listed on the Fifth Batch of the First (Sets) Of Major Technical Equipment in the Energy Field by the National Energy Administration.

## 6.4 Metrics and Goals

In order to systematically encourage the Company to optimize its innovation-driven management, we have formulated management goals and indicators for innovation development, and continuously monitored the progress of the achievement of the goals, and drive the improvement of research and development efficiency through technological innovation and continue to empower the progress of industrial technological innovation.

Goals	Details of Goals of 2025	Progress of Goals in 2025	Future Goals
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<b>Innovation-driven</b>	Continue to increase innovation-driven capital investment and maintain R&D investment intensity above 2.5%.	In 2025, the Company's investment in R&D as a percentage of revenue remained at 2.8%, the same as last year, providing a resource base for technological innovation	The Company will continue to increase capital investment in research and development and optimize the investment structure to drive the high-quality sustainable development of the Company.
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### Innovation-related Indicators Performance

Indicators	Units	2025
<b>Number of domestic patents applications</b>	items	1078
<b>Number of invention patents applications</b>	items	686
<b>Number of domestic patents granted</b>	items	651
<b>Number of invention patents granted</b>	items	346
<b>Number of PCT patents applications</b>	families	10
<b>Number of foreign patents granted</b>	items	9
<b>R&amp;D investment</b>	RMB1,000	2,282,812
<b>Proportion of R&amp;D investment to business revenue</b>	%	2.8
<b>Number of R&amp;D employees</b>	persons	3007
<b>Percentage of R&amp;D personnel to total employees</b>	%	5.20
<b>Number of invention patents applied to main business</b>	items	346

## 7 Green Development

### 2025 Performance Highlights

- **10** subsidiaries of the Company were appraised as "Sinopec Green Enterprises", **3** of which were appraised as Demonstration Enterprises.
- The annual emission reduction of greenhouse gases was approximately **1.008 million** tons of carbon dioxide equivalent.
- The Company used electric grid drilling rigs to drill 1,361 wells with a total drilling depth of 6.115 million meters to promote 8 energy efficiency improvement projects, such as energy-saving transformation of transformers and transformation of electric drilling rigs, replacing approximately **311,000** tons of diesel in total, reducing carbon dioxide emission by approximately **841,000** tons.
- Fixed-site photovoltaic power generation installations had a total installed capacity of **2.5MWp** and an accumulated annual total power generation capacity of **2,230,000 KWh**, replacing a total of **274.1** tons of standard coal and reducing the emission of carbon dioxide by approximately **588.7** tons.

The Company strictly follows the relevant 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 operations are located, and continues 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 continues to promote 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.

## 7.1 Responses to Climate Change

### 7.1.1 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.

In order to effectively manage climate risks and opportunities, the Company has included key performance indicators related to climate change, such as energy conservation, water conservation, environmental protection, ecology, carbon reduction and greening, into the performance appraisal system of the senior management and relevant responsible departments, thus effectively incentivizing the organization to actively address climate change challenges and promote implementation of strategic objectives.

### 7.1.2 Strategies

The Company has formulated the Implementation Plan for the Second Phase of the Green Enterprise Initiative for Petroleum Engineering Companies to consolidate the experience and achievements in establishing green enterprises, accelerate the high-end, green and low-carbon development of the Company, and continue to build a green demonstration engineering company. In 2025, 10 subsidiaries of the Company was appraised as "Sinopec Green Enterprises", 3 of which was appraised as Demonstration Enterprises.

Meanwhile, the Company formulated the Green, Low-Carbon and New Energy Development Plan for the 15th Five-Year Plan for Petroleum Engineering Companies. Based on the development positioning of green and low-carbon technology services and

green energy supply guarantee, and taking into account the carbon reduction demand of the whole petroleum engineering industry chain, the Company has built a green development model of "engineering services + low-carbon technology + carbon assets operation" trinity.

In order to ensure the implementation of the strategies, the Company continues to strengthen resource allocation and capacity building.

**New energy technology R&D center was set up** as the main support unit of the CCUS Key Laboratory of the Group, and equipped with core technologies and independent intellectual property rights of the whole CCUS process.

The Company strives to **promote the implementation of major demonstration projects**, undertakes the first megaton-scale CCUS engineering project in China, and actively carries out geothermal cascade utilization and geothermal power generation projects.

We will continue to **invest in research and development (R&D) and capital resources**. Over the next five years, we will maintain our investment scale in alignment with the company's strategic development plan, continuously optimize the investment structure, and support the breakthrough R&D and large-scale application of low-carbon technologies, thereby providing solid support for green development.

### 7.1.3 Impact, Risks and Opportunities Management

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.

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

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
<b>Physical risks</b>	Acute risks: Extreme weather such as typhoons, heavy rains and mudslides	<ul style="list-style-type: none"> <li>• Damage to construction sites, offshore platforms, office buildings and equipment, causing asset losses;</li> <li>• Abnormal production affected by equipment damage, employees' inability to work, safety threats,</li> </ul>	Increase in capital expenditure	Short-term, medium-term, long-term	<ul style="list-style-type: none"> <li>• Formulate emergency response plans for natural disasters before construction based on specific geographical features, and continuously improve the emergency response mechanism for natural disasters;</li> <li>• Identify</li> </ul>

<sup>6</sup>The "time horizon" for climate-related risks is defined as: **short-term (0-3 years)**, corresponding to annual financial performance; **medium-term (3-10 years)**, corresponding to the Company's five-year strategic planning cycle (e.g. 15th Five-Year Plan) ; **Long-term (over 10 years)**, corresponding to the Company's vision of reaching carbon-neutral in 2050, involving business transformation and long-term value management.

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
		transportation interruption, etc			<p>potential asset damage and purchase necessary insurance;</p> <ul style="list-style-type: none"> <li>Reserve water, electricity and other essential resources for production and operation in advance.</li> </ul>
	Chronic risks: Continuous high temperature, severe cold, drought, etc.	<ul style="list-style-type: none"> <li>The rising temperature will require the Company to equip more refrigeration equipment, increasing its energy consumption and operating costs;</li> <li>Equipment may be</li> </ul>	<p>Increase in capital expenditure</p> <p>Increase in operating expenses</p>	Medium - long-term	<ul style="list-style-type: none"> <li>Apply more energy efficient refrigeration equipment under high temperature conditions;</li> <li>Take precautionary anti-freezing and heat-preservation measures</li> </ul>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
		<p>damaged under severe cold conditions in winter, increasing its energy consumption.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The performance of well control equipment may be degraded under low</li> </ul>			<p>to protect equipment, and standardize the operation requirements in winter;</p> <ul style="list-style-type: none"> <li>• Scientifically arrange production plans, deploy production organizations carefully, and improve operational efficiency.</li> </ul> <ol style="list-style-type: none"> <li>1. Conduct operating status and completion test under low tempera</li> </ol>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
		temperature environment in winter.			<p>ture condition of key well control equipment such as blowout preventer stack, choke and kill manifold, liquid-gas separator, remote console, overflow monitoring device. Strict control and inspection on high-risk</p>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
					construction procedures such as large-scale fracturing, under pressure operation and side-drill overhaul to ensure the safety of well control during winter construction.
<b>Transition risks</b>	Policy and legal risks	<ul style="list-style-type: none"> <li>The government may introduce more stringent policies and regulations to</li> </ul>	Increase in compliance costs	Short-term, medium-term,	Closely monitor changes in environmental laws, regulations

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
		mitigate climate change, increasing 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.		long-term	and policies and respond in a timely manner.
	Technical risks	<ul style="list-style-type: none"> <li>Failure in identifying relevant risks and applying low-carbon technologies in a</li> </ul>	Increase in capital expenditure	Medium-term and long-term	<ul style="list-style-type: none"> <li>Increase the proportion of new energy use and actively carry out cooperatio</li> </ul>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
		timely manner, resulting in the low-carbon transformation of products falling behind industry peers and affecting the efficiency of low-carbon transformation.			<ul style="list-style-type: none"> <li>• Research new cooperation methods in technologies and equipment ;</li> <li>• Improve the Company's own new technology and new equipment</li> </ul>
	Market risks	<ul style="list-style-type: none"> <li>• Increase in raw material and energy costs;</li> <li>• Decrease in demand for fossil fuels.</li> </ul>	<p>Increase in operating expenses</p> <p>Decrease in operating income</p>	Medium-term, long-term	<ul style="list-style-type: none"> <li>• Build an energy information platform to monitor and analyze energy use, and improve energy management and</li> </ul>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
					<p>control capabilities;</p> <ul style="list-style-type: none"> <li>• Increase market development and increase the proportion of external market business.</li> </ul>
	Reputational risks	<ul style="list-style-type: none"> <li>• Obtain negative feedback from stakeholders due to poor performance in climate change and sustainability.</li> </ul>	Decrease in operating income	Long-term	<ul style="list-style-type: none"> <li>• Enhance the Company's sustainable development capabilities and actively respond to climate change;</li> <li>• Enhance management transparency in relevant</li> </ul>

Countermeasures	Risk Category	Risk Description	Potential Financial Impact	Time Horizon <sup>6</sup>	Countermeasures
					aspects and respond to the concerns of stakeholders.

Our process for identifying climate-related opportunities includes: continuously adhere to the national "two-carbon" policy, analyzing international energy technology development trends, and assessing internal technical capabilities. In 2025, compared to the previous reporting period, we have mainly strengthened the evaluation method of the process, and introduced a preliminary quantitative exploration of the current and expected financial impact of the opportunities. Opportunities brought about by climate change mainly include:

Opportunities	Potential Financial Impact	Impact Degree	Time Horizon	Countermeasures	
<b>Resources efficiency</b>	<ul style="list-style-type: none"> <li>Develop more energy efficient equipment, construction and technologies to meet the market's low-carbon demand;</li> </ul>	Decrease in operation costs	Minimal	Short-term, medium-term, long-term	<ul style="list-style-type: none"> <li>Invest to explore and apply new technologies, new equipment, such as drilling rig electrification, and new processes to improve resource use efficiency and</li> </ul>

Opportunities		Potential Financial Impact	Impact Degree	Time Horizon	Countermeasures
	<ul style="list-style-type: none"> <li>Supportive policy incentives for green transition.</li> </ul>				reduce energy costs; <ul style="list-style-type: none"> <li>Identify and respond to government support policies and green projects;</li> </ul>
<b>Energy Source</b>	<ul style="list-style-type: none"> <li>Use of low carbon energy</li> <li>Use of new technology</li> <li>Participate in carbon trading market</li> </ul>	Decrease in costs	Medium	Short-term, medium-term, long-term	<ul style="list-style-type: none"> <li>Further explore the use of renewable energy such as photovoltaics and wind power</li> </ul>
<b>Market</b>	<ul style="list-style-type: none"> <li>Changes in user preferences and expansion of green market demand;</li> <li>Increased demand for integrated energy services;</li> <li>Provide industry-leading</li> </ul>	Increase in revenue	Medium	Short-term, medium-term, long-term	<ul style="list-style-type: none"> <li>Strengthen the research and development of low-carbon technologies, and continue to increase the proportion of green and low-carbon emission products, including an increase in revenue from CCUS-related business activities and increase in revenue from CCUS-related business</li> </ul>

Opportunities	Potential Financial Impact	Impact Degree	Time Horizon	Countermeasures	
	<ul style="list-style-type: none"> <li>climate change solutions;</li> <li>International market expansion.</li> </ul>			activities as a percentage of total revenue; <ul style="list-style-type: none"> <li>Identify and participate in emerging markets;</li> </ul>	
<b>Adaptability</b>	<ul style="list-style-type: none"> <li>Energy substitution and diversified solutions;</li> <li>Participation in renewable energy projects.</li> </ul>	Decrease in operation costs	Minimal	Short-term, medium-term, long-term	<ul style="list-style-type: none"> <li>Promote the development and utilization of renewable energy.</li> </ul>

During the Year, the Company has continuously 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.

At the same time, the Company has incorporated climate-related factors as a special topic within its integrated assessment process. Climate risks identified as material through this assessment will be included in the Company's unified “Material Risk Register” and managed through a dedicated control matrix, ensuring they receive appropriate priority and resource allocation within the overall corporate risk assessment.

Due to the above proactive risk management measures, based on current analysis, the Company believes the possibility of significant financial impacts from physical and transition climate risks on its overall business and financial condition in the short term is relatively limited. However, we recognize that climate risks are long-term and evolving, with potential impacts subject to change as climate policies tighten and extreme weather intensifies. Therefore, the Company will continue to reassess relevant risks through methods such as scenario analysis.

Meanwhile, to effectively manage climate risks and seize climate opportunities, we have implemented response measures across all production and operational phases to continuously enhance climate resilience. Current climate-related risk and opportunity management measures include:

Project planning	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
Production and operation	<ul style="list-style-type: none"> <li>• Assemble photovoltaic power generation facilities at fixed operation sites and popularize the use of clean energy in production.</li> <li>• 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.</li> </ul>
Resource utilization	<ul style="list-style-type: none"> <li>• Continuously improve the energy and material efficiency, minimize resource consumption, and accelerate asset recycling.</li> </ul>

**Advancing CCUS Technology Application**

The Company is actively advancing CCUS technology and continuously promoting the application of carbon dioxide-enhanced energy fracturing technology, which adopts high-pressure to inject liquid carbon dioxide to make fractures, improving reservoir permeability and effectively solving 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 2025, the Company applied the technology to 98 wells in industrial areas such as Northeast China, Central China, Shengli Oilfield, East China and Southwest China, with 76,000 cubic meters of liquid carbon dioxide injected, equating to a reduction of 91,000 metric tons of carbon dioxide equivalent. In 2025, revenue from CCUS-related business activities reached 55 million RMB, representing 0.1% of total revenue.

#### **Drilling Rig Electrification:**

In 2025, the Company used electric grid drilling rigs to drill 1,361 wells with a total drilling depth of 6.115 million meters, replacing approximately 311,000 tons of diesel in total, saving about 321,000 tons of standard coal, and reducing carbon dioxide equivalent emissions by 841,000 tons. In 2025, capital expenditures related to electric rig conversion amounted to 723 million RMB, representing 28.3% of total capital expenditures.

#### 7.1.4 Metrics and Goals

The Company actively responds to the national "Dual Carbon" strategy, and in alignment with the Paris Agreement, has been continuously advancing the clean and low-carbon development of its operations. We have formulated the Action Plan for Carbon Peaking and Carbon Neutrality to continue promoting energy-saving and carbon-reduction initiatives such as energy-saving technical upgrades, replacement of key energy-consuming equipment, substitution with clean energy, and efficiency enhancements. 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.

#### Greenhouse Gas-Related Targets

### Information on Total Greenhouse Gas Emissions Targets

<b>Target Setting<sup>7</sup></b>	Greenhouse gas emissions not exceeding 2.06 million tons in 2026
<b>Target Type (Absolute/Intensity)</b>	Absolute
<b>Purpose of Target</b>	Align with the science-based reduction plan to reduce greenhouse gas emissions from our own operations, aiming to achieve carbon peaking by 2030 and eventually net-zero emissions by 2050.
<b>Progress Monitoring</b>	The Company annually reviews the completion status of its greenhouse gas emission targets for Scope 1 and Scope 2.
<b>Scope of Targets</b>	Covers our construction operations and daily consumption at various bases and centralized residential sites.

<b>Target Progress</b>	
	<b>Greenhouse Gas Emissions (Scope 1 and 2) (Unit: t CO<sub>2</sub>e)</b>
<b>Total Emission Target (2025)</b>	≤212.5
<b>Total Emission Actual (2025)</b>	196
<b>Completion Status (2025)</b>	Completed

#### Greenhouse Gas-related Indicators Performance

<b>Indicators</b>	<b>Units</b>	<b>2025</b>
<b>Total GHGs emissions</b>	t CO <sub>2</sub> e	1,955,558.92
<b>Of which: Scope 1 GHG emissions</b>	t CO <sub>2</sub> e	1,091,519.64
<b>Scope 2 GHG emissions</b>	t CO <sub>2</sub> e	864,039.28
<b>Direct GHG emission reductions from mitigation measures<sup>8</sup></b>	t CO <sub>2</sub> e	1,008,000.00

<sup>7</sup> In establishing its greenhouse gas-related targets, the Company has not adopted industry-specific decarbonisation methodologies.

<sup>8</sup> The greenhouse gas emissions directly reduced by emission reduction measures are all reflected as Scope 1 greenhouse gas emission reductions compared to the previous year. Relevant measures include methane

## 7.2 Resource Usage Management

The Company strictly complies 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

The Company places high importance on energy conservation and consumption reduction in its daily operations, continuously advancing energy efficiency transformation, increasing clean energy supply, and steadily improving resource and energy utilization. Meanwhile, the Company has adopted the following key measures to promote energy saving and consumption reduction:

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recovery and utilization, promotion of grid-powered drilling, and implementation of carbon dioxide-enhanced fracturing, among others.

### 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 2025, the Company applied grid electric drilling in 1,207 wells with a drilling footage of 5.445 million meters, representing 69% of the drilling footage in China; implemented eight energy efficiency enhancement projects, including energy-saving renovation of transformers and renovation of electric drilling rigs, resulting in a replacement of approximately 332,000 tons of diesel fuel, equivalent to a saving of approximately 342,000 tons of standard coal and a reduction in carbon dioxide emissions of approximately 1.656 million tons.

### Adopting 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.

### Enhancing Environmental Protection Awareness of Employees

- Employees are guided toward green office practices through initiatives like distributing and posting advocacy letters and energy-saving reminder cards. The “Empty Plate Campaign” encourages strict adherence to conservation principles. Public open days promote low-carbon concepts, and employees are called upon to participate in green and low-carbon activities.

In 2025, all Company units diversified energy structures by continuously applying photovoltaic power generation technology in fixed places such as office buildings, workshops and employee apartments. The total installed capacity reached 2.5 MWp, with cumulative power generation reaching 2.23 million kWh., replacing 274.1 tons of standard coal, and reducing carbon dioxide emissions by approximately 588.7 tons. Among them, the photovoltaic installed capacity of the Luntai Base of Shengli Oil Engineering Company (勝利工程輪台基地) was 554 kWp; the photovoltaic installed capacity of the Pipe Technology Service Center (管具技術服務中心) was 128 kWp; the photovoltaic installed capacity of the Zhangxi Frontline (樁西前綫) was 870 kWp; the photovoltaic installed capacity of the Underground Oil Testing Technology Center (井下試油技術中心) was 922 kWp; and the photovoltaic installed capacity of the Zhongyuan Engineering (中原工程) was 194 kWp.

The Company continues to actively promote energy efficiency transformation to increase the supply of clean energy and improve the resource and energy utilization. In 2025, the

Company focused on promoting engineering practices for dry rock series technologies and conducted forward-looking feasibility studies on systems such as supercritical carbon dioxide cycle dry rock power generation.

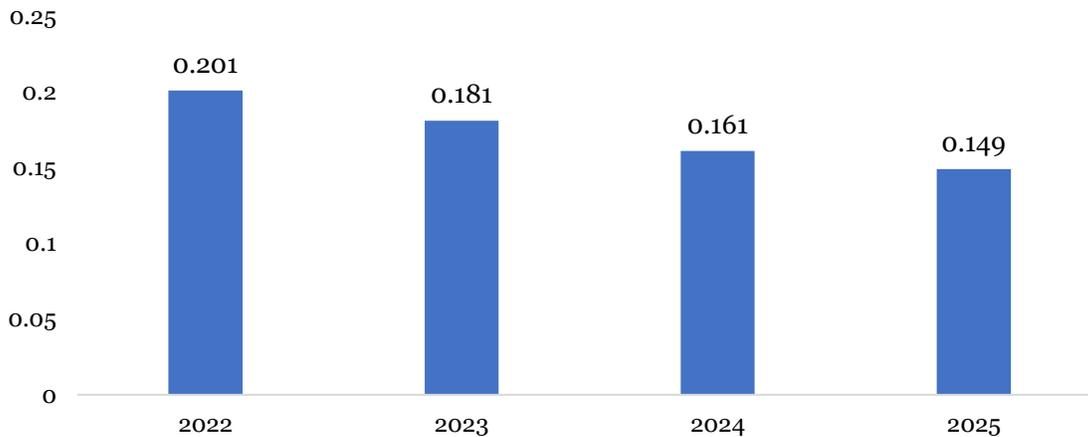
### **Solar Photovoltaic Power Generation Equipment**



▲ Tarim Drilling Photovoltaic Power Generation

In 2025, the Company's comprehensive energy consumption per RMB10,000 of industrial output was 0.149 tons of standard coal, representing a decrease of 0.012 tons of standard coal per RMB10,000 as compared with 2024 or a year-on-year decrease of 8%, which demonstrates its success in achieving the goal it set earlier in 2024 of limiting its energy use intensity to be under 0.174 tons of standard coal per RMB10,000.

## ENERGY CONSUMPTION PER 10,000 INDUSTRIAL OUTPUT



In view of the above and our estimated business development, our energy use target for 2026 is under 668,495 tons of standard coal, and the energy use intensity shall not exceed 0.153 tons of standard coal per RMB10,000.

### Water Conservation

The Company attaches great importance to water resource management. With the formulation of the *Energy and Water Saving Management Regulations*, The Company has not only fully optimized its 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.

In 2025, the Company established a multi-tiered water conservation awareness and training system covering the Company and its subsidiaries. Comprehensive training programs were organized to deliver water conservation education, while subsidiaries were guided to conduct internal training tailored to their production characteristics. This initiative aims to disseminate water conservation knowledge and techniques, continuously enhancing the water conservation awareness and operational skills of all employees.

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.

Starting in 2025, the Company piloted assuming water management responsibilities for its water supplier, Jiangnan Oilfield. The annual water usage plan was adjusted by higher-level authorities to 11.5 million cubic meters, with water intensity not exceeding 3.278 cubic meters per RMB10,000. In 2025, the Company's total water consumption reached 11.047 million cubic meters, with an intensity of 3.044 cubic meters per RMB10,000. Although this exceeded the original plan by 1.847 million cubic meters, it remained within the adjusted target range.

The Company has completed the delineation of management responsibilities among water suppliers, including the pilot Jiangnan Oilfield and other group-affiliated entities such as Shengli Oilfield, Zhongyuan Oilfield, and Northwest Oil and Gas Field. It continues to refine its internal water conservation management system, strengthen metering monitoring and technological applications, and anticipates that total water consumption will decrease annually based on standardized management practices. In 2025, the Company's water conservation target set for 2026 was to limit the total water consumption to no more than 20.91 million cubic meters, with an intensity not exceeding 5.799 cubic meters per RMB10,000.

### 7.3 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 subsidiaries pay taxes related to environmental protection in accordance with the provisions of relevant local government authorities. In 2025, the Company incurred no major administrative penalties or criminal liability related to pollutant emissions, nor any environmental penalties.

### Air Pollution Control

The air pollution generated during the operation of the Company mainly comes from the unorganized emissions of various non-road mobile machinery, diesel and gasoline vehicles and other equipment, as well as the dust generated at the construction sites. During the construction and operation of projects, 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 2025, the Company continued to promote the use of eco-friendly restrooms on the frontline of production, including all drilling well sites and most underground operation sites. The Company treated 2.647 million cubic meters of domestic sewage, 137,000 cubic meters of drilling wastewater, and 895,000 cubic meters of operation wastewater 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. The Company implements classified treatment for all general industrial solid waste through solidification and harmless treatment or 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 conducts monitoring of the external parties engaged by it in relation to the management of hazardous waste disposal and their

relevant measures. The Company delivers all hazardous waste to qualified third parties for disposal in compliance with relevant regulations. In 2026, we will continue to have all general industrial 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.

The Company's asset operation branch operates effectively. It deals with the disposal, reallocation and leasing of idle assets and the recycling of idle equipment. Meanwhile, we implement 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. In 2025, the Company recycled idle assets by dismantling scrap transformers to dispose of 73.044 tons of scrap copper, 15.214 tons of scrap aluminum, and 38.54 tons of scrap silicon steel sheets, while cutting and crushing 707.32 tons of scrap steel for disposal.

#### **Drilling Waste Pre-treatment Equipment**



▲ Shale Shaker

## **7.4 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 restores 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 persistently adopt environmentally friendly technological construction methods and protect the ecological environment of project sites through measures such as optimizing production organization and operations, storing surplus electricity, and modifying exhaust emissions. Furthermore, for equipment replacements or upgrades necessitated by carbon emission policies, the Company explicitly stipulates in technical requirements that suppliers must comply with relevant regulations. In 2025, while advancing the “Green Enterprise Campaign”, the Company vigorously promoted the management of high-emission non-road mobile machinery, phasing out, scrapping, and updating related equipment. Neither the Company nor its major subsidiaries are listed in the legally required environmental information disclosure registry.

The Company actively fulfills environmental responsibilities in overseas projects. Zhongyuan Engineering's project in Uganda implements local environmental requirements and proactively adopts multiple measures to minimize construction impacts on the local ecosystem. For noise control, the project introduced 50dB ultra-quiet automated drilling rigs, utilizing advanced technology to reduce operational noise at the source and minimize acoustic disturbance to the surrounding natural environment. In 2025, the Company did not involve in ceasing production and business activities or disposing of related facilities within ecologically protected red line areas.

In 2025, the Company implemented entry management for overseas projects, requiring all vehicles to undergo thorough high-pressure water washing before entering construction sites. This effectively prevents the spread of invasive species and grass seeds via vehicles, safeguarding the integrity of local ecosystems. Additionally, projects fully comply with local regulations and standards for air and soil protection throughout their lifecycle, ensuring clean and compliant construction activities. These measures systematically reduce the environmental footprint of project operations. In 2025, the Company did not experience any major environmental incident or face any significant administrative penalties or criminal liability from ecological and environmental authorities related to environmental incidents.

### **Overseas Biodiversity Conservation**

Throughout the construction and operation of overseas projects, the Company consistently prioritizes environmental protection, emphasizing ecological conservation and biodiversity preservation in host communities to promote harmonious coexistence between humans and nature. At the Uganda project site, strict speed limits and avoidance protocols are established for project vehicles: large vehicles must not exceed 15 km/h, while small vehicles must not exceed 40 km/h. Vehicles must immediately stop and yield when encountering animals crossing the road. If animals are moving slowly on the road, vehicles must maintain a safe distance and follow at low speed. Honking or chasing animals is strictly prohibited. If animals approach head-on, vehicles must slowly reverse while maintaining a minimum safety distance of 40 meters at all times.



▲ Ecological Environment Near the Uganda Project

For the Uganda project, the Company has deployed containerized energy storage units to enable dynamic energy regulation and utilization. During low-load drilling operations, the units store surplus electricity. When high-load phases commence, stored energy is promptly released to supplement the power grid, eliminating the need to activate backup generators. This approach effectively reduces diesel consumption and pollutant emissions, saving approximately 8% of diesel.



▲ Uganda Project Site

At the Uganda project site, the Company has invested dedicated funds to implement exhaust gas purification technology upgrades. By installing ceramic composite purification devices on generator exhaust pipes, pollutants such as nitrogen oxides, carbon monoxide, and hydrocarbons are removed, achieving zero visible black smoke emissions throughout unit operation. Additionally, both site road lighting and mobile lighting equipment are powered by photovoltaic systems, further reducing reliance on diesel-powered generation.



▲ Uganda Project Site

### **In Situ Reduction of Oil-Based Drilling Cuttings**

In 2025, Shengli Oil Engineering Company continued to propel the “Green Enterprise Campaign”. At 8 wells in the Shengli Shale Oil National Demonstration Zone, it accumulatively treated about 3,900 tons of oil-based drilling cuttings and recycled approximately 138 tons of synthetic drilling fluid, actively practicing its waste utilization concept of “in situ processing and turning waste into wealth”.



▲ In Situ Reduction of Oil-Based Drilling Cuttings Device

## 8 Responsible Operation

### 2025 Performance Highlights

- Conducted Party committee inspections in a solid manner and completed routine inspections on **17** professional operating units.
- Made patent applications actively and obtained **651** authorized patents, including **346** 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.

### 8.1 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.

#### Responsibility Implementation

The Company earnestly implemented the List of Main 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"<sup>9</sup>to solidify the responsibilities of each main body. In addition, the Company strictly complies with the relevant content about practicing integrity in the *Employee Guidelines*, and clarifies the corresponding punishment mechanism through the employee discipline regulations in the event of relevant situations, thus further strengthen the system to safeguard integrity, and to strengthen the implementation of "two responsibilities"<sup>10</sup>.

### Inspection and Supervision

The Company's Party Committee carried out anti-corruption inspections, and completed routine inspections on 17 professional operating units and the "Looking Back" mission. 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.

### Daily Supervision

The Company brings the role of the Supervision Committee mechanism into full play. The Company regularly carries out supervision by the head and leading group of the Company in promoting the implementation of major decisions and preventing and mitigating operational risks. In 2025, the Company systematically implemented 9 annual key supervision matters in 5 aspects, covering production safety, thorough implementation of the eight-point regulations of the CPC on spiritual learning and education, as well as centralize the problem-shooting efforts, to emphasis the integration of various supervision resources when going forward, so as to achieve continuous improvement of supervision efficiency.

### Communication Channels

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. In 2025, the Company strictly followed the principles of

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<sup>9</sup> 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.

<sup>10</sup> 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.

"consolidated acceptance, centralized management, classified disposal and regular clearance" 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.

### Integrity Education

In 2025, the Company focused on typical cases in the system and unresolved problems discovered during supervision and inspection, and teach the mid-level leading cadres a class on integrity titled "Carrying the Main Responsibility and Taking Up the Major Duty in Promoting the Continuous Purification of the Political Ecology". Front-line grassroot cadres were given lectures on obeying Party disciplines, and guided Party members and cadres to imprint discipline and rules in their hearts and put them into practice. The Company uses the central team and WeChat official account to organize learning of Sinopec's cultural philosophy of integrity and its code of conduct, so as to create an atmosphere of upholding virtue and uplifting integrity. The Company organized and launched the anti-corruption education month of "strengthening party spirit, abide by rules and uphold morality", and promoted the learning and discussing, warning and education, integrity reminders, inspection and rectification. Party members and cadres' awareness of discipline a continued to be enhanced, and their morality continued to improve. The Company has no corruption litigation cases concluded.

## 8.2 Anti-unfair competition

The Company has established a compliance management system framework, formulated overarching documents and corresponding implementation measures on strengthening management in accordance with laws and regulations, clearly defined the division of responsibilities at all levels, and listed "fair competition" as one of the key control areas, and unfair competition is strictly prohibited. The Company has formulated internal systems such as the *Implementation Measures for Comprehensive Corporate Governance and Strengthening Management in accordance with Laws And Regulations*, the *Compliance Management Measures*, the *Compliance Code of Conduct*, and the *Integrity and Compliance Management Manual of International Petroleum Engineering Companies*, which clearly stipulates that the Company abides by the principle of fair competition, boycott and oppose any fraud, coercion, obstruction, collusion and other violations of laws and regulations. In the special systems for each business activities such as tendering and bidding, and contract management, the Company has refined the legal requirements on anti-monopoly and anti-unfair competition to provide clear regulations for business operations.

### Powers and Responsibilities within the Organizational System

The Company has established a three-tier compliance organizational structure of "Governance - Management - Executive". The governance branch strengthened the supervision function. The management set up a leading group to govern the enterprise in accordance with the law (the compliance committee) and implemented the mechanism under the general counsel (chief compliance officer) to include compliance review into the major decision-making process. The executive team implements the "three lines of defense" of business, compliance and supervision, and promotes compliance responsibilities throughout the business process.

### Effective Implementation of Operating Mechanism

The Company ensures the effective implementation of the compliance management system through systematic mechanisms to form a closed management loop.

- **Risk identification and early warning:** the Company has established and continuously updated the *Guidelines for Compliance with Domestic Laws and Regulations of Petroleum Engineering Operations*, and the “Risk Identification List, Position Responsibilities List and Control Process List” to identify and respond to changes in external regulations and regulatory environment in a timely manner.
- **Risk response and disposal:** before major business decisions such as joint ventures and cooperation with foreign parties, acquisitions and mergers, we conduct compliance screening and demonstration in key areas such as anti-monopoly. A 24-hour reporting mechanism for major risk events is set up to ensure timely emergency response.
- **Compliance review and inspection:** all major projects are required to pass the cross-departmental legality and compliance review and issue an independent legality and compliance demonstration report. The legal and risk control departments carries out supervision and inspection on a regular basis, and conducted monthly risk screening of domestic and foreign businesses to achieve full supervision coverage.
- **Whistle-blowing and Accountability:** the Company has established and smoothed diversified compliance whistle-blowing channels, and strictly investigated and dealt with irregularities.
- **Special Campaigns and Compliance Culture Building:** the Company actively responds to regulatory guidance, such as proactively carrying out specialized work on settlement of payments to SMEs, translating national laws and regulations such as the Regulation on *Guaranteeing Payments to Small and Medium Enterprises* into contract terms, and organizing the subordinate units to formulate and revise standard contracts, and dealing with complaints about default in accordance with laws and regulations in a proper and timely manner, so as to ensure the "dynamic clearing" of default on payment. The Company incorporates the compliance indicators into the performance appraisal of the management and key positions, and cultivate a compliance culture through continuous training for all employees.

### Technology Empowerment and System Supervision

Relying on the "legal and compliance information platform" and the "contract management system", the Company realized online operation and dynamic risk monitoring of systems and processes, and centralized visualization of compliance demonstration and alarms of abnormality in all major projects. Meanwhile, the Company has incorporated compliance into its regular inspections. Through systematic and normalized management, the Company recorded no anti-monopoly or unfair competition-related litigation or major administrative penalty cases in 2025.

### 8.3 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, to provide standardized guidance for the application and use of intellectual property rights. We protect self-owned intellectual property rights while avoiding infringement of other parties' intellectual property rights. In 2025, in order to further enhance the intellectual property management, the Company has revised and improved the *Administrative Measures for Intellectual Property Rights of Petroleum Engineering Companies* (You Gong Zhi [2025] No. 1) to further improve the internal supervision system on intellectual property rights, and enhance the innovation level and market competitiveness of petroleum engineering companies. In 2025, the Company applied for a total of 1,078 domestic patents, including 686 invention patents; obtained 651 authorized patents in China, including 346 invention patents; and applied for 10 PCT patents and 9 authorized patents.

In external publicity activities, the Company complies with relevant laws and regulations including the *Advertising Law of the People's Republic of China*, safeguards its legitimate rights and interests, and standardizes the use of its brand image and external promotion behaviors.

### 8.4 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*. The Company established a

comprehensive network security prevention and control system based on the philosophy of "practical, systematic and normalized" and the measures of "dynamic defence, active defence, in-depth defence, precise protection, overall prevention and control, and joint prevention and control", adopting multiple network safety management measures to safeguard the Company's overall cyber security. In 2025, the Company recorded no data security incidents and customer privacy leakage incidents.

#### 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 serves as the leaders of the Network Security and Informatization Leadership Group, with the Deputy General Manager and the General Manager of the Company responsible for information work serving as the deputy leader of the group.

The Company 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.

In 2025, aiming at user access control and identity management, the Company implemented access authorization based on unified identity management, strengthened the approval system for user management, cleared system users data on a regular basis, implemented zero-trust certification for important systems, and implemented Virtual

Private Network (VPN) to reinforce remote access security, and minimized access through firewall control, so as to continuously manage strict access control. In addition, in view of data security control, the Company has formulated the data resources management regulations, and established special data security management positions, carried out data classification and hierarchical management, strictly implemented the application management measures for data of sensitive grade and above, and encrypted key data and masking access control, thus laid the foundation for precise protection of data at different levels.

Regarding the protection and operation of security technologies, the Company continuously optimizes the firewalls, intrusion detection and prevention systems, and carries out vulnerability scanning, repair and security monitoring on a regular basis to effectively defend against external attacks. In 2025, the Company specifies the security responsibilities and confidentiality obligations of suppliers of development, operation and maintenance and security services in their respective contracts, and require the signing of cybersecurity commitments and non-disclosure agreements. In addition, the supplier's personnel shall receive safety training before entering the site for service.



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

### Strengthening Network Security Technology Protection

We implemented the national and the Group's requirements on normalization of practical battle of network security, and strengthened the construction of technical protection system for network security; carried out regular quarterly scans and repairs on all business system vulnerabilities to effectively reduce the operation risks of core businesses; steadily promote the encryption and transformation of the full-lifecycle national secret algorithm, and optimization of the server layered protection strategy; installed zero-trust gateways for business systems that are open on the Internet, and established a normalized security

alarm of monitoring and rapid response process, so as to ensure the Company's network security based on technology protection .

### Strengthening Network Information Emergency Handling Capabilities

During the Year, the Company updated the *Special Emergency Response Plan for Cyber and Information Security Incidents for Petrochemical Engineering Companies (Trial)* 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 clarified the organizational structure and responsibilities in relation to emergency response, standardized the procedures for information reporting, research and judgment, early warning, emergency response and emergency summary, so as to ensure the standard and orderly emergency response. The Company organized network security emergency personnel and system maintenance staff 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 emergency response promotion, training and education work to enhance the emergency handling capabilities of personnel in related positions and strengthen the Company's overall defence level of network security.

In 2025, the Company set up a variety of security incident and risk reporting channels, including internal service hotline, dedicated mailbox and instant messaging group, to ensure that employees can feedback problems in a convenient and timely manner.

#### Carrying out Cyber Security Activities

The Company continues 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 and skills training for professionals 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 and continuously improve employees' ability to identify and prevent risks through various channels such as safety lectures, online learning, knowledge tests, and internal platform safety bulletin boards. In addition, the Company actively organized cyber security management personnel from subsidiaries, discuss and exchange ideas on issues encountered in network security protection works and share network security protection experiences.

The Company regularly organizes network security emergency drills and system attack simulations, which effectively test and improve on the practical battle capability and collaboration efficiency of the emergency response team.

## 8.5 Win-win for Partners

The Company continues to improve the supplier management system to protect the legal rights and interests of suppliers and promote win-win results for partners. The Company has formulated and strictly complied with relevant systems such as the *Management Measures for Material Procurement* and the *Management Measures for Material Procurement and Supply Resources of Petroleum Engineering Companies* as the anti-corruption compliance system for suppliers, so as to build a good bridge of cooperation between the Company and suppliers, and cooperate with them. Suppliers grow together. In accordance with the principles of "opening the door, qualification review, quantitative evaluation, resource sharing, and win-win cooperation", we have optimized the dynamic management mechanism including supplier registration, review, use, evaluation, information feedback, warning and handling. At the same time, we attach great importance to the anti-corruption construction of suppliers, and require all suppliers to sign the *Letter of Responsibility for Integrity Practices* and abide by the relevant code of conduct.

### Supplier Management

In 2025, the Company continued to improve the peripheral business management such as contractor management to ensure the stable operation of the management process system. In addition, the Company continuously strengthened the management of subcontractors, carried out assessments, supervision and dynamic management, and set high level for risk prevention and control. We formulated the *Administrative Measures on Engineering Subcontractors and Project Subcontracting of Petroleum Engineering Companies* to upgrade and reconstruct the management information platform for petroleum engineering subcontractors and project subcontracting, enabling inquiries of basic information of subcontractors and sharing subcontracting information, and enhanced the management capability and transparency of the Company's subcontractor information. We regularly organize training on the use of information system and subcontracting management system for all units to improve the quality of use of the new subcontracting management information system.

## Sustainable Procurement

We are concerned about our suppliers' performance in relation to sustainable development. During the admission stage, we review the qualifications of suppliers and conduct on-site inspection.

**Qualification review:** we have included qualifications on occupational health assurance, production safety emergency management, and environmental protection (factory environment and sanitation, emission and waste treatment) into the supplier review process, and provided guidance to suppliers based on the results.

**On-site inspection:** Supplier on-site inspection standards include the following: ISO18000 occupational safety and health management system certification, production safety emergency management system, protection awareness on employees' health, implementation of labor protection, equipped with necessary fire facilities, factory environment and sanitation, impact of the manufacturing workshop on the surrounding air, sewage and noise, contribution to environmental protection - whether the discharge and disposal of wastes comply with relevant national regulations, contribution to social development - tax payment, etc., and provide guidance to suppliers based on the inspection results.

During the daily management process, we handle suppliers with significant negative environmental and social impacts by strictly following the Group's regulations, including warning and interview, breach of contract downgrade, and suspension of trading qualifications. For suppliers that cause direct economic losses, major incidents or environmental penalties, we penalize them by suspending their trading qualifications and blacklisting.

Meanwhile, we actively practice green procurement and abide by *the Administrative Measures for Green Procurement of Materials* and the *Catalog of Green Materials Procurement* and other rules and regulations. We insist on the selection of environmentally friendly and low-carbon materials during procurement, adopt degradable and recyclable packaging materials, and replace small packaging with large packaging, so as to reduce the amount of packaging materials used for the same amount of materials.

## 9 Employee Care

### 2025 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.
- Organized online lectures such as "Managing Mental Health for a Better Life", which were watched by **over 25,000** people.
- The training hours per employee were **65.16** hours for operation and management personnel, **61.71** hours for professional and technical personnel, and **117.21** hours for skilled operation personnel.

Sinopec focuses on employee care and development, and strives to create an equal and harmonious working environment for employees, protects the rights and interests of employees according to the law, and promotes a diversified and inclusive corporate culture. The Company always attaches great importance to the welfare and long-term training of employees, builds a smooth development platform and promotion channel, and helps its employees to develop along with the Company.

### 9.1 Paying Attention to Staff Care

The Company continues to deepen the practical activities featuring "I do practical things for the people", which focus its efforts on daily lives assurances, working environment improvements and physical health of employees in urgent problems, enhance the feeling of caring for employees, so that employees have a sense of gain, happiness and security. In 2025, the major tasks carried out by us included:

- Providing 4435 living camps;
- Providing more than 18,000 television sets, refrigerators, fitness equipment and other living facilities;

- 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 fulfil 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". In 2025, we visited employees and their family members who were hospitalized due to illness, retired employees, and funeral for immediate family members of employees on 23 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 105 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, and has extended the services to family members of the employees. We distributed a total of 15,000 service accounts, with a registration rate of 100% and a cumulative utilization rate of 88%, providing timely health consultation and medical services for frontline employees and their families.

In 2025, we also held online lectures such as "Managing Mental Health for a Better Life", which were watched by more than 25,000 people, and launched activities such as "Keep Cool, Stay Safe" to frontline employees, and "EAP Services to the Grassroots" to enhance Employee's sense of belonging and company cohesion.



▲ Petroleum Engineering Company's "Manage Mental Health, Fuel a Better Life" EAP Online Lecture



▲ Zhongyuan Petroleum Engineering Company's "Deliver Coolness, Ensure Safety"  
Frontline Employee Condolence Activity

### 9.1.1 Employee Development and Cultivation

In respect of talent cultivation and organizational management, the Company focuses on the actual development needs, continues to promote pragmatic improvement, so as to improve operation efficiency.

The Company continues to strengthen its cooperation with vocational universities to provide students with training that is more in line with the needs of enterprises through customized training programs. In 2025, Sinopec Zhongyuan Oil Engineering Company Limited, Sinopec Jiangnan Oil Engineering Company Limited and Sinopec Southwest Oil Engineering Company Limited, which are the Company's subsidiaries, cooperated respectively with their counterpart universities on the "New Apprenticeship Program", where the student's learning direction is identified at enrollment, and technicians of the enterprise regularly participate in their teaching and guidance. After completing their studies and passing the assessment, students can directly take up the corresponding positions in the Company, so as to achieve a seamless transition from training to employment, and achieve the simultaneous development of students' academic and professional abilities.

Meanwhile, the Company continues to optimize the labor organization model, closely follows the iterative upgrading of equipment and technology, steadily promotes the systematic reform of labor organization systems, and implements the operation system

pilot of "simplified on-site duty + remote centralized sharing". The Company provides collaborative support for multiple job sites by reasonably reducing the number of fixed-site personnel and establishing a professional and centralized remote technical team. This adjustment helps improving the efficiency of the use of human resources, and enhancing the overall operational efficiency while maintaining the production operation.

### 9.1.2 Health and Safety of Employees

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

<b>Types of Measures</b>	
	<p>positions, and provide special EAP <sup>11</sup> services such as mental health counseling</p> <ul style="list-style-type: none"> <li>• Carry out health condition assessment and adjust the positions of those with occupational contraindications</li> <li>• Formulate "one person, one plan" health intervention programs for high-risk personnel and follow up and monitor them</li> </ul>
<b>Emergency Response</b>	<ul style="list-style-type: none"> <li>• Formulate internal systems such as emergency plans for construction work and guidelines for the provision of emergency medicines and equipment</li> <li>• Configure emergency medical treatment and rescue equipment, and equip automatic external defibrillators (AEDs) in places with conditions</li> <li>• Provide qualified medical personnel in large-scale living camps and large-scale project departments that are far away from medical institutions</li> </ul>
<b>Training and Drills</b>	<ul style="list-style-type: none"> <li>• Carry out various types of occupational health training</li> <li>• Organize occupational health emergency plan drills to improve employees' ability and level of emergency response</li> </ul>

Aiming to further reduce the occurrence probability of incidents hazardous to employees' health and safety, the Company continues to implement the *Control List of High-risk Diseases on the Field Construction Sites of Petroleum Engineering*, and implements 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 controls non-productive health events.

In 2025, the Company implemented refined management in terms of occupational health management, and clarified and implemented indicators and requirements of the processes, such as standardized identification and detection rate of occupational risk factors, the

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<sup>11</sup> EAP (Employee Assistance Program): Employee assistance program, also known as employee psychological assistance program or employee psychological management technology.

intervention rate of personnel with high health risks, and the standardized disposal rate of abnormal personnel. For employees found to be atypical during occupational health examinations, the Company organizes re-examinations according to regulations; 100% of employees who are diagnosed with occupational contraindications are transferred and placed.

The Company continues to provide inclusive health examinations for all employees to take care of their overall health, and has integrated health enhancement into daily HSE management to build a comprehensive occupational health guarantee system. At the same time, during the formulation or revision of occupational health management policies, the Company has established a standardized employee participation mechanism, and submitted relevant proposals to the employees' representative meeting for consideration, and extensively listened to and considered the opinions and suggestions of employee representatives to ensure that the content of the policy fully reflects the concerns of employees, is in line with the actual situation on site, and build a consensus among all staff. In 2025, the Company's work-related injury insurance covers 100% of the contract employees, and the production safety liability insurance covers 100% of the staff members.

### Safety Training

The Company actively optimizes the top-level design of safety training, focuses on safety training for key positions such as HSE supervisors, heads, and team leaders of frontline units, and vigorously implements the "all-staff training and competition " to promote the transformation of training into a daily routine. We has launched the application "Tiejun Online" e-learning platform, and launched an online training program for all employees of "100,000 Iron Armies Build a Safet Line of Defense", with a total of 83,000 participants, a total of 3.12 million simulations and an average score of 91.9 points, consolidating the Company's basis for safety development.

#### **HSE supervision training course**

The Company launched HSE supervision training course to orderly promote dynamic management mechanisms such as competitive recruitment, classification and grading, and elimination at the bottom of the team, and carried out classification and ranking and elimination at the bottom every year. In 2025, 110 people were eliminated, with an

elimination rate of 7.8%, so as to supervise the steady improvement in quality and efficiency.



▲ HSE supervision training course

The Company continues to enhance the HSE awareness of all employees by regularly conducting practical drills to continuously improve the quality of HSE plans and enhance the ability to respond to accidents.

### **Emergency drill for unexpected incidents**

In June 2025, we conducted an emergency drill for unexpected incident at the drilling site of Yuanlu Well 35, simulating the emergency situation in which a large amount of barite powder was leaked out of the barite tank at the drilling site due to damaged pipelines and gates. The emergency drill focused on coordinating the evacuation of personnel and the activation of emergency response, which further strengthened employees' basic skills on on-site emergency response, effectively improved the "speed, accuracy and synergy" of emergency response, and further strengthened the safe and environmental friendly production line.



▲ Emergency Drill for Sudden Environmental Incidents

## **9.2 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 an employment relationship with every employee according to the law, 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, establishes and improves the employment supervision mechanism, and deal with irregularities in accordance with laws and regulations. In 2025, no violations of laws and regulations in relation to employment has occurred within the Company.

### 9.3 Emphasis on Welfare Protection

The Company continues to improve its employee salary and welfare protection system, regularly benchmarks performance and salary market, and couples the benchmark results with the performance levels, salary levels, and income ranges, in order to reasonably adjusts the salary level between units. In 2025, the Company implemented the special policy of *20 Strategies for the Middle Management*, systematically built a remuneration incentive and career development system that is inclined to the front line, and organized on-site research and supervision every six months to ensure the implementation of the policy through on-site verification, and continue to stimulate the vitality of the grassroots and consolidate team cohesion.

The Company continues to promote diversified mid-to-long-term incentives, implements management measures on wages for key core problem-tackling teams and the backbone scientific research talents of enterprises under the "Science and Technology Reform Demonstration Action", and increases the focus on front-line scientific research and high-skilled talents, in order to stimulate employees' enthusiasm and passion 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 fulfilling the national, regional and overseas standard social insurance benefits. We also strictly implement policies related to employee benefits such as maternity leave and parental leave. For overseas employees, we provide specialized overseas subsidies and leaves for home country, and dynamically adjust the standards for overseas risk subsidies in real time to provide protection for overseas employees.

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 favouring core talents in key positions and taking job differences into account to enhance employees' sense of belonging.

In order to broaden the communication channels for employees, the Company conducted a special employee satisfaction survey at all levels to continuously improve employee satisfaction and strengthen grassroots team building. A multi-level survey and improvement mechanism was established to ensure accurate identification of problems and effective rectification. The positive cycle of "feedback-optimization-improvement" continued to enhance organizational cohesion and 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 pathways, 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 centre 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 2025, the Company continued to promote the experience of "Best Practices Competition", and held an online program titled "100,000 Iron Armies Build a Safe Line of Defence" which lasted six month and covered all employees. The daily self-assessment simulation was conducted for a total of 3.12 million times. By guiding employees to learn skills, enhance awareness and ensure safety, the Company honed and guaranteed exploration and development, and equipped ourselves with hard-earned skills to support the breakthrough in innovation and development, as well as strengthening the quality and capability building of employees and improving the level of service assurance.

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, and develop and promote the application of on-the-job training pathways 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. In 2025, we held 2 demonstration classes on core competency rotation training for heads of frontline units, and 2 demonstration class on core capabilities enhancement training and basic competency pre-employment training for team leaders, training a total of 102 heads of frontline units and 101 team leaders respectively.

**The 2025 "Best Practices Competition" competed by petroleum engineering companies was successfully concluded**

In order to consolidate the Company's foundation for safe development, forging services to guarantee exploration and development, and training skills to support problem-solving and innovations, the Company focused on improving the capabilities of the heads of grassroots units, team leaders, and HSE supervisors (management) in key positions in 2025. 8,826 employees from three key positions participated in the "Best Practices Competition". Through blind draw, systematic competition and close-to-practice competitions for all employees, the Company continuously improved employees' awareness of risk prevention and enhanced their ability to cope with emergencies. In the end, 226 players from 10 regional (professional) companies participated in the blind draw. After fierce competition, the Company's subsidiary Sinopec Engineering won the first prize in the team competition, and Shengli Engineering and East China Engineering won the second prize of the team competition.



▲ Petroleum Engineering "Best Practices Competition"

**The first phase of talent training course for geological engineering integration was successfully held**

In order to thoroughly implement the decision-making and deployment of the Group's geological engineering integration and fully support the development of the upstream industries, the Company successfully held the first phase of the "Geological Engineering Integration Expert Training Course" in 2025. As the training goal of "learning skills, understanding management, cultivate synergy and tackle problems", we innovatively built a four-in-one fully closed-loop training model of "learning-research-practice-battle". 18 technical elites from various regions and professional companies have been systematically trained for 9 months, and their comprehensive capabilities have been improved overall.



▲ Geological Engineering Integration Team Visited the Iron Man Memorial Hall

**The demonstration training class on core competency improvement for heads of frontline units was successfully concluded**

The Company held demonstration training courses for heads of frontline units in Yantai and Yangzhou, which were attended by 102 heads of frontline units from 10 regional (specialized) companies. The training courses were oriented to actual combat, practicality and effectiveness, while the Company determined to "go global", and went to Gansu Dongxiang, Jinling Petrochemical, Yantai Jereh and Longi Green Energy to visit and study. While continuously improving their overall quality, the training courses continued to strengthen the frontline unit leaders' sense of responsibility, honor and mission.



▲ The Demonstration Training Class Visited Advanced Enterprises

## 10. Better Society

### **2025 Performance Highlights**

- Increased community support and donated approximately **1.29 million** RMB to external parties.
- Vigorously supported rural revitalization and spent approximately **30.38 million** RMB on purchasing products for rural revitalization.
- Actively encouraged employees to give back to the society, with over **8,600** employees participating in volunteer activities.

The Company earnestly fulfills its social responsibilities, focusing on rural revitalization, green and environmental protection, volunteer services, and emergency rescue. By leveraging its resources and collaborating with all sectors of society, it strives to improve people's livelihoods and create a better life. Simultaneously, the Company continues to deepen international exchanges and collaborations, working on multiple fronts to foster harmonious and stable community relations. To standardize philanthropic activities, the Company has formulated the *Administrative Measures for External Donations*, creating a standardized and regulated process for external donations. In 2025, the Company cumulatively purchased rural revitalization products worth approximately 30.38 million RMB and made external donations totaling approximately 1.289 million RMB.

### 10.1 Rural Revitalization

The Company actively advances rural revitalization efforts by deepening corporate-local partnerships and paired assistance. Through measures such as enhancing educational facilities, boosting villagers' incomes, and improving rural infrastructure, it effectively addresses grassroots needs. These concrete actions consolidate and enhance the achievements of poverty alleviation, contributing to rural revitalization. Approximately 28,000 people have benefited from these initiatives.

### **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 established a paired assistance relationship with the central school of Sanhekou Town, Mabian Yi Autonomous County, Sichuan Province. In 2025, the Company donated 0.4 million RMB to equip the school with 16 computers and multifunctional copiers, 730 sets of desks and chairs, 17 lecterns, and 40 electric water heaters. It also organized research-based learning activities and established scholarships and financial aid programs to improve teaching facilities, enhance educational quality, and promote students' healthy development.



▲ Students of Sanhekou Town Central School Received Winter School Uniforms Distributed by Southwest Petroleum Engineering Company

In active response to the national rural revitalization strategy, in 2025, Zhongyuan Petroleum Engineering Company dispatched key personnel to form a village-based work team, deploying to Dongtian Village, Yuecun Town, Puyang City (濮陽市岳村鎮東田村) to carry out assistance work. The team organized Party members to provide volunteer services including free haircuts and medical consultations, benefiting over 100 residents. They successfully facilitated the establishment of four modern greenhouse projects, creating 15 jobs for villagers and helping households that had escaped poverty achieve stable income growth. The team introduced technological support for traditional industries like apple and honeysuckle cultivation, established e-commerce sales channels, and fostered a diversified development model where “new

industries take the lead while traditional industries gain new vitality.” They supported the paving of roads, resolving long-standing transportation difficulties for villagers, and upgraded the senior care center to provide enhanced services for the elderly.



- ▲ "Student Assistance during the Opening Season" Activity of Zhongyuan Petroleum Engineering Company: Village-Assisted Work Team Provided On-site Guidance to Farmers on Pest and Disease Control

## 10.2 Deepening International Collaborations

In 2025, the Company continued to align with the State’s “Belt and Road Initiative”, deepening overseas cooperation to drive coordinated industrial development and ecological conservation in countries along the routes. The Company fulfilled its social responsibilities by building mutually beneficial relationships with local communities based on ecological symbiosis and shared prosperity.

### **Supporting Biodiversity Conservation in Uganda**

Throughout its oil and gas investment and engineering project construction in Africa in 2025, the Company consistently prioritized environmental protection, emphasizing the conservation of local flora and fauna to foster harmonious coexistence between humans and nature. The Murchison Falls National Park, where the Petroleum Engineering and Construction Company's Uganda project is located, spans 3,840 square kilometers. This habitat sustains diverse wildlife including elephants, buffalo, giraffes, antelopes, and over a hundred bird species. The Uganda Project Management Department of the

Petroleum Engineering Construction Company specifically designed wildlife migration corridors within the pipeline operation zone. Following the standard of “reserving one wildlife passage no less than 30 meters wide every 500 meters,” the construction area is fully enclosed and managed using iron fencing, steel pipes, and fine-mesh safety nets. Drone aerial photography technology is employed to monitor wildlife movements and activity patterns, preventing accidental entry into pipeline construction zones. Additionally, the Uganda project of the Petroleum Engineering Construction Company implements speed limits and exhaust emission testing for construction vehicles, isolation barriers, and timely cleaning and disinfection to prevent invasive species. These measures protect local biodiversity and have earned high recognition from the community.



▲ Uganda Project Site of Petroleum Engineering Construction Company

### 10.3 Green and Environmental Protection

The Company continues to deeply practice the concept of building a green enterprise. While promoting the green and low-carbon development of production engineering, it actively organizes ecological construction activities such as voluntary tree planting to promote green environmental protection concepts among employees.

#### **Voluntary Afforestation**

During Tree-planting Day, companies including North China Oil 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 North China Oil Engineering Company

## 10.4 Volunteer Activities

The Company encourages and supports employees to participate in volunteer activities, promoting the spirit of Lei Feng through concrete actions to foster a civilized and harmonious social environment. We actively organize volunteer service teams to carry out public convenience services, voluntary labor, and other activities, delivering tangible benefits to the community. In 2025, over 8,600 employees participated in volunteer activities, accumulating approximately 56,000 volunteer hours.

### **Delivering Practical Benefits to the Public, Demonstrating Corporate Responsibility**

On the eve of the 62nd “Learning from Lei Feng Day” and the 26th “China Youth Volunteer Service Day,” units including Jiangnan Oil Engineering Company and North China Oil Engineering Company organized volunteer service teams to carry out thematic activities such as “Learn from Lei Feng, the Exemplary Role Model: Volunteer Service in Action (學習雷鋒好榜樣志願服務我行動)” and “Learning from Lei Feng's Fine Example: Sinopec Youth Embracing Responsibility (學習雷鋒好榜樣 石化青年勇擔當)”, and provided community residents with convenient services, volunteer labor, health checkups, and free haircuts.



▲ Jiangnan Petroleum Engineering Company Volunteers Repair Electrical Appliances for Community Residents at Qianjiang "Public Welfare Bazaar"



▲ East China Petroleum Engineering Company Volunteers Visit an Elderly Care Home and Accompany Seniors to Make Preserved Flower Photo Frames

## 10.5 Emergency Rescue

The Company steadfastly fulfills its social responsibilities, leveraging its technical strengths to participate in various emergency rescue operations, safeguarding people's lives and property, and fully demonstrating corporate responsibility.

### **Flood Relief and Rescue**

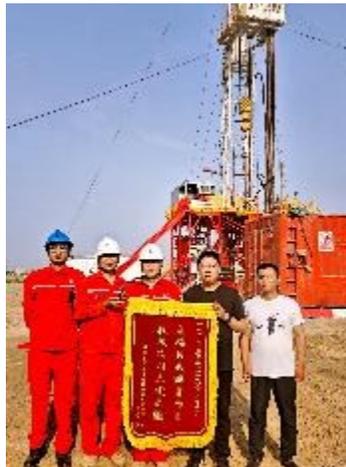
In September 2025, Qingyu Town, Tongjiang County, Sichuan Province (四川省通江縣青峪鎮), experienced sudden flash floods triggered by heavy rainfall. The 70866 Drilling Team of the Southwest Drilling Branch of Zhongyuan Petroleum Engineering Company swiftly responded, organizing personnel to assist in flood control efforts. They helped local residents carry sandbags, reinforce embankments, and clear drainage channels, effectively strengthening flood barriers and safeguarding community safety.



▲ 70866 Drilling Team Participated in Flood Control and Emergency Rescue Work

### **Emergency Rescue**

In June 2025, a traffic accident occurred on Gongqingtan Road in Gudong Oilfield Facility, Dongying City (東營市孤東採油廠共青團路). Facing the emergency, three employees from Shengli Oil Engineering Company 's 30665 Team arrived at the scene with professional lighting equipment to conduct urgent rescue operations, securing critical time for the timely treatment of the injured.



▲ 30665 Drilling Team Assisted in Emergency Rescue

## Appendix 1: ESG Data Table

Topic	Indicators	Units	2025
<b>Responses to Climate Change</b>	Total GHGs emissions <sup>12</sup>	t CO <sub>2</sub> e	1,955,558.92
	Of which: Scope 1 GHG emissions <sup>13</sup>	t CO <sub>2</sub> e	1,091,519.64
	Scope 2 GHG emissions (Location-Based) <sup>14</sup>	t CO <sub>2</sub> e	864,039.28
	Direct GHG emission reductions from mitigation measures	t CO <sub>2</sub> e	1,008,000
	Of which: Scope 1 GHG emission reductions	t CO <sub>2</sub> e	1,008,000
	Scope 2 GHG emission reductions	t CO <sub>2</sub> e	0
	Scope 3 GHG emission reductions	t CO <sub>2</sub> e	0
	GHG emission reductions from production process redesign	t CO <sub>2</sub> e	0
	GHG emission reductions from equipment retrofit	t CO <sub>2</sub> e	0
	GHG emission reductions from process improvement	t CO <sub>2</sub> e	76,000
	GHG emission reductions from fuel switching	t CO <sub>2</sub> e	841,000

<sup>12</sup> The Company conducts greenhouse gas inventory in accordance with ISO 14064-1:2018 Specification with the *Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*, covering direct and indirect greenhouse gas emissions from six types of gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>.

<sup>13</sup> Scope 1 covers direct greenhouse gas emissions, including those from stationary sources, process emissions, mobile sources, and fugitive emissions.

<sup>14</sup> Scope 2 covers indirect greenhouse gas emissions, including those from purchased electricity and purchased heat.

	GHG emission reductions from other mitigation measures	t CO <sub>2</sub> e	91,000
	Revenue from CCUS-related business activities	RMB10,000	5,500
	Percentage of CCUS-related revenue to total revenue	%	0.10
	Capital expenditure for rig electrification retrofit	RMB10,000	72,295
	Percentage of capital expenditure for rig electrification retrofit to total capital expenditure	%	28.3
<b>Pollutant Emissions</b>	Total industrial wastewater discharge	m <sup>3</sup>	1,032,000
	Total domestic wastewater discharge	m <sup>3</sup>	2,647,000
<b>Waste Disposal</b>	Total waste disposal	tonnes	13,283
	Of which:	tonnes	3,998
	Hazardous	tonnes	9,285
	Non-Hazardous	tonnes	0.0006
	Hazardous waste intensity	tonnes per unit output value	0.0014
<b>Environmental Compliance Management</b>	Non-hazardous waste intensity	tonnes per unit output value	0
	Amount fined for administrative or criminal penalties for environmental incidents by ecology and environment regulatory authorities within the year	RMB10,000	0

<b>Energy Utilization</b>	Total Energy Consumption <sup>15</sup>	tce	640,338.72
	Of which: Coal <sup>16</sup>	tonnes	0
	Gasoline	tonnes	4,831.94
	Diesel	tonnes	251,283.66
	Natural Gas	m <sup>3</sup>	3,837.50
	LPG	m <sup>3</sup>	6.56
	Electricity	MWh	1,573,835.76
	Direct energy consumption	MWh	10,377,543.99
	Indirect energy consumption	MWh	1,672,926.79
Energy use intensity (per unit of output)	tce/10,000 RMB	0.15	
<b>Water Resource Utilization</b>	Total water consumption	10,000 m <sup>3</sup>	1,104.71
	Water use intensity (per unit of production volume)	m <sup>3</sup> /10,000 RMB	3.04
<b>Circular Economy</b>	Total waste recycled	tonnes	834.12
<b>Rural Revitalization</b>	Investment in rural revitalization initiatives	RMB10,000	3,038
	Number of beneficiaries of rural revitalization initiatives	persons	28,000
<b>Social Contribution</b>	Charitable donations amount	RMB10,000	129
	Number of volunteer participation person-times	person-times	8,600
	Total volunteer service hours	hours	56,000
	R&D investment	RMB1,000	2,282,812

<sup>15</sup> Energy consumption data is calculated based on the consumption volumes of gasoline, diesel, natural gas, coal, liquefied petroleum gas (LPG), crude oil, electricity, thermal power, and other energy sources, in combination with the conversion factors specified in the national standard of the People's Republic of China, *General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

<sup>16</sup> This year, our company has vigorously promoted clean energy and implemented process retrofits, and has ceased using coal as a fuel source.

<b>Innovation-driven</b>	Proportion of R&D investment to main business revenue	%	2.8	
	Number of R&D employees	persons	3007	
	Percentage of R&D personnel to total employees	%	5.20	
	Number of invention patents applied to main business	items	346	
	Number of domestic patents applications	items	1,078	
	Number of invention patents applications	items	686	
	Number of domestic patents granted	items	651	
	Number of invention patents granted	items	346	
	Number of PCT patents applications	families	10	
	Number of foreign patents granted	items	9	
	<b>Equal Treatment Towards Small and Medium-sized Enterprises</b>	Accounts payable (including notes payable) balance	RMB10,000	2,479,003
		Percentage of accounts payable (including notes payable) balance to total assets	%	32.1
<b>Product and Service Safety and Quality</b>	Amount of damages from major liability accidents related to safety and quality of products and services	RMB10,000	0	
<b>Data Security and Customer Privacy Protection</b>	Monetary value of cybersecurity security incidents	RMB10,000	0	
	Monetary value of customer privacy leakage cases	RMB10,000	0	
<b>Supply Chain Security</b>	Total number of suppliers	number of suppliers	9,598	

	Number of suppliers in East China	number of suppliers	4,746
	Number of suppliers in South China	number of suppliers	431
	Number of suppliers in Central China	number of suppliers	1,507
	Number of suppliers in North China	number of suppliers	1,425
	Number of suppliers in Northwest China	number of suppliers	549
	Number of suppliers in Southwest China	number of suppliers	536
	Number of suppliers in Northeast China	number of suppliers	332
	Number of suppliers in overseas regions (including Hong Kong, Macao and Taiwan)	number of suppliers	72
<b>Employees</b>	Total number of employees	persons	57,076
	Of which: Male employees	persons	49,906
	Female employees	persons	7,170
	Of which: Employees aged below 30 years	persons	3,031
	Employees aged between 30 and 50 years	persons	28,716
	Employees aged over 50 years	persons	25,329
	Of which: Management staff	persons	6,987
	Professional and technical staff	persons	25,842
	Skilled operators	persons	24,247
	Of which: Full time employees	persons	57,076
	Part time employees	persons	0

Of which: Employees in mainland China	persons	53,338
Employees in overseas regions (including HK, Macao and Taiwan)	persons	3,738
Number of work- related fatalities in 2025	persons	0
Number of work- related fatalities in 2024	persons	3
Number of work- related fatalities in 2023	persons	3
Work-related fatality rate in 2025	%	0
Work-related fatality rate in 2024	%	0.0050
Work-related fatality rate in 2023	%	0.0047
Lost workdays due to work-related injuries	days	87
Employee work- related injury insurance expenses	RMB10,000	8,100
Employee safety production liability insurance expenses	RMB10,000	1,015
Coverage of employee work- related injury insurance	%	100
Coverage of safety production liability insurance	%	100
Number of employee training	times	156,243
Employee training expenses	RMB10,000	12,193
Employee training coverage	%	88.85
Of which: Vocational training coverage of male employees	%	90.02
Vocational training coverage of female employees	%	80.73

Vocational training coverage of management staff	%	89.55
Vocational training coverage of professional and technical staff	%	82.92
Vocational training coverage of skilled operators	%	94.13
Average training hours of male employees	hours	88.79
Average training hours of female employees	hours	56.29
Average training hours of management staff	hours	65.16
Average training hours of professional and technical staff	hours	61.71
Average training hours of skilled operators	hours	117.21
Turnover rate of male employees	%	0.46
Turnover rate of female employees	%	0.48
Turnover rate of employees aged below 30 years	%	6.9
Turnover rate of employees aged between 30 and 50 years	%	0.27
Turnover rate of employees aged over 50 years	%	0.06
Turnover rate of employees in mainland China	%	0.49
Turnover rate of employees in overseas regions (including Hong Kong, Macao and Taiwan)	%	0
Participation of anti-commercial	persons	8

<b>Anti-commercial Bribery and Anti-corruption</b>	bribery and anti-corruption education for directors		
	Coverage rate of anti-commercial bribery and anti-corruption education for directors	%	100
	Participation of anti-commercial bribery and anti-corruption trainings for management	persons	7,034
	Coverage rate of anti-commercial bribery and anti-corruption education for management	%	100
	Participation of anti-commercial bribery and anti-corruption education for employees	persons	57,076
	Coverage rate of anti-commercial bribery and anti-corruption education for employees	%	100
<b>Anti-unfair Competition</b>	Monetary value of lawsuits or major administrative penalties due to the unfair competition behaviour	RMB10,000	0

## Appendix 2: Hong Kong Stock Exchange ESG Reporting Code Index Table

Issue	Issue Description	Corresponding Report Chapter
<b>Governance Structure</b>	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (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 (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.	Statement of the Board of Directors
<b>Reporting Principles</b>	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: 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	About the Report-Responses to Reporting Principles

	<p>results of the issuer’s stakeholder engagement. 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. 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>	
<b>Reporting Boundary</b>	<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 explain the difference and reason for the change.</p>	About the Report -Scope of the Report
<b>A Environmental</b>		
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	<p>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	Green Development
<b>KPI A1.1</b>	<p>The types of emissions and respective emissions data.</p>	ESG Data Table

<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Data Table
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Data Table
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	Green Development-Responses to Climate Change
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development-Pollution Prevention and Control
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development-Resource Usage Management
<b>KPI A2.1</b>	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).	ESG Data Table
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Data Table
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development-Resource Usage Management

<b>KPI A2.4</b>	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
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company's business mainly focuses on oilfield technical services and does not involve product production; therefore, this indicator is not applicable.
<b>Aspect A3: The Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Development- Ecological Protection
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development- Ecological Protection
<b>B Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Care
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	ESG Data Table

<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	ESG Data Table
<b>Aspect B2: Health and Safety</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Safe Operation-On-site Safety Management
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Operation- Metrics and Goals
<b>KPI B2.2</b>	Lost days due to work injury.	Safe Operation- Metrics and Goals
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employee Care- Health and Safety of Employees
<b>Aspect B3: Development and Training</b>		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Care-Facilitating Employee Development
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Data Table
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	ESG Data Table
<b>Aspect B4: Labour Standards</b>		

<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Employee Safeguarding Interests	Care-Employees'
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Employee Safeguarding Interests	Care-Employees'
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Employee Safeguarding Interests	Care-Employees'
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Responsible Win-win for Partners	Operation-
<b>KPI B5.1</b>	Number of suppliers by geographical region.	ESG Data Table	
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Win-win for Partners	Operation-
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Win-win for Partners	Operation-
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Win-win for Partners	Operation-

<b>Aspect B6: Product Responsibility</b>		
<b>General Disclosure</b>	(a) Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Quality Assurance-Optimizing Management System The Company's business focuses primarily on oilfield technical services and does not involve product manufacturing. Therefore, label-related disclosure requirements are not applicable.
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's business mainly focuses on oilfield technical services and does not involve product production; therefore, this indicator is not applicable.
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Quality Assurance-Pursuing Quality Service, Metrics and Goals
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operation-Intellectual Property Protection
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	The Company's business mainly focuses on oilfield technical services and does not involve product production; therefore, this indicator is not applicable.
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies,	Responsible Operation-Information Security Management

	and how they are implemented and monitored.	
<b>Aspect B7: Anticorruption</b>		
<b>General Disclosure</b>	(a) Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Responsible Operation-Promote Anti-Corruption and Integrity
<b>KPI B7.1</b>	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
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Operation-Promote Anti-Corruption and Integrity
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Responsible Operation-Promote Anti-Corruption and Integrity
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	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
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental	Better Society

	concerns, labour needs, health, culture, sport).	
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Better Society

Dimension	Issue	Issue Description	Corresponding Report Chapter
<b>Governance</b>	/	<p>19 An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.</p> <p>19 (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	Responses to Climate Change-Governance
<b>Strategy</b>	Climate-related risks and opportunities	<p>20 An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.</p>	Responses to Climate Change-Impact, Risks and Opportunities Management

	<p>Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	
Business model and value chain	21 An issuer shall disclose information that enables an understanding of the current	The Company has identified the potential impacts of

		<p>and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and (b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>climate-related risks and opportunities on its business model and value chain, and conducted qualitative assessments. Given that relevant data integration is still in progress, no full quantitative disclosure was made in this reporting period. The Company will gradually improve the relevant data system.</p>
Strategy and decision-making	22	<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any</p>	<p>Responses to Climate Change-Strategies</p>

	<p>climate-related targets it has set and any targets it is required to meet by law or regulation.</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	
	<p>23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>Responses to Climate Change-Strategies</p>
<p>Financial position, financial performance and cash flows</p>	<p>24 An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and</p>	<p>Responses to Climate Change-Impact, Risks and Opportunities Management</p>

	<p>liabilities reported in the related financial statements.</p> <p>25 The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration. (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>The Company has identified climate-related risks and opportunities, and formulated response measures for climate change. Due to uncertainties regarding the occurrence probability and impact severity of extreme weather events, it is currently not possible to effectively quantify their expected financial impacts, or the combined financial impacts of these events with other climate-related risks and opportunities.</p>
Climate resilience	<p>26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-</p>	<p>As of the end of the reporting period, the Company has carried out identification of climate-related risks and qualitative assessments, but has not yet completed the</p>

		<p>related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date. (b) how and when the climate-related scenario analysis was carried out.</p>	<p>development of a fully quantitative scenario analysis model. Due to the Company's current lack of complete historical data accumulation and professional modeling capability, and given the high technical complexity and implementation cost involved in the development of the relevant model, no results of fully quantitative scenario analysis were disclosed in this reporting period. The Company has launched relevant preparatory work, including:</p> <ul style="list-style-type: none"> <li>• Establishing a cross-departmental data collection mechanism;</li> <li>• Engaging external professional consultants to conduct research on scenario analysis</li> </ul>
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			<p>methodologies;</p> <ul style="list-style-type: none"> <li>• Planning to gradually carry out quantitative scenario analysis in future reporting periods.</li> </ul>
<b>Risk Management</b>	Risk Management	<p>27 An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	<p>Responses to Climate Change-Impact, Risks and Opportunities Management</p>

<p><b>Metrics and Targets</b></p>	<p>Greenhouse gas emissions</p>	<p>28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.</p>	<p>Responses to Climate Change- Metrics and Goals</p> <p>Regarding Scope 3 GHG emissions, as some links in the value chain involve a large number of suppliers and downstream customers, a complete data collection system has not yet been established, and data for some categories cannot be obtained with reasonable cost and effort at present. The Company has disclosed the identified categories and estimation methodologies, and plans to:</p> <ul style="list-style-type: none"> <li>• Gradually expand data coverage in future reporting periods;</li> <li>• Establish a supplier data communication mechanism;</li> <li>• Optimize the emission estimation model.</li> </ul>
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	<p>29 An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;(b) disclose the approach it uses to measure its greenhouse gas emissions. (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope</p>	<p>Responses to Climate Change- Metrics and Goals</p>
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		3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
	Climate-related transition risks	30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Due to uncertainties such as policy changes, slower-than-expected technological development, and fluctuations in energy costs, it is currently not possible to effectively quantify the monetary value and percentage of assets or business activities that are vulnerable to climate-related transition risks.
	Climate-related physical risks	31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Due to uncertainties regarding the occurrence probability and impact severity of extreme weather events, it is currently not possible to effectively quantify the assets or business

			activities vulnerable to climate-related physical risks.
Climate-related opportunities	32 An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.		Responses to Climate Change-Impact, Risks and Opportunities Management
Capital deployment	33 An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.		Responses to Climate Change-Strategies
Internal carbon prices	34 An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.		As of the end of the reporting period, the Company has not formally adopted an internal carbon pricing mechanism in investment decision-making, capital allocation or scenario analysis. Considering the Company's current industry characteristics, emission structure and management maturity, the Company believes that internal carbon

			<p>pricing has limited marginal utility for risk management and resource allocation at this stage. At present, the Company's subsidiary, Jiangnan Petroleum Engineering Co., Ltd., participates in local carbon market transactions for compliance purposes, and may make broader use of carbon market instruments (including carbon credits) to accumulate experience in the future. The Company will continue to monitor the development and regulatory trends of domestic and international carbon markets, and evaluate the feasibility of introducing an internal carbon</p>
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			pricing mechanism after its management system becomes more mature.
	Remuneration	35 An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	Responses to Climate Change-Governance
	Industry-based metrics	36 An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry--based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Company continues to focus on indicators required by international disclosure standards, conducts systematic reviews, and will disclose relevant information in a timely manner.

	Climate-related targets	<p>37 An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how</p>	Responses to Climate Change- Metrics and Goals
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		<p>the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	
		<p>38 An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer’s processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.</p>	<p>Responses to Climate Change- Metrics and Goals</p> <p>The climate-related targets currently set by the Company have not yet undergone third-party verification. The Company will evaluate the necessity of introducing independent third-party verification based on future resource allocation and disclosure maturity.</p>
		<p>39 An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance</p>	<p>Responses to Climate Change- Metrics and Goals</p>

		<p>40 For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits.</p>	<p>Responses to Climate Change- Metrics and Goals</p> <p>The Company currently has no plans to use carbon credits to offset greenhouse gas emissions for the purpose of achieving any net greenhouse gas emission targets. In the future, it may make broader use of carbon market instruments (including carbon credits) to accumulate relevant experience.</p>
	<p>Applicability of cross-industry metrics and industry-based metrics</p>	<p>41 In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	<p>Not applicable</p>

Appendix 3: Index Table for Guideline No. 14 for the Application of Self-Regulation Rules for Listed Companies-Sustainability Report (Trial) of the Shanghai Stock Exchange

Dimension	Serial Number	Issue	Corresponding Article(s)	Chapter of the Report
<b>Environment</b>	1	Responses to Climate Change	Articles 21 to 28	Responses to Climate Change
	2	Pollutant Emissions	Article 30	Pollution Prevention and Control
	3	Waste Disposal	Article 31	Pollution Prevention and Control
	4	Ecosystem and Biodiversity Conservation	Article 32	Ecological Protection
	5	Environmental Compliance Management	Article 33	Pollution Prevention and Control
	6	Energy Utilization	Article 35	Resource Usage Management
	7	Water Resource Utilization	Article 36	Resource Usage Management
	8	Circular Economy	Article 37	Resource Usage Management
<b>Society</b>	9	Rural Revitalization	Article 39	Rural Revitalization
	10	Social Contribution	Article 40	Deepening International

				Collaborations Green and Environmental Protection Volunteer Activities Emergency Rescue
	11	Innovation- driven	Article 42	Innovation and Development
	12	Technology Ethics	Article 43	Upon assessment, the matter does not involve dual materiality
	13	Supply Chain Security	Article 45	Win-win Cooperation with Partners
	14	Equal Treatment Towards Small and Medium- sized Enterprises	Article 46	Responsible Operation
	15	Product and Service Safety and Quality	Article 47	Quality Assurance
	16	Data Security and Customer Privacy Protection	Article 48	Information Security Management
	17	Employees	Article 50	Employee Care
<b>Sustainability -Related Governance</b>	18	Due Diligence	Article 52	Win-win Cooperation with Partners

	19	Communications with Stakeholders	Article 53	Communications with Stakeholders
	20	Anti-commercial Bribery and Anti-corruption	Article 55	Promote Anti-corruption and Integrity
	21	Anti-unfair Competition	Article 56	Anti-unfair Competition