

2021

Sinopec in Hong Kong Sustainability Report (2021)

Cleaner Energy, Better Life



北京2022年冬奥会官方合作伙伴
Official Partner of the Olympic Winter Games Beijing 2022





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About This Report

Reporting Scope

This Report is the first Sinopec in Hong Kong Sustainability Report of China Petrochemical Corporation (hereinafter referred to as “Sinopec”, the “Company” or “we”). This Report discloses Sinopec’s efforts to fully perform corporate social responsibility in economic development and environmental protection, and to achieve sustainable development since the beginning of the Company’s operation in Hong Kong.

Reporting Period

This Report covers Sinopec’s performance in Hong Kong as of November 2021.

Reporting Basis

United Nations Sustainable Development Goals (SDGs)

Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI)

Guiding Opinions on Better Corporate Social Responsibility Performance of State-Owned Enterprises issued by the State-Owned Assets Supervision and Administration Commission of the State Council

China Corporate Social Responsibility Reporting Guide (CASS-CSR 4.0) Petroleum and Chemical Industry issued by the Chinese Academy of Social Sciences

Information Disclosure

The information and data included in this Report are from the official documents and statistical reports of the Company. Unless otherwise specified, monetary values in this Report are in Hong Kong Dollars.

More Information

This Report is available in both Chinese and English, and is published in both paper and electronic versions. For more information on Sinopec’s corporate social responsibility performance or a downloadable version of this Report, please visit the official website of Sinopec: www.sinopecgroup.com

Chairman's Message

Located in the heart of Asia, Hong Kong thrives on the strategy of “leveraging the Mainland and engaging Hong Kong globally”. As a developed economy and the largest offshore RMB business hub in the world, Hong Kong has played a decisive and indispensable role in China’s reform and opening up.

In the 1980s, seizing the opportunities enabled by the reform and opening up, Sinopec entered the Hong Kong market to actively contribute to local economy and people’s livelihood leveraging the locational and economic advantages Hong Kong offers. We have won the trust of the market by staying true to our original aspirations and missions, and satisfied the expectations of a central state-owned enterprise by fulfilling corporate social responsibility.

In Hong Kong, we uphold the principle of “integrating into Hong Kong and serving Hong Kong” to deliver better energy products and services to residents and businesses with our strengths in the provision of oil and gas and non-oil services. Committed to high-quality development, we take solid steps to develop the international trade of energy products and chemicals, offshore fund management, captive insurance, and investment and financing management to support the socio-economic development of Hong Kong, consolidate Hong Kong as an international financial, shipping, and trade centre, and better align Hong Kong with the strategic growth of the nation and the entire world.

Green and low-carbon development has been our consistent pursuit. In Hong Kong, we have made vigorous efforts to promote energy transformation, develop plans for hydrogen fuel stations and biodiesel facilities, and improve the development and marketing of clean energy products and eco-friendly chemicals such as the SINO X Power gasoline and biodegradable plastics to reduce the environmental impact of our products. We thoroughly implement the Green Sinopec Action Plan and Energy Efficiency Improvement Plan to help China peak its CO2 emissions by 2030 and reach carbon neutrality by 2060. We take robust measures to save energy and cut emissions, contributing to the Beautiful Hong Kong vision and the harmony between man and nature.

In Hong Kong, we make consistent efforts to give back to the local community. Faced with the global health crisis, we worked in partnership with all fronts. By safeguarding oil and gas supply, donating supplies, and encouraging vaccination on our own initiative, we played a proper role in the fight against the pandemic. We have adopted a local hiring policy and established an employment platform to create jobs for local residents and promote human resources development in Hong Kong. We follow the philosophy of “caring for others, spreading kindness, and contributing to the community with love” to support education, culture, environmental protection, and the disadvantaged population. We have organised volunteering and charitable events and activities in various forms to share benefits with the community.

We will set sail our dreams and gather momentum for better growth in the future. Looking ahead, we will take on important tasks entrusted by our country to implement new development concepts and contribute to the new development paradigm. We will join hands with stakeholders to develop Hong Kong into a more prosperous community with a stronger economy, greater social harmony, and a better sense of happiness, making larger contributions to the continuing success of the “One Country, Two Systems” model.

Wish Hong Kong a better future!

Wish our country ever-growing prosperity!

MA Yongsheng
Chairman of the Board
China Petrochemical Corporation



About Us

China Petrochemical Corporation (“Sinopec Group” for short) is a super-large state-owned petroleum and chemical enterprise group established in July 1998 on the basis of the former China Petrochemical Corporation. Sinopec is a wholly state-owned company, a state-authorised investment institution, and a state-controlled company.

The principal operations of Sinopec include the exploration, production, and sale of petroleum and natural gas; the production, sale, storage and transportation of refinery products, petrochemical products, coal chemical products, synthetic fibre, and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; and research, development and application of technologies and information. Headquartered in Beijing, Sinopec operates in more than 60 countries and regions worldwide.

Sinopec takes it as its mission to bring “better energy for better living”. The Company puts sustainable development and social responsibility into active practice to fulfill the vision of “building a world-leading energy and chemical company”.

2020

Sinopec ranks
2nd in the Fortune
Global 500 rankings



Aromatics production
capacity ranks
1st globally



Synthetic rubber production
capacity ranks
2nd globally



Refinery capacity ranks
1st globally



Polyolefin production
capacity ranks
1st globally



Ethylene production
capacity ranks
4th globally



Sinopec in Hong Kong

Over the past 30 plus years, Sinopec has actively seized the development opportunities in Hong Kong to develop an international offshore trading platform for crude oil, refined oil products and chemical products and expand into local oil and gas retail market as well as other business areas. Thanks to these efforts and explorations, Sinopec has proudly established a business landscape consisting of seven independent specialised companies coordinated by the Sinopec Hong Kong Office, which not only contributes to global brand building but also brings benefit to the community.

History

1989

- In October 1989, Sinopec International Co., Ltd. established **Sinopec (Hong Kong) Limited** (hereinafter referred to as "Sinopec Hong Kong") in Hong Kong.

2019

- In February 2019, **Sinopec International Petroleum E&P Hong Kong Overseas Limited** (hereinafter referred to as "Sinopec International Petroleum E&P Hong Kong") started operation, leveraging the low tax rates in Hong Kong to provide financial and taxation support and investment and financing management for Sinopec's international petroleum exploration and production projects. As of 2020, Sinopec International Petroleum E&P Hong Kong invested in 17 overseas oil and gas projects.

1995

- In March 1995, **Sinopec Century Bright Capital Investment Limited** (hereinafter referred to as the "Sinopec Century Bright") was founded to leverage the resources Hong Kong provides as an international financial centre to function as Sinopec's overseas settlement, financing, cash, foreign exchange management, and monitoring centre, and serve partially as a financial investment platform as required by Sinopec's strategies. After years of development, the settlement volume of Sinopec Century Bright exceeded HKD 5 trillion per year, and received A2 rating by Moody's and A rating by Standard & Poor's.
- In December 1995, Sinopec established **Unipec Asia Company Limited** (hereinafter referred to as "UNIPEC Asia") to provide crude oil and natural gas international trading, crude oil and natural gas import agency, and crude oil international trading agency services leveraging the advantage of Hong Kong as a free trade port. After years of development, UNIPEC Asia has grown into a leading energy trading company in the Asia-Pacific region. In 2020, the trade volume of UNIPEC Asia reached 270 million tons and turnover reached USD 87.3 billion.

2013

- In October 2013, Sinopec established **Sinopec Insurance Limited** (hereinafter referred to as "Sinopec Insurance"), an insurer authorised and regulated by the Hong Kong Office of the Commissioner of Insurance (OCI), to provide insurance services and manage the insurance of Sinopec's overseas assets and businesses leveraging the resources Hong Kong offers as an international risk management centre. From 2016 to 2000, Sinopec Insurance was rated A+ by Standard & Poor's.

1999

- In June, Sinopec Hong Kong started the jet fuel business and entered the Hong Kong airport for jet refueling.
- In June **1999, Sinopec Kantons Holdings Limited** (hereinafter referred to as "Sinopec Kantons") was listed on the Hong Kong Stock Exchange as the only red-chip subsidiary of Sinopec listed in Hong Kong. Leveraging the resources Hong Kong provides as an international logistics hub, Sinopec Kantons provides the handling, storage and transportation of petroleum and petrochemical products, and the shipping of liquefied natural gas (LNG). To date, Sinopec Kantons has seven crude oil ports (companies) and 38 berths in Mainland China, including 13 very large crude carrier (VLCC) berths of 300,000 tons or above, accounting for more than half of VLCC berths in China, ranking first in terms of oil port scale nationwide.

2001

- In October 2001, **Hong Kong Representative Office** was established for the management and coordination of Sinopec's establishments in Hong Kong in order to better liaise with organizations and institutions in Hong Kong and Macao and engage in securities and investor relations.

2007

- In July 2007, Sinopec acquired the entire oil and gas business of China Resources Petrochemicals in Hong Kong and started to provide gasoline, diesel, jet fuel, fuel oil and LPG in Hong Kong and surrounding regions in Asia Pacific. After more than 30 years of operation, Sinopec Hong Kong has developed into one of the leading providers of refined oil products and LPG in Hong Kong, with 54 service stations and two oil terminals in Hong Kong.
- In September 2007, **Sinopec Chemical Commercial Holding (Hong Kong) Company Limited** (hereinafter referred to as "Sinopec Chemical Commercial Holding Hong Kong") was founded as Sinopec's main channel for overseas chemicals purchase and sales to expand its overseas marketing network through Hong Kong and provide the international trading of chemical products. In the past ten plus years, Sinopec Chemical Commercial Hong Kong established seven overseas offices and steadily improved its scale of operations. In 2020, the business volume and operating revenue of Sinopec Chemical Commercial Hong Kong reached 6.43 million tons and USD 2.7 billion respectively.

Summary of Operations

Total turnover



HKD **742.1** billion

Total assets



HKD **494** billion

Total crude oil trade



270 million tons

Total refined oil trade



12.5 million tons

Total chemical products trade



6.43 million tons

Overseas settlement



HKD **5.2** trillion

Diversified Operation for Prosperity

Outline of the 14th Five-Year Plan

We will support Hong Kong in enhancing its status as an international financial, shipping, and trade center and an international aviation hub, and strengthen its functions as a global offshore RMB business hub and an international center for asset management and risk management. We will improve the mechanism for integrating the SARs into the overall development of the country and coordinating the development of the two regions and the mainland based on their complementary advantages. We will support the SARs in participating in and facilitating China's endeavor to open up fully and develop a modern economic system and build a functional platform for joint pursuit of the Belt and Road Initiative.

Actions of Sinopec in Hong Kong

- Rooted in Hong Kong to serve the community
- Promote the dual circulation paradigm with international trade
- Achieve mutual benefits with international financial services
- Ensure energy supply to consolidate Hong Kong as a shipping hub

SDGs:



Rooted in Hong Kong to Serve the Community

Sinopec has been implementing the concept of “integrating into Hong Kong and serving Hong Kong” since the very first day to provide reliable energy products and services of superior quality to residents and industries in Hong Kong, fulfilling the commitment of “making every drop count” and powering a better life.

Stabilise Oil and Gas Supply

Oil and gas resources are vital to a nation's livelihood and affect every family. As one of the primary oil and gas suppliers in Hong Kong, Sinopec provides an adequate supply of energy to Hong Kong around the clock, meeting the energy needs of residents and industries through the retail and wholesale of petrol, diesel, fuel oil, jet fuel, LNG, and other products.



Hong Kong Sinopec Oil Terminal at Tsing Yi, the largest single oil terminal in Hong Kong

Petrol and Gas Refill Service

To accommodate the needs of Hong Kong residents, Sinopec improved the siting of service stations to provide superior-quality oil and gas products. As of the end of June 2011, Sinopec had 54 service stations and two oil terminals in Hong Kong. The Tsing Yi Oil Terminal has a storage capacity of 370,000 cubic meters, 11 berths and 34 storage tanks; the Chai Wan Oil Terminal is the only oil terminal on the Hong Kong Island with a storage capacity of 4,500 cubic meters, which play an instrumental role in stabilizing energy supply in Hong Kong.

Sinopec Service Station Locations in Hong Kong (Partial)

As of the end of June 2021

Sinopec has **54** service stations



Power vehicles

Sinopec has 47 service stations and 7 LNG stations all over the Hong Kong Island, Kowloon and New Territories, supplying standard gasoline, SINO X Power gasoline, diesel and auto LPG to the transportation industry.



Power households

Sinopec provides affordable energy for Hong Kong residents as always, supporting people's livelihood with heart. In 2020, Sinopec supplied LPG to approximately 20,000 households in Hong Kong.



Power industries

Sinopec provides gasoline and diesel for Hong Kong's manufacturing industry, terminal warehousing industry, construction industry, hotels and power plants.

Strict Quality Assurance

Committed to “satisfying customers with superior quality and sufficient quantity”, Sinopec continuously improves the quality management system. All energy products sold by Sinopec in Hong Kong are qualified by standardized and rigorous quality control procedures. Sinopec boasts a professional testing team, advanced equipment, and high laboratory capabilities to effectively ensure the quality of oil and gas products.



The laboratory of Sinopec Hong Kong is accredited by CNAS and is the first ISO/IEC 17025 compliant petroleum product laboratory with national accreditation among all oil companies in Hong Kong

Sinopec places great importance on customer service in Hong Kong, and creates value for customers with the service standard of "passionate, efficient, meticulous, and thoughtful". In view of the wear and tear of LPG pipelines, instruments, and other equipment, we offer door-to-door routine examinations to ensure safe use. We also provide emergency delivery services, such as lending temporary generators in the event of a power outage, to fully protect the livelihood of the people. On cold days, we arrange for prompt inspections of LPG pipelines in public housing estates to ensure normal operation.



Safeguard people's livelihood on cold days



Sinopec Hong Kong Peak Road Service Station

Upgrade Service at Service Stations

As an important part of the transportation system, service stations not only support the running of cities, but also form part of the urban landscape. Sinopec made vigorous efforts in Hong Kong to expand the non-oil business, upgrading the convenience stores affiliated with service stations to transform service stations into businesses complexes that provide both energy products and non-energy products, thereby levelling up the experience of Hong Kong residents.

To reshape customer experience, we renovated some of our service stations in Hong Kong into modern, eco-friendly facilities characterized by the iconic "Sinopec red". We added green facades and green anti-collision devices to make service stations more beautiful and help improve the green awareness of the public.

Improve the Easy Joy Chain to Upgrade Customer Experience

Founded in 2008, Easy Joy is the principal non-oil brand of Sinopec. So far, Easy Joy has developed into the largest convenience store chain in China, committed to providing customers with accessible, efficient and professional services. As of 2020, Sinopec had a total of 27,800 Easy Joy convenience stores.

In addition to snacks, beverages and auto supplies, Easy Joy stores connected to service stations in Hong Kong also provide a variety of novel and internationally popular products to meet the diverse needs of customers. In the early stage of the COVID-19 pandemic, despite the shortage of medical supplies, Sinopec made painstaking efforts to source infection prevention supplies such as alcohol disinfectants and wipes as well as daily commodities from global channels to help Hong Kong residents combat the health crisis.

In view of brand development and the changing needs of customers, Easy Joy took active steps to explore transformation of non-oil products and established the “EJOY365HK.com” cross-border e-commerce platform. In 2015, Sinopec Hong Kong launched “Easy Joy Global Shopping”, a cross-border e-commerce platform. In December 2020, “Easy Joy Global Shopping” was renamed as “Easy Joy International”. Sinopec Hong Kong developed a marketing network that combines the online platform and Easy Joy convenience stores to offer global products sourced directly from producers to meet customers’ demand without leaving home, to upgrade the quality of life of customers.



Ribbon-cutting ceremony of a newly renovated Sinopec Hong Kong Easy Joy Convenience Store



Crude oil carrier anchored in the harbour

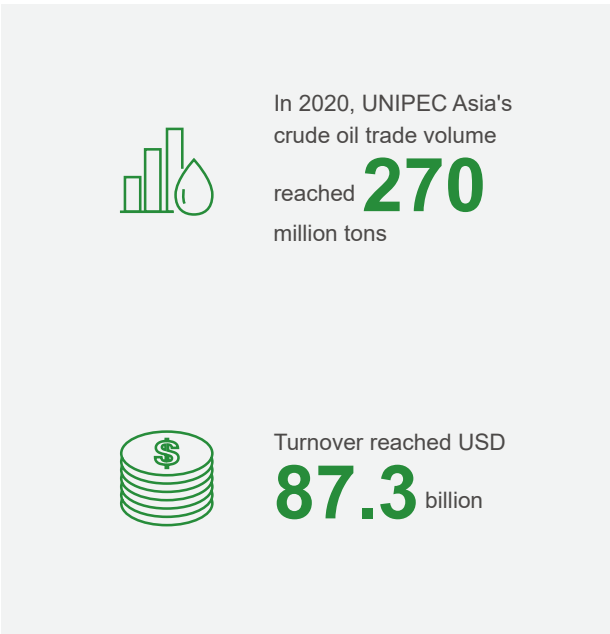
Promote the dual circulation paradigm with international trade

Hong Kong enjoys excellent locational advantages and a well-developed bulk commodity trading market. Sinopec’s branches and companies in Hong Kong employ the resources Hong Kong offers as an international trade centre, staunch support from the Mainland and our global outlook to contribute to the dual circulation paradigm of the country, expanding international trade in energy and chemical products and facilitating cross-border trade and consolidate Hong Kong as a trade hub.

International Energy Trade

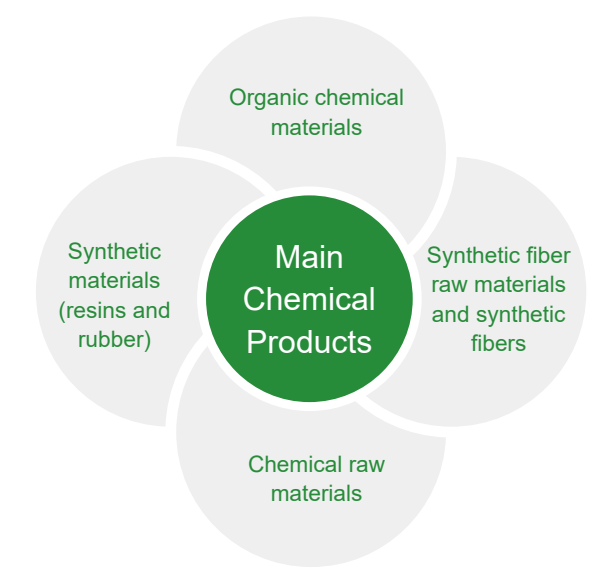
Hong Kong is the bridgehead for Sinopec to engage in international trade of energy and chemical products. In 1995, Sinopec established UNIPPEC Asia in Hong Kong, placing our crude oil trading center for the Middle East and Asia-Pacific in Hong Kong, and later started the international trade of natural gas. As Sinopec's international energy trading platform in Hong Kong, the trade volume and operating revenue of UNIPPEC Asia rise year by year, contributing to the development of trade, finance, and transportation industries in Hong Kong.

After more than 20 years of pragmatic efforts, UNIPPEC Asia has become one of the leading energy trading companies in Asia-Pacific. In 2020, UNIPPEC Asia's crude oil trade volume reached 270 million tons, and turnover reached USD 87.3 billion. At the same time, UNIPPEC Asia has been actively exploring international cooperation, especially with countries in the Belt and Road Initiative (hereinafter referred to as the "BRI"). UNIPPEC Asia's operations cover a number of countries and regions along the Maritime Silk Road.



International Chemical Products Trade

In 2007, Sinopec established Sinopec Chemical Commercial Holding (Hong Kong) Company Limited (hereinafter referred to as "Sinopec Chemical Commercial Hong Kong") to launch the import and export centre for chemicals in Hong Kong. As the international chemicals trading platform under Sinopec, Sinopec Chemical Hong Kong Company performs five major functions, namely, product import and export, international trade, overseas investment, market information collection and cultivation of international trade professionals. On the one hand, Sinopec Chemical Hong Kong Company actively provides Sinopec with stable import resources. On the other hand, Sinopec Chemical Hong Kong Company expands into global markets relying on the resources Hong Kong offer to build a Hong Kong-centred international marketing network that covers chemicals production sites and active marketplaces worldwide and export Sinopec's superior-quality products and services to global markets.



Case Actively expand international chemical products trade

Sinopec Chemical Commercial Holding Hong Kong seized the opportunities in the international chemical products trade market to overcome the difficulties COVID-19 brings and expand sales channels.



In 2021, Sinopec Chemical Commercial Holding Hong Kong strengthened its partnership with Hyundai Cosmo Petrochemical Co., Ltd (HCP) to carry out mixed xylene trade of **100,000** tons per year



In August 2021, in response to the rising demand for methanol in the Indian market, Sinopec Chemical Commercial Holding Hong Kong worked with its partners to re-export **10,000** tons of methanol from the Middle East to India

Achieve Mutual Benefits with International Financial Services

Hong Kong provides a steady financial system with well-established regulations. Financial services in Hong Kong are held in high regard with a strong pool of professional talents. Sinopec leverages Hong Kong's financial system to build an open financial service platform, carry out financing and investment activities, enhance the connectivity of financial markets in the mainland and Hong Kong to support Hong Kong as an international financial centre, and better align Hong Kong with the development of the country.

Overseas Fund Management

To optimize the allocation of financial resources, Sinopec established Sinopec Century Bright in Hong Kong as Sinopec's overseas settlement centre, financing centre, fund management centre, foreign exchange centre, and monitoring centre to expand the scale and variety of overseas fund management businesses, and explore fintech and financial innovation, maximizing the capital efficiency of overseas funds while safeguarding the safety and supply of Sinopec's overseas funds.

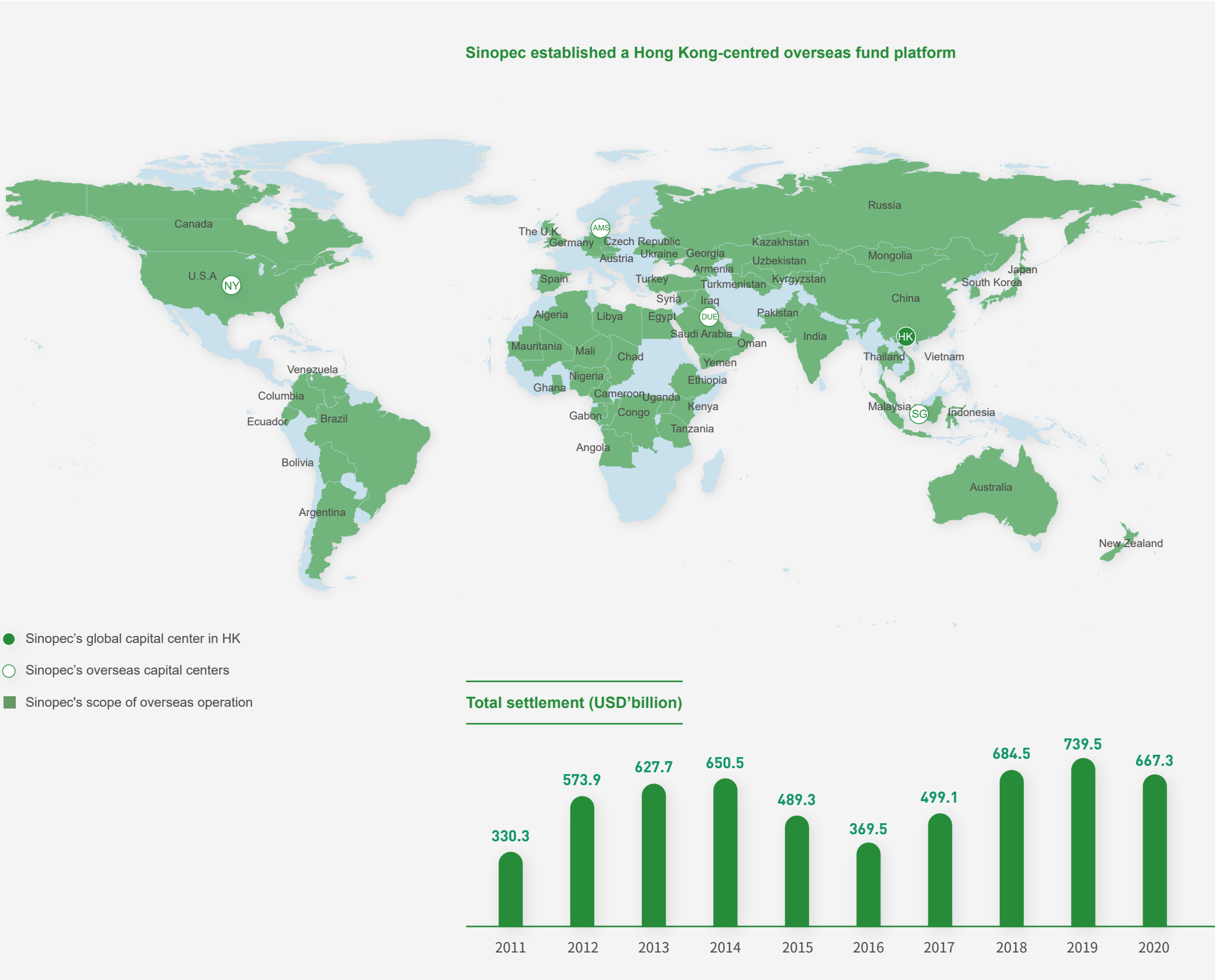
Rooted in Hong Kong, relying on the support of the motherland, and going international has been the mission of Sinopec Century Bright since its foundation. Sinopec Century Bright vigorously contributes to the commodity trade financing business of banks in Hong Kong and serves as a catalyst for exchange between central enterprises in the mainland and the financial sector in Hong Kong. In 2020, Sinopec Century Bright formed partnership with 63 banks and handled USD 1 trillion in overseas settlement, financing, bond investment, currency exchange and other businesses, helping Hong Kong to thrive as an international financing market, international foreign exchange centre, and international financial centre.



In 2020, Sinopec Century Bright formed partnership with **63** banks



In 2020, Sinopec Century Bright handled USD **1** trillion in overseas settlement, financing, bond investment, currency exchange and other businesses



Captive Insurance

Hong Kong is home to the largest number of insurers in Asia with the highest insurance density. To build Sinopec's core competence in insurance and risk financing, Sinopec established Sinopec Insurance in Hong Kong to manage the insurance and reinsurance of our overseas assets and businesses in a coordinated manner. Sinopec Insurance not only provides captive insurance, but also contributes to the development of marine insurance (Sinopec Insurance ranks first in marine insurance premium revenue in Hong Kong) and reinsurance in Hong Kong, and helps Hong Kong thrive as a regional insurance hub and offshore RMB reinsurance centre.

Sinopec Insurance has three business lines, namely, energy and construction, trade, storage and transportation, and accident and health, insuring projects in over 20 countries, transportation of over 1 billion barrels of crude oil, and over 20,000 expatriate employees of Sinopec. In 2020, the offshore insurance revenue of Sinopec Insurance exceeded HKD 355 million. Moreover, as an important player in the Hong Kong insurance sector, Sinopec Insurance actively participates in various industry events and activities, such as the Belt and Road Summit and Asia Insurance Forum, to promote the impact of Hong Kong in the international energy captive insurance market.



Sinopec Insurance at the Belt and Road Summit

Optimise Investment and Financing Management

To consolidate Sinopec's strengths in energy-finance integration, Sinopec International Petroleum Exploration & Production Corporation established Sinopec International Petroleum E&P Hong Kong as its subsidiary in Hong Kong. Sinopec International Petroleum E&P Hong Kong controls the assets of 17 overseas projects and relies on the talent pool and international financial platform in Hong Kong to carry out investment and financing optimisation.

Ensure energy supply to consolidate Hong Kong as a shipping hub

Hong Kong's position as an international shipping center underlies its prominence in finance, tourism, and logistics. Sinopec is leveraging the locational advantages of Hong Kong to promote the development of high value-added shipping and logistics services, provide superior-quality jet fuel at the airport and fuel oil for carriers, and participate in LNG shipping projects to help Hong Kong flourish as a shipping hub.



LNG Ship of Sinopec Kantons

Provision of jet fuel and shipping fuel

Description



Jet fuel for airplanes



The Hong Kong International Airport is an international and regional aviation hub. Since 1999, Sinopec Hong Kong has provided jet fuel refuelling for over 50 airliners and has become a major jet fuel provider at the Hong Kong Airport. According to statistics of the airport, Sinopec accounts for 37.6% of the jet fuel market in Hong Kong. Jet fuel has become one of Sinopec's key energy segments in Hong Kong.



Fuel oil for carriers



Sinopec Hong Kong is an ISO-certified surface vessel refuelling provider in Hong Kong. Sinopec Hong Kong refuels the carriers of well-known Chinese and international shipping companies with high-quality fuel oil using its own fuel-supplying fleet and provides fuel oil wholesale for ships in Hong Kong waters.

Case

Establish joint LNG shipping company to provide cross-border LNG transportation

Sinopec Kantons partnered with COSCO SHIPPING LNG Investment Co., Ltd. to promote the shipbuilding business for the Papua New Guinea LNG transportation project and the Australia Pacific LNG transportation project. The companies set up an LNG shipping company in Hong Kong to safeguard the national energy and transportation of LNG imported by Sinopec. In May 2018, 8 LNG carriers were completed and put into commercial operation, each with a capacity between 172,000 to 174,000 cubic meters. In 2020, the 8 carriers completed a total of 109 trips.

Ensure Stable Operation with Workplace Safety and Compliance

Outline of the 14th Five-Year Plan

It is needed for a sound workplace safety responsibility system to establish systems for the investigation of potential public safety hazards and for safety-oriented prevention and control. An accountability system for all-staff workplace safety in enterprises will be built, with an emphasis on ensuring enterprises to shoulder due responsibilities for workplace safety.

Actions of Sinopec in Hong Kong

- Build a robust safety scheme with HSE management
- Improve governance capabilities with risk management and control

SDGs:



Build a Robust Safety Scheme with HSE Management

Sinopec has fully implemented the HSE (health, safety, and environment) management system in Hong Kong to incorporate safety and environmental protection concepts into the policies and businesses of the Company. Functional departments must shoulder due responsibilities, establish professional management standards and procedures, improve management system operation quality, and ensure the stable operation, professional health and safety and public security to achieve sustainable development in the long run.

HSE Management System

In accordance with the ISO Management System Standard, we established and improved our HSE management system with regard to the laws in Hong Kong and our operations. We foster a safety and environmental protection culture that emphasizes compliance with our systems and policies and clarifies the accountability structure. We incorporate the requirements of the HSE management system into our routine practice to fully improve Sinopec's supervision and management of safety, environmental protection, and occupational health and safety in Hong Kong.

Sinopec Hong Kong has been certified by the ISO45001 Occupational Health and Safety Management System, ISO14001 Environmental Management System, ISO28000 Supply Chain Safety Management System and ISO9001 Quality Management System and become the first energy supplier in Hong Kong to pass the “four-in-one” external audit. Sinopec Hong Kong company and Sinopec Kantons have a well-established HSE management structure in place, which clearly specifies management responsibilities, and an internal audit management system to build stronger systems.



Safety Management

Upholding the principle of "human orientation, prevention first, and safe development", Sinopec continuously improves the fine management of workplace safety and ensures safe operation with a series of measures, such as strengthened safety risk control and hidden hazard screening, equipment testing, improved emergency management and supervision, and upgraded supply chain management. Over the years, there has been no material safety accident in Sinopec's establishments and facilities in Hong Kong. In 2019 and 2020, Sinopec in Hong Kong was awarded "Advanced Unit for Workplace Safety" by Sinopec.

Case Eliminate pipeline safety hazards to ensure stable supply amid the pandemic

At the end of 2020, pressure of LPG pipeline caused by low temperature and increased consumption caused by the stay home policy resulted in insufficient gas supply pressure. In response, Sinopec Hong Kong arranged technicians to inspect, monitor and remove deposits in LPG pipelines in public housing estates, with a focus on monitoring pipeline regulators, gasification furnaces and other key devices, and continuously monitor pipeline pressure to eliminate potential safety hazards and ensure the safe and stable LPG supply.



Screening pipeline safety hazards



Gas detection and leakage inspection for oil and gas tank wells

Occupational Health

Sinopec takes a human-oriented approach to safeguard employees' occupational health. We protect the physical and mental well-being of employees by improving the working environment, equipping employees with personal protective equipment, offering regular health examination, providing occupational health education, and improving occupational disease prevention and remedy. In 2020, Sinopec engaged 1,504 employees in occupational health and safety training in Hong Kong.



In 2020, Sinopec engaged **1,504** employees in occupational health and safety training in Hong Kong



Improve Governance Capabilities with Risk Management and Control

Sinopec attaches great importance to risk management and control in Hong Kong. The Company continuously improves the comprehensive risk management and internal control system, fosters a risk management culture, and enhances risk management mechanisms. Moreover, the Company established a risk management structure covering all aspects and processes in operation and management, which incorporates risk management into decision-making, management and execution. The risk management system compliments other business management systems of Sinopec in Hong Kong, jointly laying a solid foundation for sustainable development.

Sinopec in Hong Kong organizes regular risk management seminars, carries out risk identification, assessment and management, and enhances the depth and breadth of risk identification. The Company formulates and implements a number of risk management measures involving key areas and key processes to effectively address workplace safety, environmental protection, finance, compliance and public security risks. The Company draws on internal audit results to continuously improve risk management, enhance risk control and governance capabilities, and lay the foundation for steady operation.

Sinopec advocates and acts in accordance with the principle of compliant operation. Sinopec establishments in Hong Kong strictly abide by applicable laws and regulations and oppose commercial bribery and other non-compliant behaviors. UNIPPEC Asia and other Sinopec Hong Kong establishments developed the Compliance Management Committee to improve compliance management systems. We issued the *Compliance Manual and Employee Code of Conduct* as guidelines in key compliance areas such as anti-corruption, market regulation, economic sanctions, and conflict of interest.

Case

Sinopec Century Bright launched a series of measures to reduce systemic market risks

Encountered with the systemic risks in the global capital market, financial market and oil market amid the pandemic, Sinopec Century Bright made thorough efforts to ensure the security of overseas capital to mitigate the impact of market fluctuations. Sinopec Century Bright continuously enhanced its capability to ensure liquidity and strengthened its ties with foreign banks leveraging the resources it has as a capital platform. The company received credit lines in more currencies with more foreign banks, opened up financing channels, and improved capital integration and capital synergy effect.

Case

UNIPPEC Asia spared no effort to control risks, stabilise operation and ensure security amid the pandemic

Encountered with market risks amid the pandemic, UNIPPEC Asia closely followed changes in domestic and international crude oil markets, worked with refineries to adjust production arrangements, seized opportunities to optimise agency resources with a system of measures, and performed risk identification, prediction and analysis from various angles and aspects. UNIPPEC Asia reduced risks and ensured stable operation by strengthening the supervision of crude oil transportation safety, coordinating and monitoring carriers and cargo, and implementing transportation safety management measures.

Case

Sinopec Insurance strengthened risk financing and comprehensive risk management of Sinopec's overseas operations

As the risk financing and risk management platform of Sinopec's overseas assets and operations, Sinopec Insurance has been following the principle of "risk control first, customer service first" and the purpose of "relying on the principal businesses, serving the principal businesses, supporting the principal businesses while pursuing economic benefits" designated by the Board of Directors since day one. Sinopec Insurance has established a risk management scheme that covers risk factors in relation to "all procedures and all stakeholders throughout the life cycle" and has been cultivating risk management professionals with energy industry insights, offshore risk management know-how, and a sound understanding of Sinopec's corporate culture. The company has sustained an A+ rating with Standard and Poor's for six consecutive years, promising further success in the future.

Embrace Green and Low-Carbon Growth to Protect the Environment

Outline of the 14th Five-Year Plan

We will stay true to the principle that lucid waters and lush mountains are invaluable assets by respecting nature, conforming to nature, and protecting nature. We will prioritise conservation, protection, and natural recovery, implement the sustainable development strategy, improve the overall coordination mechanism in the field of ecological civilisation, build an ecological civilisation system, and promote comprehensive transformation towards green economic and social development to build a beautiful China.

Actions of Sinopec in Hong Kong

- Contribute to carbon peaking and carbon neutrality goals with clean energy
- Mitigate climate change with green operation
- Engage in public welfare and protect the environment

SDGs:



Contribute to Carbon Peaking and Carbon Neutrality Goals with Clean Energy

The Chief Executive of Hong Kong proposed achieving carbon neutrality by 2050 in her 2021 Policy Address. The *Clean Air Plan for Hong Kong 2035* and *Hong Kong's Climate Action Plan 2050* were issued in June and October 2021 respectively. At Sinopec, we are actively pursuing clean energy transformation, developing eco-friendly products, deploying new energy business in Hong Kong, providing green and low-carbon products in Hong Kong, and integrating environmental protection into the service life cycle to reduce our environmental impacts and facilitate the delivery of carbon peaking and carbon neutrality goals of Hong Kong and the country.

Case

Plan for the establishment of new energy facilities to support the low-carbon transition of the energy sector

Seeing new energy as the key to energy transition and business transformation, Sinopec is proactively making plans for new energy facilities in Hong Kong such as hydrogen refueling stations and biodiesel supply facilities, to fully support the Hong Kong government's initiatives such as the *Clean Air Plan for Hong Kong 2035* and *Roadmap for the Popularization of Electric Vehicles in Hong Kong* to provide safe, efficient and reliable low-carbon energy options in Hong Kong.

Prepare for the establishment of hydrogen refuelling stations. The Chief Executive's 2021 Policy Address mentioned the pilot of fuel cell buses. Therefore, Sinopec is making preparation for the construction of hydrogen refuelling stations. We will strive to build Hong Kong's first comprehensive energy service station within two years and develop in into a clean energy showroom and green energy model under the carbon neutrality goal.

Build biodiesel supply facilities. Compared with traditional motor fuels, biofuels generate fewer greenhouse gases and air pollutants. To promote low-carbon operation, the Sinopec Hong Kong Tsing Yi Oil Terminal will build biodiesel blending units and add two 50m³ tanks for the storage of biodiesel, which will be supplied to the Hong Kong market.

Case

Eco-friendly SINO X Power gasoline

In 2008, Sinopec started to supply SINO X Power, a new formula gasoline in Hong Kong. In 2020, the formula was updated to include an additional 100% of Sinopec Fuel Engineering Clean Molecules. The new gasoline not only cleans the engine, but also provides engine lubrication. As a result, it improves fuel efficiency, extends engine service life, and reduces pollutant emissions caused by incomplete combustion.



Refill of SINO X Power gasoline at a Sinopec service station

Case

Promote the application of biodegradable plastics

In July 2019, Sinopec became the first company in Mainland China to join the Alliance to End Plastic Waste (AEPW). Sinopec is dedicated to guiding value chain partners, such as chemicals and plastics manufacturers, consumer goods retailers, and waste management providers to jointly prevent plastic pollution.

We will continue to explore international trade opportunities for biodegradable plastics, and implement the plastic recycling strategy through our international chemical products trading platform in Hong Kong to consistently promote the global application of biodegradable plastics.

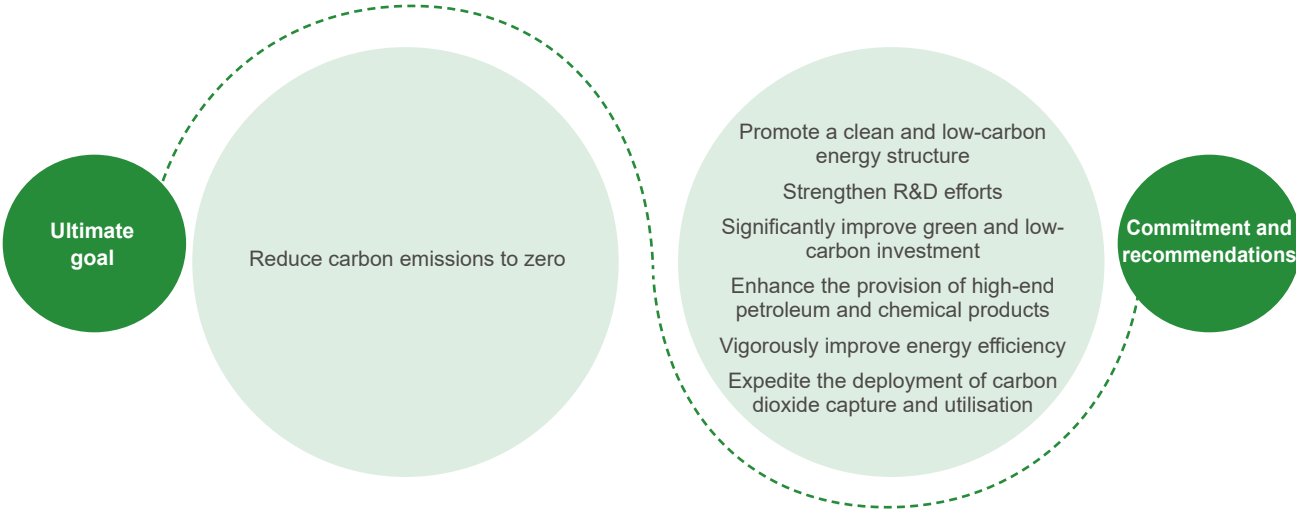
Mitigate Climate Change with Green Operation

We have integrated climate change mitigation into our development plan. We will implement the Green Enterprise Action Plan, carry out energy conservation and emissions reduction, and practice low-carbon operation to help build a beautiful China.

Climate Governance Strategy

In 2014, Sinopec started to explore and practice low-carbon operation models in the mainland. In view of international consensus on climate change governance and continuous advances in low-carbon technologies, Sinopec is progressing towards the ultimate goal of carbon neutrality by means of well-ordered climate governance efforts.

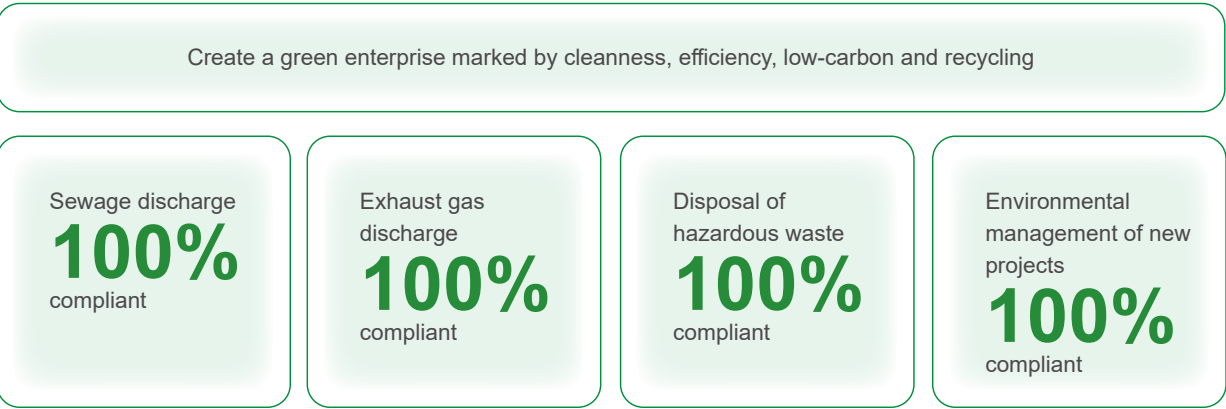
Sinopec's commitment in the backdrop of carbon peaking and carbon neutrality goals



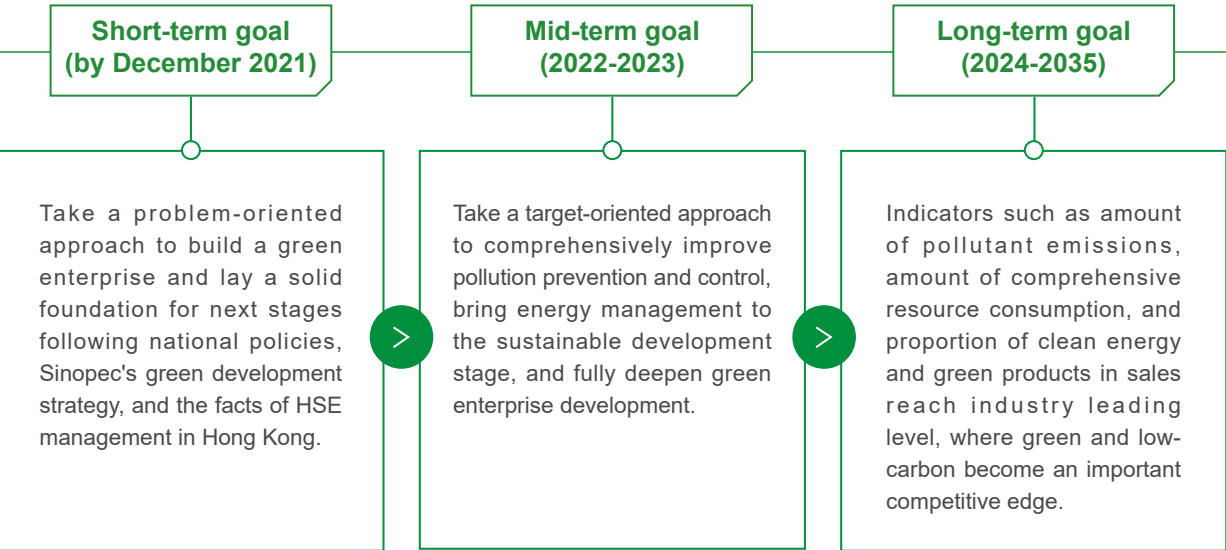
Green Enterprise Action

The total investment of Sinopec's "Green Enterprise Action Plan" in Hong Kong was HKD 45.8 million. In 2021, following the concept of "supplying clean energy and pursuing green development", Sinopec Hong Kong developed the Green Enterprise Action Implementation Plan based on the actual operations. The Plan specifies the overall goals and milestones of Sinopec's green enterprise action in Hong Kong, the organisational structure, and the roles of each unit and covers oil terminals, service stations, and offices. The Plan is formulated to promote the implementation of the green and low-carbon development strategy.

Overall Goals of Sinopec's Green Enterprise Action in Hong Kong



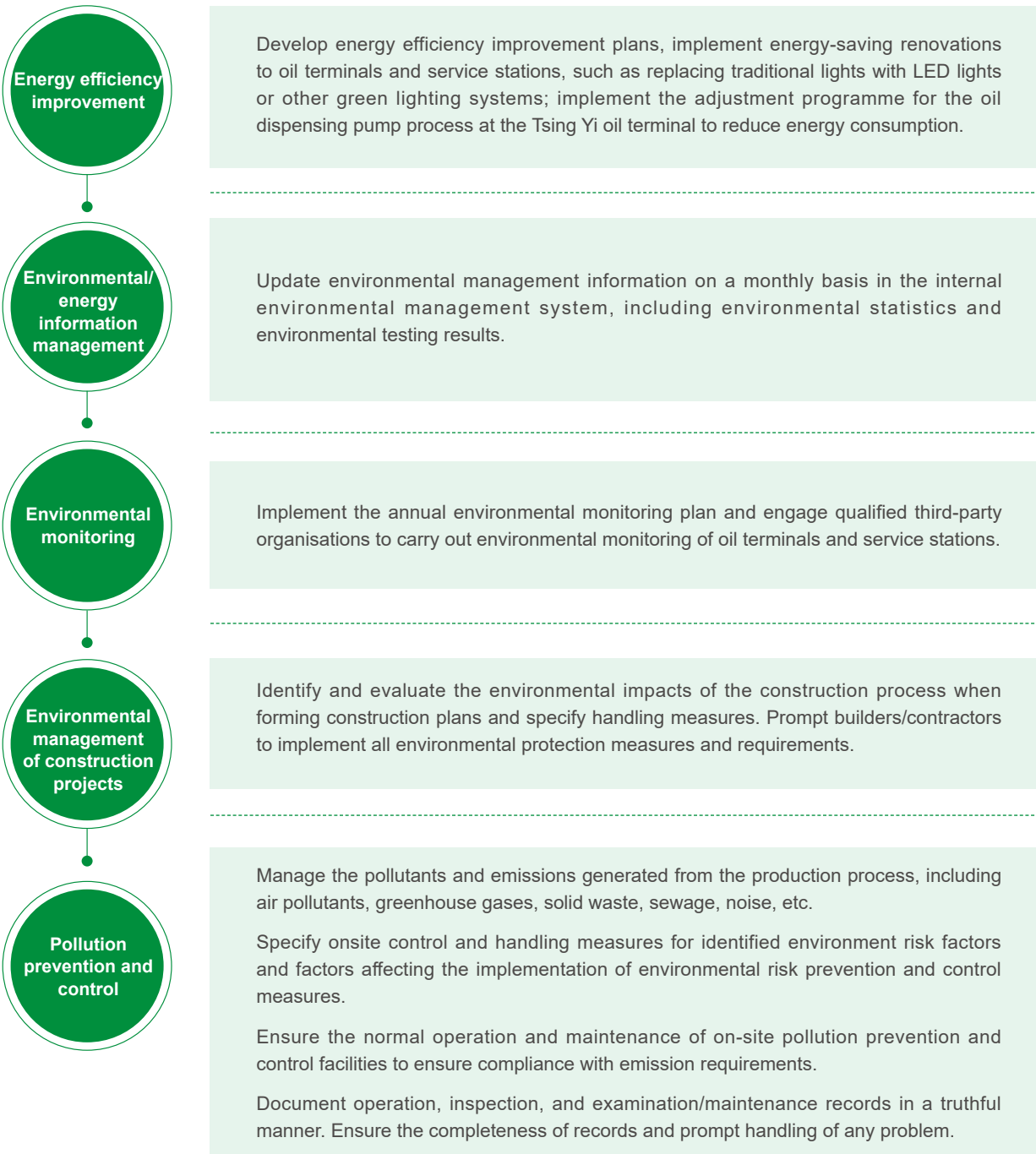
Environmental Protection Goals of Sinopec in Hong Kong



Energy Conservation and Emissions Reduction

To implement the "Energy Efficiency Improvement Plan", Sinopec has been working on energy saving and emissions reduction to promote green operation. To be specific, Sinopec Hong Kong developed the *Sinopec Hong Kong Energy Efficiency Improvement Plan 2021* to build a green enterprise by energy-saving renovation, environmental protection testing, environmental management of construction projects, and pollution prevention and control.

Green Operation Measures of Sinopec Service Stations and Oil Terminals in Hong Kong



Carbon Reduction Action

Sinopec has made every effort to reduce energy consumption and consequent carbon emissions in Hong Kong through a number of energy conservation and emissions reduction measures, such as energy-saving renovation of oil terminals and service stations, vapour recovery, management optimisation of production activities, and carbon accounting.

Item	Actions
Vapour recovery	- As required by law in Hong Kong, engage qualified third-party testing organisations to examine the vapour recovery system of oil terminals and service stations regularly to ensure the normal operation of such systems. - Strengthen the examination of the operation of the vapour recovery system during routine inspections to standardise the procedures and improve the recovery rate.
Energy-saving renovation	- Phase out high energy-consuming equipment and replace them with low energy-consuming equipment; improve the energy efficiency of equipment through technical transformation. - Explore “carbon-neutral energy service station”, where zero emissions is achieved by renewable energy and energy-saving technologies.
Optimization of production activities	Develop fuel oil unloading temperature control requirements and reduce the use of heating boilers at the Tsing Yi oil terminal to reduce energy consumption.
Carbon accounting	Engage qualified third-party organisations to carry out carbon audit and figure out the actual carbon emission as a basis for formulating emissions reduction measures and setting carbon reduction goals.



Sewage treatment facility of Sinopec Hong Kong at Tsing Yi Oil Terminal

Carbon Assets Management

Sinopec is an active player in the national carbon trading market, carrying out several pilot projects, formulating reasonable trading plans and strategies, accumulating market experience, exploring the deployment of carbon asset management, and helping enterprises to fulfill their "carbon neutral" commitments. In July 2021, Sinopec Chemical Commercial Holding Hong Kong discussed with Shell on the trading of chemical products, and initially confirmed the inclusion of carbon offset certification in future product commercial negotiations to reduce the carbon footprint of products.

“

Read more:

The carbon trading market is a market where greenhouse gas emission rights are bought and sold as a commodity. It is an important climate strategy that draws on market mechanisms to control and reduce greenhouse gas emissions and promote the global transition to a green and low-carbon economy.



Vapour recovery equipment of Sinopec Hong Kong at Tsing Yi Oil Terminal

Engage in Public Welfare and Protect the Environment

Sinopec actively cooperates with environmental protection organisations and societies in Hong Kong to advocate environmental protection. In 2021, Sinopec released the *Sinopec Hong Kong Green Low Carbon Lifestyle Initiative* and promoted the culture of environmental protection in the enterprise and the community by posting green slogans such as water, electricity and paper saving in offices, oil depots, oil and gas stations and other operational places and implementing a number of environmental protection programmes. At the same time, we actively organised employees to participate in various forms of environmental protection activities to jointly maintain a beautiful ecological environment in Hong Kong.



Sinopec's Hong Kong establishments participated in the Rechargeable Battery Recycling Programme of the government and set up recycle boxes in five service stations to encourage customers recycle used rechargeable batteries



To support the carbon peaking and carbon neutrality goals of national and local governments, Sinopec Hong Kong has taken active moves to implement the Green Enterprise Plan of the Group. We participated in the United Nations Sustainable Development Goals – Green Office Awards Labelling Scheme (GOALS) and received the Green Office and Eco-Healthy Workplace Awards. As a responsible enterprise dedicated to green and low-carbon development, we ensure a healthy and eco-friendly work environment for our employees.

To receive the Green Office Award label and Eco-Healthy Workplace label, Sinopec Hong Kong satisfied eight categories of feasible green criteria specified by the World Green Organisation, namely, energy conservation, water conservation, waste reduction, paperless, green procurement, integrated environmental management, education and awareness, and green innovation. To be specific, Sinopec met 135 out of the 150 green criteria under the GOALS programme, way surpassing the requirement of meeting 30 criteria.

In the future, Sinopec Hong Kong will deepen green office construction by updating systems, organising environmental protection activities, reducing costs and expenditures, and implementing eco-friendly measures to deliver on green and low-carbon development and communicate the brand concept of "cleaner energy better life" to employees and the public. We will protect the resources we have through tangible actions, building ourselves into a green enterprise that makes a meaningful contribution to protecting our planet.

Case Coastal clean-up action to protect the ocean ecosystem

Sinopec advocates a clean and green community, and calls on employees, their families and citizens in Hong Kong to participate in clean-up activities at beaches and country parks. We have been committed to clean-up activities for nine years since the foundation of the "Hong Kong Beach and Country Park Concerning Group" in 2012, cleaning beaches and country parks in Cheung Chau, the Lamma Island, the Pearl Island, Lung Kwu Tan, Tai Lam Country Park, Sai Kung, Ma On Shan, Tung Lung Island, covering the Hong Kong Island, Kowloon and New Territories. In July 2021, we made beach clean-up a monthly branding event and established partnership with the Hong Kong Environmental Protection Department to help protect the ocean ecosystem. On November 13, 2021, Sinopec Hong Kong Office, Hong Kong Chinese Enterprises Association, China Everbright Friendship Association, and China Development Bank Hong Kong Branch jointly launched the "Every Effort for Beautiful Oceans" beach clean-up programme by volunteers from state-owned enterprises. Employees from more than 20 state-owned enterprises joined in the programme.



Litter gathered in a coastal clean-up



Volunteers cleaning the Sai Kung Little Palm Beach



Absorbed in picking up litter



Covering every corner

Care for Employees and Align Individual Aspirations with Organisational Goals

Outline of the 14th Five-Year Plan

It is important to foster a culture that respects knowledge, encourages hard work and creativity, and is conducive to talent development. Reform is necessary to improve a full spectrum of talent management practices, including training, recruitment, and placement, thus giving full play to the role of talent, the most essential resource.

Actions of Sinopec in Hong Kong

- Drive employment in Hong Kong with local hiring
- Support talent development with professional training
- Care for employees and create a spiritual home for employees

SDGs:



Drive Employment in Hong Kong with Local Hiring

Employees are the backbone for a company to achieve sustainable development. Sinopec adheres to the philosophy of "paying back to local community and contributing to local economy", and actively implements the local hiring policy, giving priority to competent local employees, university graduates, and interns. In addition to creating a large number of employment opportunities, Sinopec enhanced the vision and ability of local talents through training in the mainland or overseas, contributing professional talents and skilled talents to the local community and promoting Hong Kong's economic development. In 2020, Sinopec had 1,005 employees in Hong Kong and local hiring accounted for 89%.

Sinopec adheres to the core value of human orientation, protects the basic rights and interests of employees, strengthens the construction of the compensation and benefits system, and strives to share with employees the fruits of the company's development. In the face of the COVID-19 pandemic, Sinopec champions the Employment Support Scheme of the Hong Kong government, and insists on no layoff and no salary cut, weathering the storm with all employees. From 2019 to 2021, Sinopec recruited 47 local new graduates in Hong Kong and provided more than 40 internship positions for students.



In 2020, Sinopec had
1,005
employees in Hong Kong



Local hiring
accounted for
89%



From 2019 to 2021, Sinopec
recruited
47 local new graduates
in Hong Kong



Provided more than
40 internship
positions for students

Support Talent Development with Professional Training

Sinopec Hong Kong has created a precise training system that covers all employees. We developed annual training plans for business training, safety training, compliance training, and specialised training based on our strategies and business development as well as the individual needs of employees to improve their expertise and skills. We organised the Sinopec Hong Kong Rising Star Lecture, branding and publicity training course, and lectures on ESG investment and green finance to improve the competence and broaden the horizon of employees.



In 2020, Sinopec trained a
total of **2,691**
employees in Hong Kong



A total of
5,230
training hours

Case Mentoring programme at Sinopec Chemical Commercial Holding Hong Kong

Sinopec Chemical Commercial Holding Hong Kong launched the mentoring programme in 2019, where excellent and well-seasoned employees mentor new employees one-on-one. The mentors develop meticulous plans to help new hires acquire the theoretical knowledge and professional skills they are going to need on their positions. By now, the mentoring programme has cultivated 26 excellent young employees. The guidance of the mentor and learning and practice of the mentee enabled fast employee development and contributed to higher employee retention.

Case Management Trainee Programme at Sinopec Kantons

Sinopec Kantons started the management trainee programme in 2017. The company fixes the position of management trainees after a year and a half of rotation and send them overseas to learn about front-line businesses. In 2019, two management trainees were dispatched to a joint venture in the Middle East for two months of overseas training. The company engaged a number of department managers at the oil terminal to instruct the management trainees theoretical knowledge and practical operation, equipping them with skills regarding oil terminal operation, safety, equipment maintenance, customer service and project development, so as to support the company's sustainable development with talents.

Care for Employees and Create a Spiritual Home for Employees

We care for our employees with heart. We strive to create a healthy and comfortable workplace for employees to enhance their sense of happiness and belonging and create a spiritual home for employees through cultural integration, employee care, female employee benefits, cultural exchanges and recreational activities.

Focus on Cultural Integration

Sinopec organises various cultural activities to promote the cultural integration of employees of different backgrounds, build up team spirit, and enhance the cross-cultural literacy and cohesiveness of employees. At the same time, we take a series of measures to promote employees' love for the motherland and Hong Kong.

Case Photo exhibition to celebrate the centenary of the Communist Party of China and 24th anniversary of Hong Kong's handover

In June 2021, to celebrate the centenary of the founding of the Communist Party of China and the 24th anniversary of the handover of Hong Kong to China, Sinopec organised a photo exhibition on the theme of "Love our Motherland, Celebrate the Centenary, Honour the Handover of Hong Kong". The photos exhibited at the event showcased the glorious achievements of our country and how we pursued our original aspirations in Hong Kong. The winning works at the "Love our Motherland, Love Hong Kong, Love Sinopec" photo contest organised by the Sinopec Staff Association in Hong Kong to celebrate the 100th anniversary of the founding of the CPC were also displayed at the event. More than 700 employees of Sinopec's establishments in Hong Kong visited the exhibition in batches, which fully stimulated their enthusiasm for our country, for Hong Kong, and for Sinopec.



Case Public-service advertisement on HK Tramways

The Hong Kong Tramways (Ding Ding) is considered a historical icon of the city. Since its launch in 1904, the service has been operating in Hong Kong for 117 years, shuttling through major business and residential areas on the Hong Kong Island. As an advertisement medium moving at a low speed, trams never fail to attract the attention of pedestrians. During the National Day holiday in 2021, Sinopec put up public-service advertisement on trams to celebrate the 72nd anniversary of the founding of the People's Republic of China and promote the “Beautiful Future with You” programme to sponsor the education of disadvantaged children. Sinopec employees in Hong Kong actively endorsed the advertisement, expressing their patriotic enthusiasm and determination to bring better energy for better living.



Case Medical insurance support amid the pandemic

During the hardest days of COVID-19, Sinopec launched insurance support to help employees in Hong Kong access medical services. Thanks to the coordination efforts of Sinopec Insurance, we engaged an online medical service provider for our employees in partnership with China Taiping Insurance (HK) and its medical resources, saving employees worries about cross infection in hospitals or clinics and offering one-stop online medical service covering outpatient consultation, settlement, and OTC delivery.

Care for Female Employees

Concerned about the physical and mental well-being of female employees, Sinopec set up a Women’s Committee to organise Women’s Day celebration on March 8 and “Poem for Mom” poetry contest to show our care for female employees.



Sinopec Hong Kong developed a “breastfeeding-friendly workplace” for female employees and received the recognition of UNICFE HK.

Work-Life Balance

Sinopec embraces the idea of " working happily and living healthily". We established a staff association in Hong Kong to organise various forms of cultural and sporting activities, including friendly basketball and badminton matches, birthday parties, holiday celebrations, team building activities, and parent-child activities to enrich employees’ cultural life and improve employees’ sense of happiness.



Sinopec in Hong Kong Basketball Game in December 2019



UNIPEC Asia preserved flower DIY workshop in May 2021 to celebrate Mother’s Day

Care for the Health of Employees

Faced with the sudden COVID-19 outbreak, Sinopec’s establishments in Hong Kong strictly performed infection prevention and control requirements for office area. We made scienced-based prevention and control efforts, sourced sufficient personal protective equipment and medical supplies, implemented careful cleaning and disinfection, encouraged employees to receive COVID-19 vaccination, and monitored employee conditions in a timely manner. As a result, there was no Sinopec employee infected with COVID-19.

Case Upgrade to higher-protection masks to ensure the health of employees

In August 2021, to protect employees from new viral variants of COVID-19, the Sinopec Hong Kong Office demanded that all Sinopec establishments in Hong Kong provide 3D masks instead of 2D ones for employees to offer stronger protection. The new masks, made of prime-quality meltblown fabric supplied by Sinopec, are EU-certified FFP2 respirators that offer better protection and comfort than ordinary 2D masks. The upgrade in face masks reflects how Sinopec is concerned about the health and safety of employees.



Outline of the 14th Five-Year Plan

Commit to a people-centred approach. We must ensure the principal position of the people, and work towards common prosperity. We must insist that our development is for the people and depends on the people, and that its fruits are shared by the people. We must safeguard the fundamental interests of the people, stimulate their enthusiasm, initiative, and creativity, promote social equity, improve people's wellbeing, and constantly help realise people's aspiration for a better life.

Actions of Sinopec in Hong Kong

- Contribute to the united effort against COVID-19
- Dedicated to charity for harmonious communities

SDGs:



Share the Fruits of Corporate Development by Repaying Society



中国石化
SINOPEC

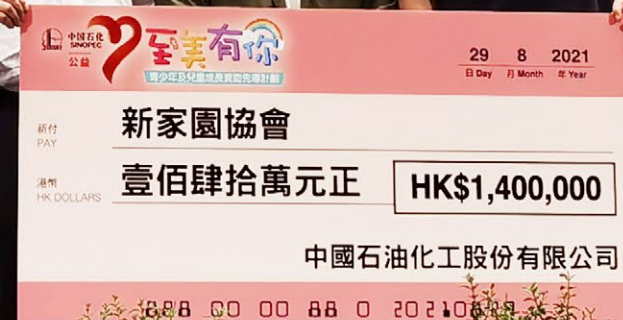
公益



新嘉園協會
NEW HOME ASSOCIATION

中國石化「至美有你」青少年及兒童成長資助先導計劃

2021年8月29日



Contribute to the United Effort against COVID-19

In 2020, faced with the sudden outbreak of COVID-19, Sinopec establishments in Hong Kong strictly implemented the requirements of the headquarters to ensure energy supply, donate money and supplies, and support disadvantaged groups while making robust prevention and control efforts. What we have done in the face of the pandemic demonstrated how we are rooted Hong Kong to fulfill corporate social responsibility.

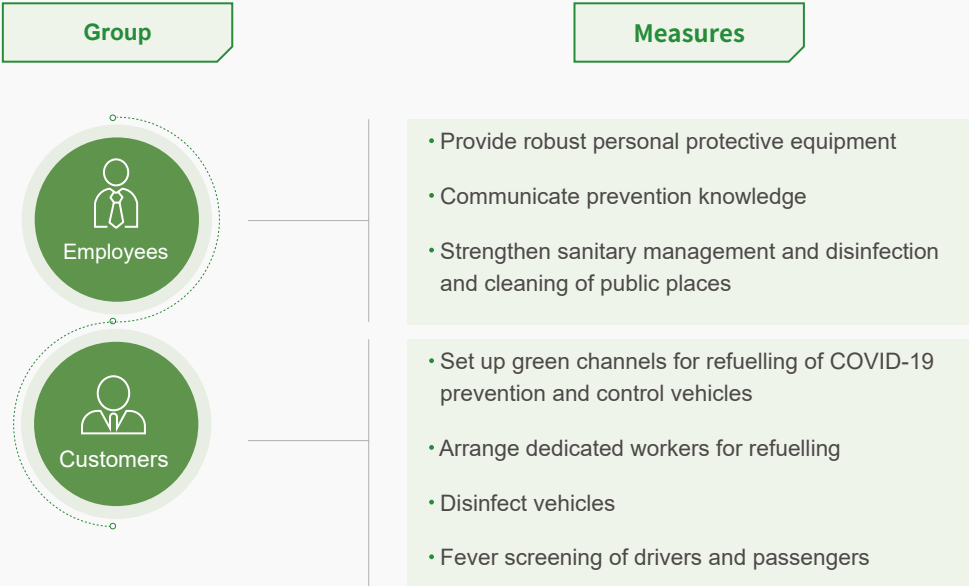
Safeguard oil and gas supply

As one of the major oil and gas suppliers in Hong Kong, Sinopec actively cooperated with local prevention and control arrangements and took a system of measures to contain infection and resume production. Sinopec coordinated infection prevention and production plans in a prompt manner and launched “100-day struggle for new outcomes” and “continuous struggle for new outcomes” campaigns, where all employees stick to their positions and all facilities implemented uninterrupted production to sustain energy supply and around-the-clock service, succeeding in both disease prevention and business operation.



Our service stations provide essential services for the people. Therefore, we need to build a strong line of defense to ensure the health and safety of customers.

COVID-19 Prevention and Control Measures at Sinopec Service Stations in Hong Kong



Donate Medical Supplies

When disaster struck, help came from all sides. While sustaining business operation and disease prevention at the same time, Sinopec establishments in Hong Kong donated meltblown fabric to mask producers and medical supplies to communities to help Hong Kong weather the trying times. In 2020, Sinopec donated more than HKD 4 million in Hong Kong to support the fight against COVID-19.



In 2020, Sinopec donated more than HKD **4** million in Hong Kong to support the fight against COVID-19.

Case Donate meltblown fabric to support the supply of personal protective equipment

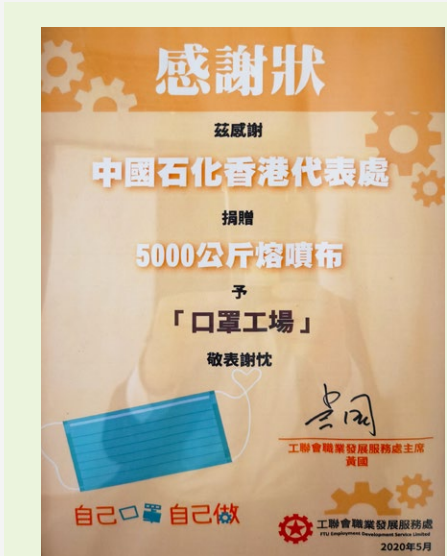
In early 2020, masks were in short supply after COVID-19 broke out in Hong Kong. Meltblown fabric, a raw material of masks, became particularly scarce. Sinopec donated 5 tons of meltblown fabric to local communities, which turned into 5 million masks for free distribution to Hong Kong citizens.



Sinopec donated **5** tons of meltblown fabric to local communities

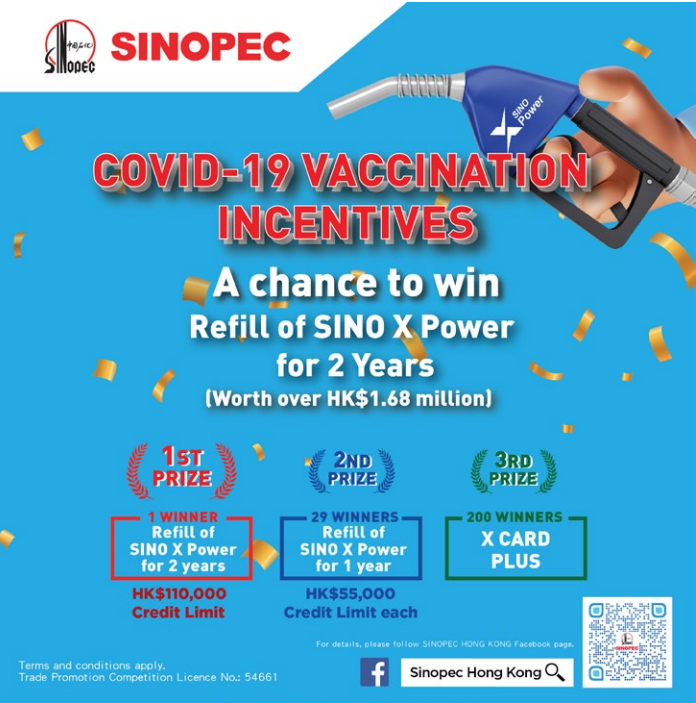


Turned into **5** million masks for free distribution to Hong Kong citizens



Incentivise COVID-19 Vaccination

As the Hong Kong government rolled out the “Early Vaccination for All” campaign, to fulfill the vision of “better energy for better living”, we launched our COVID-19 Vaccination Incentives on July 26, 2021, where Hong Kong citizens who have received two doses of COVID-19 vaccine above age 18 were eligible for a lucky draw. The programme attracted more than 200,000 Hong Kong residents and made positive contributions to vaccination coverage and a new line of defense.



Sinopec Hong Kong COVID-19 Vaccination Incentives poster



- 1 First Prize, refill of SINO X Power for 2 years, worth HKD 110,000;
- 29 Second Prizes, refill of SINO X Power for 1 year, worth HKD 55,000;
- 200 Third Prizes, X CARD Plus. In general, the programme provided 230 awards worth more than HKD 1.68 million for Hong Kong residents.



Guests at the COVID-19 Vaccination Incentives Lucky-Draw



First Prize winner

One Million Masks Giveaway

To care for disadvantaged groups (taxi and minibus drivers, new arrivals, ethnic minorities, the elderly, the disabled and other vulnerable groups) affected by the pandemic, support Hong Kong's efforts to combat the pandemic and stabilize the situation, and help remove travel bans between Hong Kong and the mainland, Sinopec worked with New Home Association, a local charity, to launch the “Better Home, Better Life, One Million Masks Giveaway” programme. Starting from November 4, 2021, the partners will give away one million KN95 masks to disadvantaged citizens and taxi and minibus drivers via Sinopec service stations and service centres of New Home Association. The programme is expected to benefit 100,000 people.

The masks are distributed at 12 Sinopec service stations across Hong Kong and five service centres of New Home Association. Membership holders of New Home Association “We Care Card” may collect one pack (10 pieces) of masks at the Chai Wan Service Station, Fanling Wai Service Station, Sheung Shui Service Station, Tai Tong Road Service Station, Lai Chi Kok Service Station, Container Port Road Service Station, or Kwai Chung Service Station of Sinopec or any of the five service centres of New Home Association. Taxi drivers and minibus drivers may receive one pack of masks (10 pieces) per refill at the Kwai Chung Service Station, Sheung Wan Service Station, Kowloon Bay Service Station, Ma On Shan Service Station, Tai Po Service Station or Yuen Long Service Station of Sinopec.

Sinopec organised the mask giveaway and its launching ceremony not only for the health of taxi and minibus drivers, but also for the well-being of disadvantaged citizens amid the pandemic. The programme is not only about repaying customers, but also about fulfilling corporate social responsibility.



Give away **1** million KN95 masks to disadvantaged citizens and taxi and minibus drivers via Sinopec service stations in Hong Kong and service centres of New Home Association



The programme is expected to benefit **100,000** people



Patrick Nip, Secretary for the Civil Service at the mask giveaway



Patrick Nip, Secretary for the Civil Service giving away masks to a taxi driver



Launching ceremony of the One Million Masks Giveaway Programme

Dedicated to Charity for Harmonious Communities

Sinopec is rooted in Hong Kong to serve local communities adhering to the aspiration of “loving our motherland and revitalising the petroleum and chemical industry” and the mission to bring “better energy for better living”. We make determined efforts to fulfill our social responsibility and organise charitable and volunteering events and activities to share the benefits of our growth with society and contribute to the “One Country, Two Systems” model and long-term prosperity and stability of Hong Kong.

Devoted to Charity

In Hong Kong, we share the benefits of our development with the community by supporting education, culture, poverty alleviation and other public undertakings. Since May 2014, our service stations across Hong Kong have provided fundraising platforms for a large number of charitable organisations. Donation boxes of Hong Kong Animal Protection Association, Sowers Action, Orbis and other charities at our service stations received a total of HKD 1.35 million.



Since May 2014, our service stations in Hong Kong have helped raise HKD

1.35 million for charitable causes.

Case “Beautiful Future with You” programme to sponsor the education of disadvantaged children

To improve intergenerational poverty and prevent impoverished children from being left behind, Sinopec joined hands with New Home Association, a charity organisation in Hong Kong, to launch the “Beautiful Future with You” programme to sponsor the education of disadvantaged children. In 2021, Sinopec donated HKD 1.4 million to the association to support children living in poverty, especially those whose families live in subdivided units. The donation covers learning support and tutorial classes, aimed at helping them tap their potential, improve their resilience, and grow into talents.

Designed as a three-year programme, it will donate HKD 4.2 million and apply for additional government funding to sponsor the education of more than 200 disadvantaged children, especially those whose families are living in subdivided units.

This programme is partnered with a Mentor Programme, where Sinopec selected 80 excellent employees as volunteers to pair with 80 impoverished children for one-on-one support.



Earliest receivers of financial support under the “Beautiful Future with You” programme



This is so fun



Glad to learn from mentors and friends



Having a great time



I'm gonna be a superstar



Launching ceremony of the “Beautiful Future with You” programme

Volunteering Service

Sinopec encourages employees in Hong Kong to actively participate in various forms of volunteering activities. We set up a volunteer team and organised volunteering activities such as charity sales and visits to the disadvantaged to integrate into and serve local communities.



In 2020, **1,143** employees participated in volunteering activities,



A total of **5,294** hours of service

Case Showing love and support for seniors in the community

Filial piety and helping people in need are traditional virtues of the Chinese nation. To contribute to a harmonious community, Sinopec’s establishments in Hong Kong organised a team of volunteers to help the elderly, the disadvantaged, and the needy. Throughout the years, the 200 plus volunteers often visit nursing homes and orphanages in their spare time to show their love and support and offer material help, and they are doing it in more flexible ways during the COVID-19 pandemic.

In early 2020, Hong Kong faced a serious shortage of infection prevention supplies after the COVID-19 outbreak. On behalf of Sinopec in Hong Kong, the volunteers delivered personal protective equipment and daily necessities including face masks, alcohol disinfectants, toilet paper and rice to nursing homes and communities such as Hong Kong Sheng Kung Hui Tseung Kwan O Nursing Home, Grace Nursing Home (Kowloon East), and Fuk Kin Home for Aged (Sham Shui Po).

The situation in Hong Kong remained challenging before Christmas in 2020. The volunteers created special Christmas greeting videos for their senior friends to send their regards online. They also prepared Christmas cards and gifts such as hand cream, winter socks, Christmas delicacies, disinfectant spray, and other articles for daily use.



Sinopec volunteer team visiting the elderly in local communities during Chinese New Year in 2021



Sinopec volunteer team visiting a nursing home during Chinese New Year in 2019



Sinopec volunteer team distributing infection prevention supplies to the elderly in a nursing home during Chinese New Year in 2020

Voice of Stakeholders

It is a very meaningful and opportune act of Sinopec and New Home Association to give away face masks. We are grateful to the rapport between state-owned enterprises and NGOs to fulfill corporate social responsibility and contribute to the well-being of Hong Kong citizens in the new climate and new era.

-- Patrick Nip, Secretary for the Civil Service, Government of the Hong Kong SAR

I would really like to thank Sinopec for funding this programme (“Beautiful Future with You” Teenager and Children Development Sponsorship Programme) and Sinopec volunteers for being the mentors and friends of the children. They help disadvantaged children to access new technology, broaden their horizons, and eventually change the destiny of their families.

--Ho Kai-ming, Vice Secretary for Labour and Welfare, Government of the Hong Kong SAR

Wealth inequality is a serious issue in Hong Kong. For years, our Gini coefficient has remained over 0.5, which is quite dangerous. I am very happy to see the “Beautiful Future with You” programme of Sinopec, where each Sinopec employee is paired with a disadvantaged child to act as their mentor and champion. This is a very meaningful programme and I’m in great favor of it.

--Dr. Chow Pak-Chin, Member of Election Committee of Hong Kong

We are grateful to Sinopec’s support for the launch of the programme (“Beautiful Future with You” Teenager and Children Development Sponsorship Programme). Poverty reduction requires long-term efforts. Faced with economic recession and the COVID-19 pandemic, we see a rise in unemployment and the poverty issue is particularly worrying... I hope the programme can engage more parties in helping disadvantaged children to cut off the intergenerational transmission of poverty and bridge the wealth gap.

--WONG Chung, Executive Director of New Home Association

When COVID-19 was ravaging Hong Kong, Sinopec volunteers went down to communities to spread infection prevention knowledge, extend regards to reclusive senior citizens, and donate infection prevention supplies. Sinopec’s effort was well-received by society. It highlights the corporate social responsibility culture of Sinopec.

--Letter of Thanks from Hong Kong Chinese Enterprises Association

We didn’t know much about Sinopec in the past. However, I have learned what a caring and respectable company Sinopec is through the visits of Sinopec volunteers.

--Ms NG, Miranda, General Secretary of Wofoo Social Enterprises and Director of Grace Nursing Home

Sustainability Management

CSR Culture

Sinopec takes it as its mission to bring “better energy for better living” and follows the principles of human orientation, green and low carbon development, and mutual benefits. The Company is committed to providing more advanced technologies, higher quality products, and more thoughtful services to contribute to sustainable global economic, social, and environmental development and join hands with stakeholders for a better future.



Responsibility as an energy provider: Stay true to our original aspirations and missions to deliver superior-quality products and services

Responsibility as a platform: Leverage our unique strengths and resources to fulfill corporate social responsibility

Responsibility for shared growth: Act as a responsible global corporate citizen committed to the community with a shared future for mankind and public goods

Material Issues

Based on our production and operation in Hong Kong, we identified the following material CSR issues.

 Sustainable management	 Risk management	 Provision of energy and chemical products	 Non-oil services	 Product quality and service
 Workplace safety	 HSE management	 Occupational health and safety	 Provision of clean energy	 Energy conservation and emissions reduction
 Climate change mitigation	 Biodiversity protection	 Protection of employee rights and benefits	 Local hiring	 Professional development
 Cultural integration	 Care for employees	 COVID-19 prevention and control	 Public welfare	 Volunteering services

Stakeholder Communication

The trust and support of stakeholders are instrumental to Sinopec's sustainable development. We attach great weight to our communication with stakeholders in Hong Kong, including customers, employees, investors, government, partners, and communities and the public. We translate the needs of stakeholders into sustainable development goals and programmes, effectively build up our capabilities, and communicate our corporate social responsibility philosophy and performance to stakeholders through various channels and ways, striving to meet the reasonable expectations and requirements of all stakeholders.



Appendix

Abbreviations

Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
China	People's Republic of China
Hong Kong	Hong Kong Special Administrative Region of the People's Republic of China
Sinopec Hong Kong	Sinopec (Hong Kong) Limited
Sinopec Kantons	Sinopec Kantons Holdings Limited
Sinopec Century Bright	Sinopec Century Bright Capital Investment Limited
Sinopec Hong Kong Office	Sinopec Hong Kong Office
Sinopec Chemical Commercial Holding Hong Kong	Sinopec Chemical Commercial Holding (Hong Kong) Company Limited
Sinopec Insurance	Sinopec Insurance Limited
UNIPeC Asia	UnipeC Asia Company Limited
Sinopec International Petroleum E&P Hong Kong	Sinopec International Petroleum Exploration & Production (Hong Kong) Overseas Limited
COVID-19	Novel coronavirus SARS-CoV2
IA	Insurance Authority of Hong Kong
CNAS	China National Accreditation Service for Conformity Assessment
COSO	Committee of Sponsoring Organisations of the Treadway Commission
ISO/IEC 17025 Standard	General requirements for the competence of testing and calibration laboratories co-established by the International Organization for Standardization and the International Electrotechnical Commission
HSE	Health, Safety and Environment
ESG	Environmental, Social, and Governance
EAP	Employee Assistance Programme

Suggestions and Feedback

Dear readers,

Thank you very much for your interest in the Sinopec in Hong Kong Sustainability Report. We look forward to your suggestions on this Report and we will take them seriously.

Mailing Address: 20/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong (SAR), China

Tel: 852-28638018

Fax: 852-25989366

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1. What do you think of this Report?

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor ☐ Very poor
2. What do you think of the information disclosed in this Report?

☐ Very sufficient ☐ Sufficient ☐ Ordinary ☐ Insufficient ☐ Very insufficient
3. What do you think of the information disclosure quality of this Report?

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4. What do you think of the organisation of this report?

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor ☐ Very poor
5. What do you think of the design and layout of this report?

☐ Excellent ☐ Good ☐ Ordinary ☐ Poor ☐ Very poor

Your comments

Your comments or suggestions on this Report



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Address: 20/F, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong (SAR), China

Tel: 852-28638018

Fax: 852-25989366

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