



SINOPEC

Sinopec in Saudi Arabia

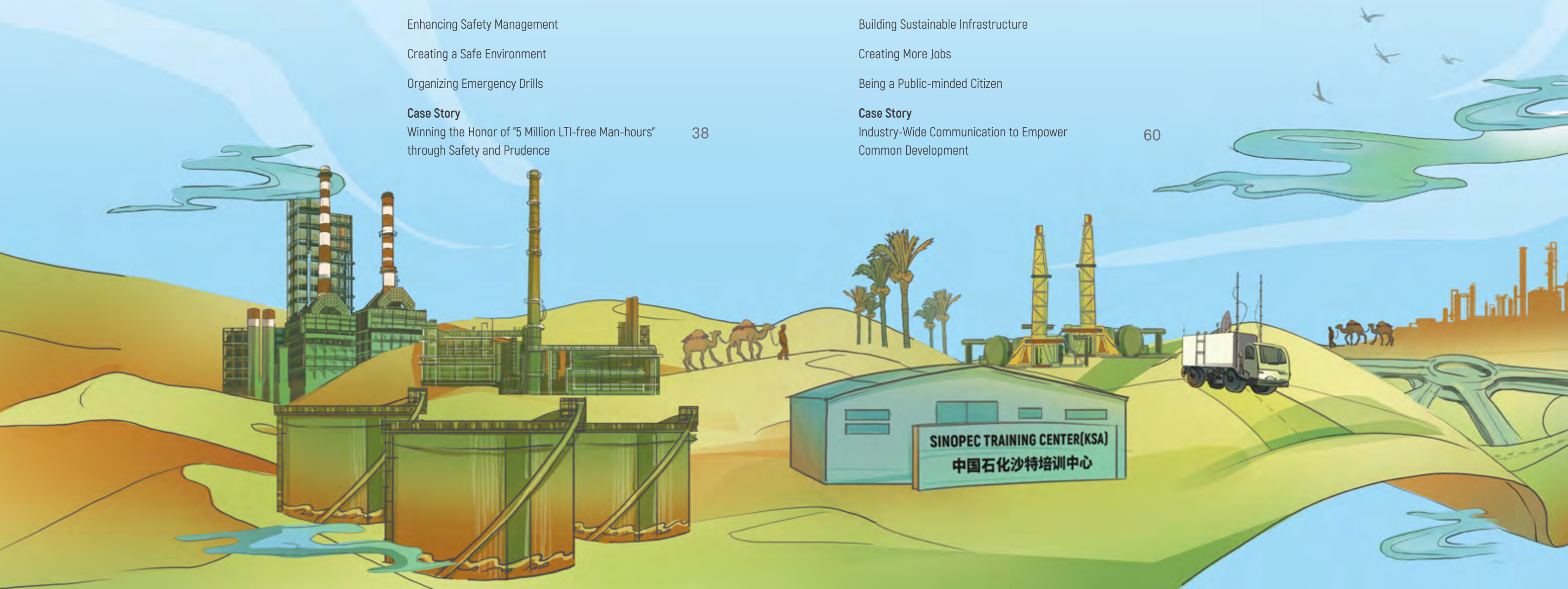
Sustainability Report
on Serving the Belt and Road Initiative



**Cleaner Energy
Better Life**

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About This Report

The Kingdom of Saudi Arabia ("KSA" or "Saudi Arabia") is one of the top countries in regard to oil reserves, production and sales. Saudi Arabia's economic development is industrial weighted. During recent years, Saudi Arabia has started pursuing economic diversification. In 2016, Saudi Arabia unveiled the Vision 2030 and the National Transformation Program 2020.

The People's Republic of China ("China") is the world's most populated developing country, the world's second-largest economy, and a top contributor to global economic growth, providing diverse and high-quality products and services to economies around the world. Since the inception of the Belt and Road Initiative (BRI), China has actively worked with relevant parties on building an open cooperation platform as a new driver for cooperation between and development of countries.

This is the second sustainability report published by China Petrochemical Corporation (Sinopec Group) in Saudi Arabia. In accordance with the principles of truth, objectivity and regularity, we disclose relevant information on our efforts to fully conduct our corporate social responsibility (CSR) in economic development and environmental protection and to achieve sustainable development in Saudi Arabia between 2019 and 2021. This is in accordance with the basic requirements of the 10 principles of the United Nations Global Compact and the *GRI Standards* released by the Global Sustainability Standards Board (GSSB).

The data in this report is accurate as of August 31, 2021, with some content beyond the aforementioned scope. This report is available in both Chinese and English. If there is any ambiguity, please refer to the Chinese version. For easier reference and reading, China Petrochemical Corporation is also referred to as "Sinopec", "this company" and "we" in this report.

In this report, Saudi Arabian National Oil Corporation is referred to as "Saudi Aramco", and Saudi State Mining Company as "Ma'aden".

Saudi Electricity Company's Green Duba Integrated Solar Combined-Cycle Power Plant undertaken by Sinopec Engineering (Group) Co., Ltd. (SEG) is a major project under Saudi Vision 2030. This is the mountain road that leads to the power plant

About Us

Company Profile

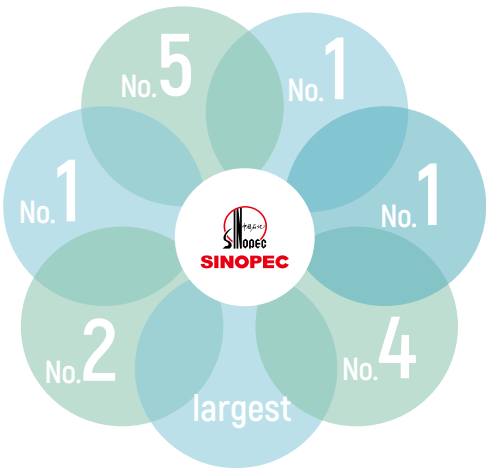
China Petrochemical Corporation (Sinopec), founded in July 1998 and headquartered in Beijing, is mainly engaged in petroleum and natural gas exploration, production, pipeline transportation, and sales; petroleum refining, and the production, sales, storage, and transportation of petrochemical products, coal chemical products, chemical fibers, chemical fertilizers and other chemicals; import and export of petroleum, natural gas, petrochemical products and other chemicals, as well as other commodities and technologies, including the import and export agency business and the research, development and application of technologies and information.

Adhering to the corporate mission of "better energy for better living", Sinopec actively performs sustainable development and corporate social responsibility (CSR) in 60 countries and regions where it operates. In so doing, Sinopec strives to fulfill the corporate vision: to build a world-leading clean energy and chemical company. Over the years, Sinopec has developed all-round cooperation with Saudi companies in many areas and has supported the Saudi Vision 2030, the Saudi Green Initiative and the Middle East Green Initiative across the board, and has done its best to bridge, practice and facilitate further co-development between the two countries under the BRI.

No.5
On the 2021 *Fortune* Global 500 list

No.1
Worldwide in oil refining capacity

No.2
Worldwide in synthetic rubber production capacity



The world's **largest** crude oil trader

No.1
Worldwide in aromatic hydrocarbon production capacity

No.1
Worldwide in polyolefin production capacity

No.4
Worldwide in ethylene production capacity

Our Performance

Total assets
RMB **2,240** billion

YoY change in industrial water intake
-1.1 %

Operating revenue
RMB **2,142.3** billion

Carbon traded
3.6 million tonnes

Taxes and fees paid
RMB **297.7** billion

Number of employees
608,000

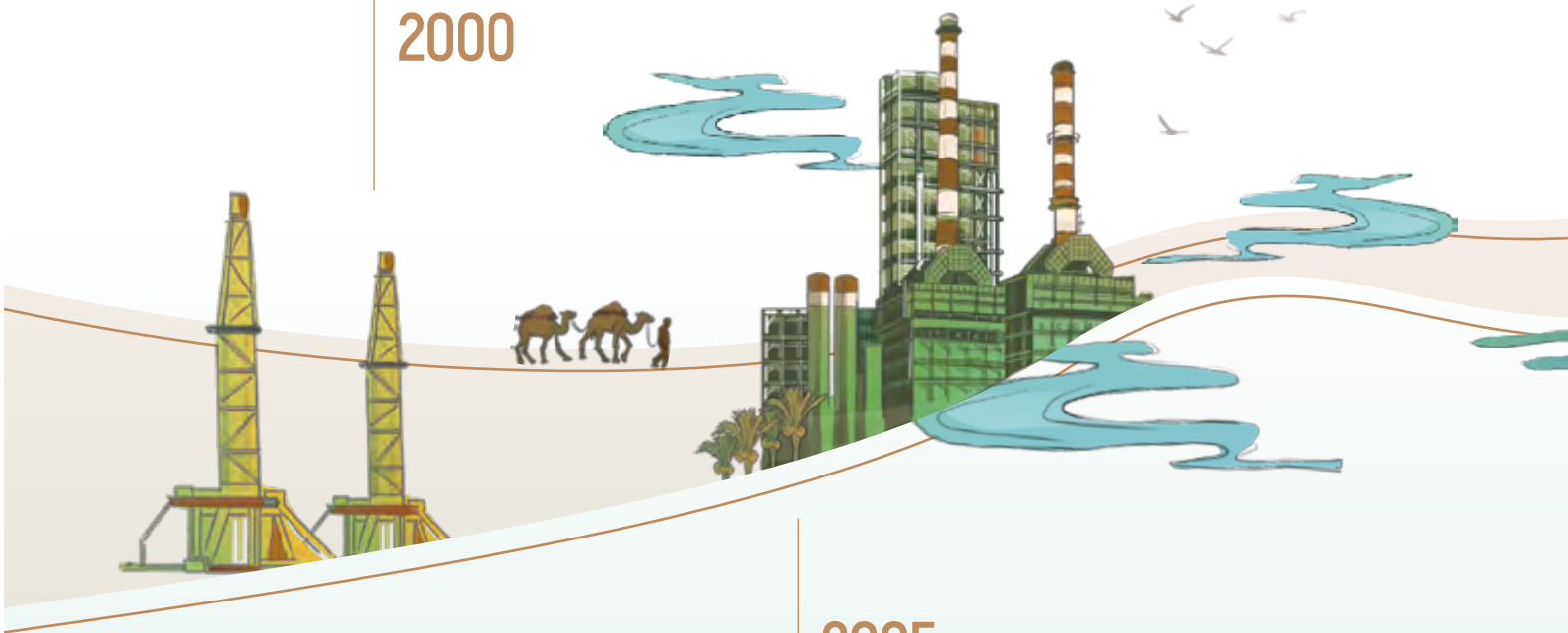
Sinopec's Sustainable Development in Saudi Arabia

Sinopec is one of the largest destinations for Saudi Arabia's crude oil export. Sinopec provides high-quality engineering technology and refining engineering services for the Saudi oil and petrochemical industry in accordance with international standards. We also supply the Saudi market with competitive petroleum and petrochemical equipment, products and materials. In conjunction with conducting the projects, Sinopec has established a sound HSSE (health, safety, security and environment) management system and actively fulfilled our social responsibility, recruited local employees, participated in infrastructure development and established friendly relations with local communities.



Sinopec Oilfield Service Corporation (SSC) won its first bid for Saudi Aramco's onshore drilling project, and the first team was named "Sino-1". In 2014, SSC's drilling rigs in Saudi Arabia exceeded 50, making it Saudi Aramco's largest onshore drilling contractor.

2000



2005

Sinopec Engineering (Group) Co., Ltd. (SEG) won its first bid for an EPC project in Saudi Arabia (SABIC's polyolefin project), marking the start of SEG's project construction in the country.

SSC won its first bid for the Jeddah Overpass Project. To date, SSC has completed 35 municipal and road and bridge (R&B) projects in Damman, Jeddah, Hofuf, and other cities.

SSC Training Center was founded, which is Sinopec's first overseas training center.

2008

SEG won the bid for SABIC's IBN RUSHED PET project, the first major EPC project undertaken by SEG independently.

2011

SEG won the bid for its first Ma'aden project, which was a sulfuric acid project in northern Saudi Arabia.

2013

The Saudi MEWA Treated Water Pipeline Project (TWPP) undertaken by SSC, the largest water recycling project in the history of the Ministry of Environment, Water and Agriculture (MEWA), went into service in August 2018. Upon becoming fully operational, the project supplies 200,000 m³ of purified water per day, or 45% of the total irrigation water in the Al Ahsa Oasis.

SEG and Saudi Aramco signed a 5-year framework agreement on the Ras Tanura inspection and maintenance project, creating a new business contract model.

SEG won the bid for the hoisting contract for EOEG project by Samsung, debuting its 4,000t crawler crane in Saudi Arabia.

2018

Sinopec held a virtual open day event in Saudi Arabia to show the company's oilfield services, R&D competence and sustainable development trajectory in the country.

2020

2019

The Saudi Yanbu-Medina Water Transmission System Phase III (SWCC YMWT) project, undertaken by SSC and completed in August 2018, started to supply water to the holy city of Medina in 2019.

SSC won the bid for Saudi Aramco's S84 project, the largest onshore 3D exploration project Sinopec has undertaken overseas.

SSC contracted the Marjan Increment Program (MIP) pipeline projects in TANAJIB (PKG-16) and in RASTANURA (PKG-17). This was a major breakthrough for Sinopec in the field of surface engineering in Saudi Arabia.

Sinopec held the press conference for the release of the *Sinopec Sustainability Report on Serving the Belt and Road Initiative - Sinopec in Saudi Arabia*. It was the first time a Chinese company released such a report in Saudi Arabia. Sinopec inaugurated its Social Responsibility Demonstration Base in Saudi Arabia.

2021

The main span of the Khamis-Ahad Bridge undertaken by SSC opened to traffic in March 2021, reducing the commute time between the two places during rush hour by two-thirds.

2009

SSC won the bid for Saudi Aramco's S62 3D geophysical prospecting project. In 2015, Saudi Aramco added the S62A seismic prospecting project to the contract and extended the contract till 2019.

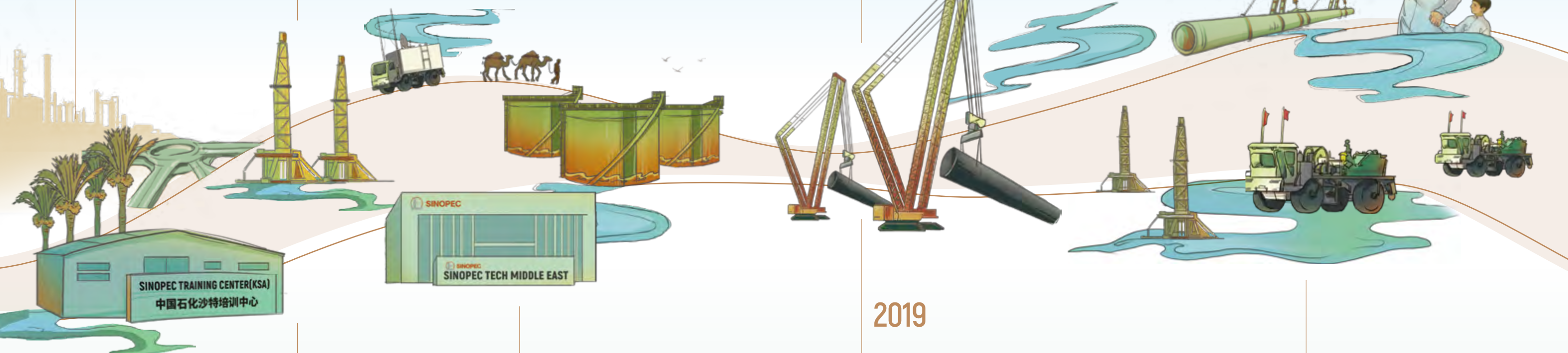
2012

Sinopec and Saudi Aramco invested US\$8.6 billion in building Yanbu Aramco Sinopec Refining Company Ltd. (Yasref). It is the first refining and chemical project that Sinopec has invested and constructed overseas. It is also China's largest investment project in Saudi Arabia with a refining capacity of 400,000 barrels per day. The project was put into production in January 2016, taking Sino-Saudi cooperation to a higher level.

2017

Sinopec established the R&D center Sinopec Tech Middle East LLC (STME) in Dhahran Techno Valley in Saudi Arabia.

SEG won the bid for its first project with Saudi Electricity Company, i.e. the construction subcontracting project for the DUBA Power Plant.



Message from the Chairman



The year 2021 marked the 31st anniversary of the establishment of diplomatic relations between China and Saudi Arabia, and the 20th anniversary of Sinopec's operation in the Kingdom. Over the past 20 years, upholding our mission of providing better energy for better living, Sinopec has been committed to the Kingdom's economic development, bilateral cultural exchanges and interactions, and the wellbeing of the Saudi people. We fully support the Saudi Vision 2030, the Saudi Green Initiative and the Middle East Green Initiative, and strive to bridge and facilitate co-development of the aforementioned initiatives and the Belt and Road Initiative (BRI).

Fighting the pandemic for common development and prosperity. While facing the COVID-19 pandemic and profound changes in global geopolitical landscape, Sinopec has stood together with stakeholders to get through the hard times. Upholding a people-centered approach and the idea of life first, all Sinopec affiliates in the Kingdom have strictly complied with COVID-19 response protocols to control the spread of the virus, and took the lead to resume operation and production. To date, we have achieved steady operation and smooth progress in the in-Kingdom projects, winning

high recognition and praise from the project owners. Over the years, we have established strong partnerships with Saudi enterprises in many areas, including sci-tech innovation and R&D, refining & petrochemical investment, crude oil trading, and oilfield service and refining & petrochemical engineering. Yasref, a Sinopec-Saudi Aramco joint venture, has been operating efficiently. We won the bid for Saudi Aramco's S84 project onshore 3D exploration project. We also won the bids for Saudi Aramco's coiled tubing and liquid nitrogen project. We implemented more than 20 refining and petrochemical projects in high quality, including the YANPET glycol plant renovation EPC project. Sinopec Tech Middle East started operation with focuses on oil and gas development, big data and AI, and would undertake multiple research and technical support projects for Sinopec and local businesses.

Strengthening communication for win-win. Sinopec has always been committed to acting as an ambassador of Sino-Saudi friendship. Two years ago, we released our first sustainability report of Sinopec in Saudi Arabia, established the Social Responsibility Demonstration Site, and opened the "Sinopec in Saudi Arabia" official accounts on Facebook, Twitter, YouTube and Instagram. During the COVID-19 pandemic, we held the first "Sinopec in Saudi Arabia" virtual open day event and the "Belt and Road" Cultural Salon. All these initiatives increased the mutual understanding and trust. We respect customs and culture of Saudi Arabia, celebrate the National and traditional festivals of Saudi Arabia and China with local employees and the community, and promote cultural exchanges between our two countries. We stress on compliance and fortify our HSE management system with a strong sense of mission and responsibility to safeguard the physical and mental health of employees and steady business operation. We have won multiple certificates of safe operation from project owners. In 2021, Sinopec Service's SP103 drilling crew recorded zero lost time injury (LTI) for the 15th consecutive year, becoming the second-highest record holder as a contractor for Saudi Aramco and became the recipient of Saudi Aramco's first 10-year drilling contract. Sinopec Engineering Group's Saudi project team received the certificate of "5 Million LTI-free Man-hours" for undertaking the Jubail Air Separation Unit, becoming a benchmark for responsible operation. We offer systematic, international training sessions on a long-term basis in the Kingdom, providing training for young people in the Kingdom. Meanwhile, we have kept increasing the local procurement content to create opportunities for industrial and economic development.

Protecting ecology and environment for greater wellbeing. Committed to sustainable development, we deploy new technologies, processes and materials as well as efficient and responsible management to reduce the impact on environment wherever we operate. We protect desert species and the marine environment, carrying out afforestation, Eastern Cleanup, coastal cleanup and other activities to further increase the awareness of environmental protection among the public and facilitate the Saudi Green Initiative and the Middle East Green Initiative. Due to our uncompromising high standards, leading technologies and managerial and operating expertise, we actively take part in infrastructure projects in transport, water transmission and public health sectors, with a view to improving local infrastructure and people's wellbeing. The Yanbu-Medina Water Transmission System Phase III (SWCC YMWT) project not only meets Medina's demand for water supply, but also benefits residents along the 100km-plus pipeline. Over the past 20 years, Sinopec has constructed more than 30 urban overpasses and passages, including the Khamis-Ahad Bridge which reduced the commuting time during rush hour between the two places by two thirds.

Sincere mutual appreciation, integration and close ties. Over the past 30 years, the Sino-Saudi relationship has become a model of mutual respect, benefit and win-win cooperation. Looking ahead, we have full confidence in Saudi Arabia's development prospects. Sinopec will continue to build a long-term stable Sino-Saudi community of energy cooperation and advance our cooperation with Saudi companies and partners in technology, scientific research, environmental protection and investment. We will continue to pursue mutual respect and trust, complementary advantages and win-win results with our stakeholders, contributing to the sustainable and diversified development of the Saudi economy and opening a new chapter of Sino-Saudi cooperation.

馬永生

Ma Yongsheng

Chairman
China Petrochemical Corporation

Feature

Increasing CSR Communication

While adhering to transparent communication and focusing on its core CSR philosophy, key topics and main business, Sinopec tells its story and communicates China's voice through a range of campaigns and social media, in a bid to build the image and reputation of a responsible brand. SEG's case *Service, Mutual Benefit and Integration—Promoting Sustainable Development* won the "2019 Best Practices by Companies on Sustainable Development Goals" Award granted by UN Global Compact Network China.

Releasing the Sustainability Report

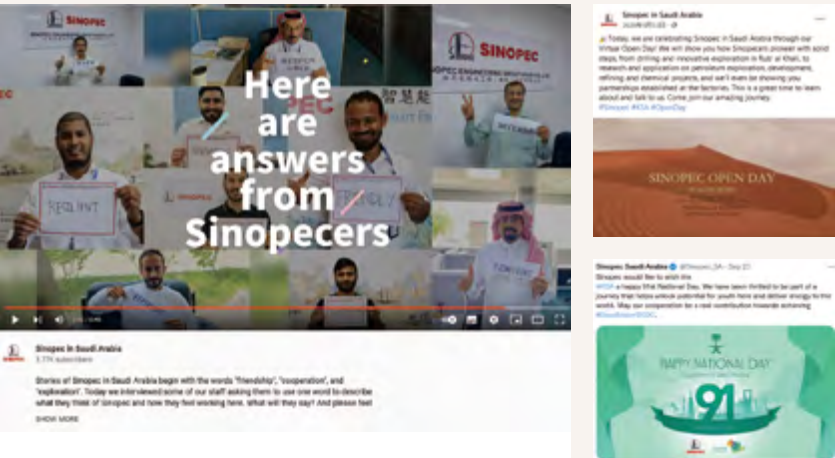


Sinopec held a press conference in Saudi Arabia for the release of the *Sinopec Sustainability Report on Serving the Belt and Road Initiative - Sinopec in Saudi Arabia* on August 15, 2019. It was the first Chinese company to release such a report in Saudi Arabia. This demonstrated the measures taken by a Chinese company to fulfill its economic, safety, environmental and social responsibilities. This promoted the synergy between the BRI and Saudi Vision 2030 and engaged in sustainable development in Saudi Arabia. The event was attended by more than 150 representatives from the SASAC of the State Council, the Chinese Embassy in the Kingdom of Saudi Arabia, Sinopec's partners and customers in Saudi Arabia and more than 20 Chinese companies in the KSA.



Building an Image on Overseas Social Media

Sinopec opened its official accounts "Sinopec in Saudi Arabia" on Facebook, Twitter, YouTube and Instagram in 2019. This series of accounts on overseas social media forms Sinopec's first group of country-specific social media accounts and is the first of its kind opened by a Chinese company in Saudi Arabia. These accounts have attracted Saudi fans with interesting, warm and equal communication, facilitating cultural exchange between the two countries. Sinopec also published articles on major local media, including *Riyadh Daily*, to promote its business results and CSR and showcase the achievements made under the BRI.



Shooting video clips for the Belt and Road Virtual Open Day event

On September 11, 2020, Sinopec held a virtual open day event known as "better energy for better living" to present Sinopec's sustainable development trajectory in Saudi Arabia from multiple perspectives and dimensions. It was the first time Sinopec held a virtual open day event overseas.

Establishing the Social Responsibility Demonstration Site



Opening Ceremony of the Sinopec Social Responsibility Demonstration Base

In August 2019, Sinopec established its Social Responsibility Demonstration site in Saudi Arabia to disclose the company's CSR practices and results in the KSA and showcase Sinopec's image as a responsible brand.

Feature

Standing Together in the Fight Against COVID-19

The COVID-19 pandemic swept across the world in early 2020. In Saudi Arabia, Sinopec and its stakeholders helped each other through rigorous deployment and scientific preventative measures to ensure a smooth chain of command, timely accurate information updates and strict and effective measures in pandemic response. Such efforts provided a strong guarantee for employees' physical and mental health and the orderly execution of projects. They also contributed to the recovery of the Saudi economy and maintaining the timeline for Saudi Vision 2030.



Timely mutual help to overcome the crisis

In February 2020, Saudi Arabia's King Salman ordered the emergency procurement of epidemic response supplies from across the world to support China's battle against COVID-19. Within one week, the King Salman Humanitarian Aid and Relief Center (KSRelief) signed large-sum purchase contracts with six suppliers from around the world and soon shipped these supplies directly to medical institutions in severely affected areas in China.

To reciprocate the solid support of the Saudi people, when COVID-19 outbreaked in Saudi Arabia in March 2020, Sinopec organized a donation campaign under the leadership of the Chinese Embassy in the KSA to provide humanitarian aid to local people and businesses in fighting the COVID-19 pandemic.



Yasref donating pandemic response supplies to Yanbu General Hospital



Scientific pandemic response to protect health

After COVID-19 outbreaked in Saudi Arabia, the Saudi government took measures stricter than ever before. All Sinopec entities in the KSA, strictly following the pandemic response decisions and rules made by the Saudi government and the Group, worked with local governments, employees and project stakeholders to fight the pandemic by improving the joint emergency response mechanism, taking a science-based approach and targeted measures, building a firm COVID-19 response network in Saudi Arabia, putting strict process controls in place, and enhancing pandemic response training and psychological counseling in an effort to fully ensure the physical and mental health of every employees at project offices.

Building a COVID-19 response network. Sinopec took the following actions: set up emergency management teams that included main responsible persons to exercise overall command and leadership and act in unison; established the leadership responsible point of contact system to take point-specific, area-specific and area-to-point controls;

tracked COVID-19 response and supervised the implementation of response measures at member entities, held weekly meetings to coordinate and solve problems arising from production and pandemic response and included subcontractors in the scope of control; and put in place supervision, inspection, prevention and control measures, intensified patrol inspections, identified deficiencies in pandemic response and supervised rectification.

Strengthening COVID-19 process control. In this regard, Sinopec took the following actions: developed COVID-19 response emergency plans, special plans and emergency measures and updated as needed, and guided project offices to execute such plans and measures; created an information platform that accurately releases pandemic response requirements and updates; established a resource pool of diagnosis and treatment and opened an expert-patient hotline to provide diagnosis and treatment services in a timely manner, enabling the effective treatment and recovery of suspected patients.



SSC employees watching a promotional video about COVID-19 response

In its concerted effort to fight the COVID-19 pandemic, Sinopec donated cash and supplies worth more than US\$ **430,000** directly and indirectly, including:

- COVID-19 test kits worth US\$ **200,000** donated to the Saudi government by Sinopec Group through the Chinese Embassy in the KSA;
- US\$ **200,000** for fighting COVID-19 donated to Saudi Arabia by SSC through Saudi Aramco;
- RIAL **100,000** donated by SEG to the Health Endowment Foundation directly under the Ministry of Health of Saudi Arabia;
- Necessary pandemic response supplies donated by Yasref to Yanbu General Hospital to support the devoted and self-sacrificing medical workers and contain the spread of the pandemic;
- For these contributions, Sinopec was issued a certificate of honor by the Chinese Embassy in the KSA.

Offering COVID-19 response training. Increasing employees' awareness of pandemic prevention is vital to curbing the potential spread of the virus. Therefore, Sinopec organized COVID-19 response training sessions for all staff offline and online to enhance their understanding of the importance of virus prevention and control.



SEG conducting COVID-19 response training

Allocating supplies for fighting COVID-19. In the early days of the COVID-19 outbreak, Sinopec prepared response supplies in advance and distributed them adequately to ensure the physical and mental health of employees.

Organizing orderly vaccination. COVID-19 vaccines help prevent the virus. To help reducing pressure on local COVID-19 response, Sinopec strictly carried out vaccinations and required all Chinese employees assigned to Saudi Arabia to get vaccinated before going on outbound trips to reduce the risk of infection en route and on-site. Sinopec also encouraged local employees to get vaccinated as early as possible. All employees at SSC, STME and Yasref in Saudi Arabia have been vaccinated.

Case Study: COVID-19 response at Yasref



As one of the preventive measures against the spread of the virus, Yasref issued COVID-19 family care packages (containing a box of surgical masks, a box of surgical gloves and a bottle of disinfectant) to its employees on April 2, 2020. Yasref urged every employee to use these protective and disinfection items in public spaces and practice social distancing. During the month of Ramadan in 2021, Yasref worked with the Education and Guidance Office to launch the Yanbu Mosques Clean-up Campaign, which supported the effort of local communities to prevent the spread of coronavirus.

To ensure a healthy environment at the refinery, Yasref worked with the Yanbu Royal Commission to provide COVID-19 vaccination services for its employees at the medical clinic in 2021.



Care and counseling for physical and mental health

Facing the uncertainties and anxieties posed by the pandemic and the difficulties in having vacation and family reunion due to long-term travel restriction, Sinopec provided people-centered care by offering online and offline counseling via the EAP campaign. During the Chinese Spring Festival, psychological counselors provided on-site counseling and training for employees to ease their mental stress.

The SSC Project Department has formed a communication team to care for those who work in areas of Saudi Arabia with COVID-19 outbreaks. There is also a communication accountability table formulated for Chinese employees. Employees based in China conduct one-on-one communication with employees based overseas in pairs every week to solve problems for overseas employees and that they stay physically and mentally healthy.

Case Study: Boosting employees' confidence in the fight against COVID-19 with cartoons



During the time when COVID-19 cases were high in Saudi Arabia, SEG organized a hand-drawn cartoon collection activity for its employees to boost their confidence in the fight against COVID-19 with vivid and fun cartoons. Through this activity, SEG has further raised the COVID-19 prevention and control awareness of all employees, firmly established the concept that COVID-19 is preventable and controllable among its employees and allowed its employees to develop habits helpful for COVID-19 prevention and self-protection.

Sinopec resumed project activities on June 1, 2020, in response to the Saudi Arabian government's call to reopen the economy. We have enhanced communication with local governments, clients, property owners, partners and subcontractors to get their support and understanding, combated COVID-19 with solidarity and boosted the resumption of projects. The COVID-19 situation of various projects in Saudi Arabia has now been brought under control. Our teams are stable and able to get our project progress and operation back to normal. This has been recognized and praised by our property owners.



Rigorous deployment for stable operation

SSC comprehensively inspects and maintains all the equipment before each drilling. Its crew has formed a task force to formulate various action and contingency plans for response to COVID-19 at different intensity levels. SSC's projects were completed as scheduled or even ahead of time through the concerted efforts of all staff members. SSC has resumed its geophysical prospecting projects and MIP projects in a timely manner.

SEG has held monthly project coordination meetings, HSSE meetings and COVID-19 response meetings and has conducted field investigations on major projects for better allocation of resources and provision of assistance in practical problems. SEG has actively visited the project owners, continued to improve work efficiency, and increased construction speed. By the end of 2020, the ongoing SEG projects had all resumed.



Renewed Endeavors to Bring Mutual Benefits

- Sustainable Strategic Partner
- Economic Diversification
- Promoting Development of Saudi Enterprises

China and Saudi Arabia have established a comprehensive strategic partnership. In 2020, China and Saudi Arabia celebrated the 30th anniversary of the establishment of diplomatic ties. In the same year, Sinopec ushered in the 20th anniversary of its operation in Saudi Arabia. For 20 years, Sinopec has been committed to providing safe, efficient and environmentally friendly products and services in Saudi Arabia. It has also developed strong partnerships with Saudi enterprises. With greater synergy between Belt and Road Initiative and Saudi Vision 2030, Sinopec has joined hands with its Saudi partners to enhance the cooperation in industrial investment, build a community with a shared future, make contributions to Saudi Arabia's economic development and write a new chapter of practical cooperation between China and Saudi Arabia.



Sustainable Strategic Partner

Saudi Arabia, which is rich in oil and gas resources, plays a vital role in the world's oil and gas industry. China's demand for oil and gas is on the rise as its economy develops, and Saudi Arabia has become China's key partner in oil and gas. Sinopec is one of Saudi Arabia's largest crude oil export destinations, and ranks first among Chinese enterprises in terms of investment in Saudi Arabia. It has helped upgrade the mutually beneficial cooperation between China and Saudi Arabia, promotes sustainable development between the two counties and creates a bright future.

In Saudi Arabia, Sinopec's principal businesses include sci-tech innovation and R&D, refining & petrochemical investment, crude oil trading, and oilfield service and refining & petrochemical engineering. We have established profound partnerships with Saudi Aramco, Ma'aden and other Saudi enterprises. We maintained close cooperative relations with them even when COVID-19 was running rampant.

Case Study: SSTPC ethylene expansion project makes smooth progress



Sinopec-SABIC Tianjin Petrochemical Co., Ltd. (SSTPC), a large-scale petrochemical enterprise co-financed by Sinopec and SABIC, was founded on October 20, 2009 and began commercial operations on May 11, 2010. SSTPC kicked off its ethylene expansion project on September 16, 2019, which aimed to boost SSTPC's annual ethylene capacity from 1 to 1.3 million tonnes. This was SSTPC's first ethylene expansion in the ten years since its commencement. By August 2021, SSTPC had set up nine sets of production units with advanced technologies, including the ethylene unit with an annual capacity of 1.3 million tonnes, a designed annual capacity of 260,000 tonnes of polycarbonate and the largest single unit capacity of its kind in China.

Annual Capacity

26 tonnes of polycarbonate 1.3 million tonnes of ethylene

Case Study: YASREF Refinery



Yanbu Aramco Sinopec Refining Company Ltd. is one of the largest refineries in the world, with a crude oil processing capacity of 400,000 barrels per day (bpd) . It is a Sinopec and Saudi Aramco joint venue (each holding 37.5% and 62.5% of shares, respectively) with a total investment of US\$8.6 billion. On January 20, 2016, Chinese President Xi Jinping joined Saudi King Salman bin Abdulaziz Al Saud to attend the Yasref launch ceremony.

Yasref produces premium transportation fuels, as well as high-value refined products for both international and domestic markets. It is a demonstration project between China and Saudi Arabia in energy cooperation, contributing to Saudi Arabia's economic transformation and upgrading.

Daily Production Capacity

Diesel 287,000 barrels	Gasoline 105,000 barrels	Petroleum coke 6,200 tonnes
Pelletized sulfur 3,000 tonnes	Propane 7,500 barrels	Butane 14,000 barrels

Economic Diversification

According to Saudi Vision 2030, Saudi Arabia will vigorously support promising sectors and seek to develop them as new pillars of the Saudi economy. Despite being hit by the COVID-19 outbreak, Saudi Arabia has never stopped diversifying its economy. Sinopec works to contribute in Saudi Arabia's industrial upgrading and transformation from a resource exporting country to a resource deep processing country, with better sustainability and efficiency of resources, contributing to the economic and social development of China and Saudi Arabia.

Oilfield Service

By the end of 2020, SSC had signed contracts with a combined value of nearly

US\$ **11** billion

with a turnover of more than

US\$ **8** billion.

Saudi Arabia is one of the world's largest and most active potential petroleum engineering markets. In the face of the Saudi market's requirements for world-class high-end equipment and high-standard techniques, SSC has been trusted by Saudi clients for its high-quality, secure and efficient drilling and well completion services. SSC, whose number of drilling rigs accounts for more than a quarter of Saudi Aramco's rig count, has been the largest onshore drilling contractor since 2014.

Case Study: SSC signs MIP pipeline projects with Saudi Aramco



In July 2019, SSC signed the pipeline engineering projects with Saudi Aramco in the TANAJIB region (PKG-16) and in the RAS TANURA Region (PKG-17) of the Marjan Increment Program (MIP). This was a major breakthrough for Sinopec in Saudi Aramco's ground engineering area.

Since the project commencement in January 2020, SSC has strictly controlled safety and quality, striven for work improvements, rigorously and meticulously made procurements and carried out smooth and efficient construction and operation in strict accordance with relevant specifications, standards and various provisions on project management, which was recognized by the property owner.



Case Study: SSC completes high quality construction on the coiled tubing project



The coiled tubing project is SSC's key technical service project. In July 2019, Sinopec won the bid for Saudi Aramco's coiled tubing and liquid nitrogen service project, with a contract term of 5+2 years. In January 2021, its coiled tubing operation teams, Team SP1901 and Team SP1905, completed the cement fluid replacement of a well in Saudi Aramco's HWYH block with safety and efficiency. This was debut for Sinopec's wellbore technical service in the overseas market. In March, Team SP1905 safely and efficiently completed the cement fluid replacement of another well in Saudi Aramco's HWYH block, with six ratings at the highest level - a high evaluation of the property owner and a demonstration of the international service capacity of Sinopec's wellbore technical service and coiled tubing operation teams.



Refining and Chemical Engineering Services

SEG has undertaken a total of

102 projects

With a combined contract value of

US\$ 6.3 billion

In 2020, SEG's new contracts had a combined value of

US\$ 610 million

As a "one-stop" service provider, SEG has continuously improved upon its technical innovations in refining and chemical engineering services. SEG has developed featured technologies, know-how and standardized systems covering the whole industrial chain of petroleum engineering. It has, per international standards, provided Saudi Arabia's petroleum and petrochemical industry with high-quality and competitive equipment, products, materials, and services used for refining and chemical engineering services. It also has established a world-class refinery through joint investment and cooperation, created the brand Sinopec Petrochemical and Refining Engineering, strongly supported Saudi Arabia's petrochemical energy construction and social development and contributed to the local development of Saudi Arabia's petroleum and natural gas industries.

Becoming a bigger contractor in the petrochemical field. SEG has undertaken a total of 102 projects, with a combined contract value of US\$6.3 billion. We have poured substantial effort into ensuring better progress, safety, quality, cooperation, services, etc. We have also been highly recognized by our clients thanks to our excellent performance in implementing refining and chemical projects. In 2020, we signed eight new contracts, with a combined contract value of US\$610 million. We presently have 23 projects under construction, worth a total value of approximately US\$166 million.

Boosting local manufacturing capability. SEG invested in constructing factory prefabrication and an intelligent production base located in the Jubail Industrial City in the Eastern Province of Saudi Arabia. The base possesses an automatically prefabricated production line with an annual pipeline output of 1 million inches, a capacity of 50,000 tonnes of steel structures and prefabricated processing and production lines for non-standard equipment and storage tanks. SEG has provided services for Ma'aden's SAP and UI projects, Saudi Aramco's Fadiri natural gas processing project and a number of other projects.

Improving local equipment capability. SEG owns Sinopec's XGC88000 4,000-ton crawler cranes and other professional hoisting and transporting equipment, providing clients with hoisting and transporting integrated engineering services from planning, design and implementation. With its strong equipment manufacturing capabilities, SEG has hoisted numerous pieces of large-size equipment for SABIC's UNITED EO/EG III project and National Industrial Gases Company's (NIGC) GAS-P9 project.

" We will continue to boost the localization of the petroleum and natural gas industries while diversifying the country's economy. "

Saudi Vision 2030



Case Study: SEG undertakes YANPET EG2 upgrading EPC project



Over the past two years, SEG's projects have covered EPC, construction + procurement and general construction contracting. The share of EPC has increased year by year, accounting for 58% in 2020. For the Saudi YANPET EG2 upgrading EPC project, SEG made every effort to safely and rapidly advance project progress per the milestone schedule, while also maintaining its standards for high quality. In July 2021, SEG successfully transported the CO₂ water scrubber to the project site, contributing to a safe and stable energy supply in Saudi Arabia.



Case Study: SEG completes Saudi Aramco's Fadiri natural gas processing project



Daily gas processing capacity of

2.5 billion standard cubic feet

In 2019, the installation of the main part of the gas processing and utilities of the core unit of Saudi Aramco's Fadiri natural gas processing project undertaken by SEG was completed, with the first acceptance rate of welded passes as high as 96%. The gas processing unit, the largest in Saudi Arabia with a daily capacity of 2.5 billion standard cubic feet, will further increase the supply of clean natural gas fuels, reduce Saudi Arabia's dependence on petroleum fuels and contribute to Saudi Arabia's economic diversification.



Facilitating Scientific and Technological Cooperation

In 2019, STME in Saudi Arabia's Dhahran Techno Valley was completed and put into operation. STME develops the market for high value-added products and high-end technical services, and improves the quality of cooperation with Sinopec's business partners in the Middle East by means of scientific and technological cooperation.

STME acts as a technology R&D center, technical support center, and window of technical exchange and cooperation for Sinopec's development of petroleum engineering business in the Middle East. With a floor area of 5,000 square meters, STME has more than 20 researchers and support technicians from seven countries, specializing in efficient well completion, unconventional oil and gas engineering, and big data & AI technology. The center has undertaken a number of R&D and technical support projects of Sinopec and local business partners.

With an investment of more than US\$5 million, STME has built a lab of nearly 2,000 square meters, which can accommodate more than

100 pieces of equipment, including all kinds of large and medium-size instruments and other equipment. In August 2021, Sinopec Research Institute of Petroleum Engineering and STME jointly completed a downhole tool maintenance workshop and brought it online. The workshop, which features multiple functions, can test the performance of field tools and assist in R&D. With an advanced lab to provide effective support to R&D and technical services, STME has contributed to boosting scientific and technological research and development in Saudi Arabia.

STME and Saudi Aramco have conducted more than 100 exchanges for scientific research and project setup. They have also improved and submitted 10 project proposals, 3 of which formed the intention of cooperation. In addition, they successfully organized the KFUPM Intellectual Property Forum and Middle East Oil and Gas Show (online). They have also carried out several significant studies with phased achievements.

Providing High-quality Products

Sinopec has provided full-cycle lubricants and services to clients in the Saudi Arabia market and have adhered to the product and service concept of professional lubricants to offer a greater value because the company is determined to be a high-tech, high-quality, and international brand.

With regards to lubricants, Sinopec tailors optimal products and service plans for Saudi clients by leveraging front-end investigations and site visits conducted by technicians to help clients better manage the lubrication of their vehicles and equipment. Currently, the annual sales of Sinopec lubricants in Saudi Arabia are up to nearly 1,000 tonnes. Highly recognized by clients in oil drilling, transportation, construction machinery and other industries, Sinopec lubricants have earned a group of high-quality and stable clients in end industries and steadily increased their brand awareness and market sales.

Promoting Development of Saudi Enterprises

Enterprises are the subject of Sino-Saudi economic and trade cooperation. Sinopec has maintained close relations with its clients and promoted a solid cooperation environment that is rooted in creating win-win scenarios. For two decades in Saudi Arabia, Sinopec has built a large number of mature international management teams, established a proven management platform, and developed a number of Chinese and foreign strategic partners.

High standards	Strict operation	Regular training
This involves setting standardized parameters for management planning, formulation of quality policies, achievement of project objectives, control of procurement process, contract review, product realization, production process control, human resources management and product release, raising higher standards and requirements.	The staff conduct operations per the operation process and inspections per the standardized parameters on the site and control the quality of products during the process realization with their sophisticated operation skills and inspection capabilities.	Regularly organize training on technical know-how and practical skills, introduce and explain new technologies and processes and improve the staff's quality and efficiency in construction and management.

Case Study: SSC signs a contract with Saudi Aramco for 6 unconventional rigs



In September 2019, SSC won the bid and signed a contract with Saudi Aramco for six unconventional rigs - the first project of Saudi Aramco's Unconventional Department since its establishment and a stepping stone for Sinopec to enter the field. Winning the bid opened a window for Sinopec to cooperate with Saudi Aramco in unconventional development and provided Sinopec with strong equipment support for introducing rigs and fracturing equipment made by Sinopec into Saudi Arabia's large-scale fleets of rigs and fracturing equipment.

Through projects contracted with the 6 unconventional rigs, Sinopec has developed into a complete industrial chain covering manufacturing and services from previous rig service only model. In addition, Sinopec has further expanded the application market for its drilling fluid materials, fracturing fluid materials and downhole tools in Saudi Arabia and successfully provided Saudi Aramco with packaged services from development plan design and oil-gas gathering and transportation. The above developments all laid a solid foundation for Sinopec to improve its comprehensive service capabilities and brand influence in Saudi Arabia.

Case Study: SSC's SP121 Team makes every well it drills into a high-quality and well-known well



Since SSC's SP121 Team began its operation in the Saudi Arabia market, it has striven to make every well it drills into a high-quality and well-known well. During construction, SP121 Team carries out technical, management and benefit benchmarking to improve its management level and keep improving its operation process, which allows the team to repeatedly set new records for its rigs' efficiency. With its excellent construction and services, the team has always been ranked in the top 5 of Saudi Aramco's more than 200 drilling teams since its establishment and has maintained a rig score above 90. It has won honorary titles such as "Golden Team in Petroleum Engineering" and "Excellent Primary-level Team."



High-quality services



To secure win-win cooperation, we have paid attention to maintaining our relationships with clients and visit them regularly for communication to understand what they need and improve our products and services in a timely fashion.

Paying regular visits to clients for good communication

We pay regular visits to the management of our business clients in Saudi Arabia to facilitate middle- and high-level exchanges, understand and meet clients' needs timely and maintain good relationships with them.

Keeping upgrading products and services

We continue to upgrade products, make breakthroughs in the field of high value-added technical services, improve our competitiveness and reputation and respond to clients' expectations. We strive to achieve win-win results that align with the latest market demand through technical improvement and management innovation.

Case Study: SSC sets new records in Chinese geophysical prospecting



Saudi Aramco's S84 3D geophysical prospecting project undertaken by SSC was a breakthrough for Sinopec in the high-end market of efficient data acquisition using a vibrator. In accordance with the client's requirements for higher quality and efficiency, the project team developed software systems such as simultaneous quality monitoring and controlling system for acquisition as well as quality monitoring and controlling system for non-stake construction shot points. The team utilized many advanced specific techniques for the optimal and best production and acquisition. On the first day of the project, the maximum efficiency reached more than 700 shots, which exceeded the plan. The team set records of daily production seven times during the nine months since the operation of the project began and broke Saudi Aramco's record of geophysical prospecting yield four times, achievements which the client praised.

The maximum efficiency on the first day of the project was more than

700

shots

Set records of daily production

7 times

during the 9 months since the operation of the project began

Broke Saudi Aramco's record of geophysical prospecting yield

4 times

Responsible Industry Chain

Supplier Management



We have undertaken numerous large-scale and resource-demanding projects that require close cooperation with suppliers and subcontractors so that we can construct and operate projects that satisfy our clients from aspects of safety, quality, progress, operation, and team management. Our project teams attach importance to providing strong support to suppliers and subcontractors while completing the contract for the overall smooth implementation of projects. Thus, we have many mature resources and markets for long-term cooperation in Saudi Arabia. As a result, we can deploy operators, equipment, and machinery at peak project times. In 2020, SSC's local procurement ratio was 55.6%.

We emphasize industry chain compliance management and strengthen the management of subcontractors and suppliers. We sign a Supplier Code of Conduct with suppliers and subcontractors and include anti-bribery and anti-corruption clauses into all our contracts. In addition, SSC evaluates and registers suppliers according to Saudi Aramco standards to ensure the quality of resources.

We stress the need for communication with our suppliers and therefore establish a dialogue mechanism which brings together representatives of Sinopec's Project Department and the subcontractor. This mechanism enables us to keep abreast of the needs and difficulties of subcontractors and to explain issues and policies. Furthermore, it ensures that the reasonable requests and opinions of subcontractors are fully taken into account and dealt with in a timely manner, thus achieving long-term win-win cooperation with our subcontractors.

We achieve better safety management by supervising the subcontractors and incorporating safety management into the performance appraisal system. We ensure that our subcontractors fulfill their responsibilities by identifying and evaluating environmental aspects and developing effective control measures as required before they start on-site construction.

Case Study: Completion of Saudi Arabia IBB Ammonia Revamp Project under concerted efforts



Located in Jubail Industrial City, the Saudi IBB Ammonia Revamp Project undertaken by SEG was defined as a major overhaul + major revamp project requiring active application of global advanced technologies. The number of site staff members peaked at more than 3,000. In order to speed up the processing of problems, the Project Department established an "information transfer station" and a "problem processor" to strengthen on-site coordination with representatives from the owner's group subcontractors, professional construction subcontractors and manufacturers.



Case Story

Unconventional Oil & Gas Drilling Is off to a Good Start Thanks to Our Quest for Perfection

Powerful Management to Ensure Drilling Well is Fully Prepared

The well drilling process in Saudi Arabia is exceedingly difficult and places high demands on the technical equipment of the contractor due to the extreme complexity of gas well formations with blowouts and leak risks. In terms of the first unconventional gas well project in Saudi Arabia undertaken by SSC drilling team SP260, the team overcame difficulties such as unfamiliarity with this particular drilling process, new equipment, team members and stringent COVID-19 control measures. Thanks to the coordinated production organization, enhanced on-site safety management and trained staff with good technical skills, the drilling team SP260 properly transported its equipment from China to the Saudi Arabian site. They then went on to install and commission the equipment. Their working results were subjected to Saudi Aramco's stringent equipment acceptance process, ensuring the unconventional gas well was prepared for drilling.

New Technology to Create an Excellent Project

During the drilling well construction, SSC moved actively to introduce new technologies and new processes such as the RSS rotary steerable drilling tool assembly, direct on-pump circulation and rotary casing to solve difficulties that the team encountered in their work, resulting in the completion of the casing placement and cementing work in the second and third spud sections of the well. All drilling task results were high quality.

There was a Saudi Aramco unconventional gas development well deployed in Block HWYM, Jafurah oil field. The purpose of the project was to evaluate the potential, maturity and fluid properties of the oil and gas, and the project was undertaken by a well team from SSC Saudi Arabia. On February 18, 2021, the drilling team SP260 completed the drilling well construction in 30.92 days. Their work was praised by Saudi Aramco, indicating that our unconventional oil and gas drilling was off to a good start.

High Efficiency to Set New Records

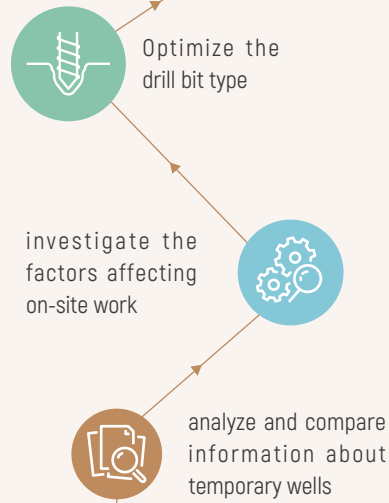
As soon as the construction task of a well in block HWYM was undertaken, SSC drilling team SP260 organized their key technical staff to analyze and compare it with neighboring wells for information and control key nodes. The staff also were to investigate factors that may affect on-site work efficiency, safety and environmental protection, based on which the drilling parameters, mud performance and bit type for speeding up the drilling well construction in different formations were optimized. As a result, Sinopec's first unconventional gas well in the Saudi Arabia was completed 4.08 days ahead of schedule, and the record for the shortest drilling period in the Jafra oil field of Saudi Aramco was set twice, proving Sinopec's professional capacity.

2
new records for the shortest construction period

4.08 days
ahead of schedule



Lift efficiency of drilling well construction



Undertake the construction of an unconventional gas well



Commitment to Safety for a Sustainable Future

- Enhancing Safety Management
- Creating a Safe Environment
- Organizing Emergency Drills

Safety is the cornerstone of the petrochemical industry. Sinopec always adheres to the production policy of "safety first, prevention-oriented, full participation and comprehensive management," which requires a high sense of mission and responsibility to maintain safety so as to ensure the safe operation of the company and its projects.



Enhancing Safety Management

We insist on people-oriented approaches to implement more advanced production safety management. In particular, we have launched the “100 Days Accident Free” campaign, which entails introducing an accountability scheme in line with the actual circumstances of the company’s operations in Saudi Arabia, emphasizing safety responsibilities, improving job performance, continuously enhancing the safety awareness of all employees, promoting safety management and ensuring the safety of staff and intrinsic safety.

Localized the HSSE Management System

Sinopec’s Health, Safety, Security and Environment (HSSE) management system is fully adapted and deeply integrated with the owner’s safety management system, and as a result, progress has been seen in team standards, equipment intrinsic safety, operation specifications and management refinement. Job safety responsibilities have been further highlighted through the development of the work permit system, on-site supervision, safety diagnostic analysis, HSSE risk assessment list and negative list.

Case Study: Successive “Green Flag” Awards for the best EHSS management from SABIC



SEG fulfilled its safety responsibility by implementing initiatives such as the ten prime rules for safety and the safety calendar. In 2020, SEG achieved a total of 12.32 million LTI free man-hours. The project achieved a total of 42.33 million LTI free man-hours, and the peak number of staff on site reached 4,802, with a monthly average of 4,426.

SEG Air Separation Project in Saudi Arabia was awarded the “green flag” by SABIC for having the best EHSS management in both 2019 and 2020. The project earned recognition from the SABIC E&PMEHSS inspector team.

Background Knowledge: Environment, Health, Safety and Security (EHSS) management inspection is a major safety assessment conducted quarterly by the owner, SABIC. The issues that fall under inspection include the operation of the safety management system, EHSS site evaluation, integrated management, accident event control communication and coordination for project safety and process safety management. The “green flag” for the best EHSS management is the highest honor for safety management in the Saudi Arabia, and the results are rated from the lowest to the highest and denoted by the colors red, orange, yellow and green. Only projects that have been assessed as green for two consecutive quarters are eligible for this award.



Case Study: Team SP103’s 15 consecutive years without Lost Time Injury (LTI)



September 2021 saw the 15th consecutive year of SSC drilling team SP103 without LTI, allowing the team to become the second longest-standing record holder in Saudi Aramco’s history. The team was also awarded the first 10-year drilling well contract by Saudi Aramco. LTI, as an international common QHSSE indicator, directly reflects the capacity of accident risk control of an organization (project) and determines its safety management performance as well as the image of external services. The drilling team SP103 with its drilling well construction “thoroughly implements Party A’s standards and operating procedures.” The team took measures such as systematic promotion and training, application of standards, hidden risks control and emergency control, in order to highlight and consolidate the safety supervision work on site. In 2020, five SSC teams were ranked among the top ten in the Saudi Aramco Rig HSE Ranking, among which the drilling team SP58 topped the list and was highly recognized by Saudi Aramco.

Case Study: HSE Management in MIP Project highly recognized by the owner Saudi Aramco



To ensure good safety management performance, SSC Project Department on Marjan Increment Project (MIP) integrated comprehensively the safety management system of Sinopec and that of Saudi Aramco. MIP Project Department developed a system for HSE procedures and documents in compliance with Saudi Aramco’s safety management system requirements, which covers the requirements, standards and records of the whole project cycle. MIP Project Department also implemented a work permit on site reached system and the Saudi Aramco & Sinopec safety inspection system in a strict manner, which covers aspects of the construction site such as personnel, machine, raw material, method and environment. Since 2020, MIP Project Department has been ranked No. 1 for 8 times in Marjan Increment Project Contractors Critical Safety Item (CSI) monthly ratings and twice in quarterly ratings. The safety management of MIP Project Department has been strongly praised by Saudi Aramco HSE Safety Compliance Group & Loss Prevention Department (LPD).





Raising Safety Awareness

Our initiatives to strengthen employees' safety awareness include the following: safety notices; training programs on prevention of risks, elimination of safety hazards, and prevention of accidents; safety educational activities; and annual campaigns such as "safe production month" and "safe production miles." In 2020, 25 safety notices were issued, and 18 safety educational events were organized.

Creating a Safe Environment

We attach great importance to production safety, site control, and occupational health and safety. We always provide a safe and healthy working environment for employees during the whole process of project construction.

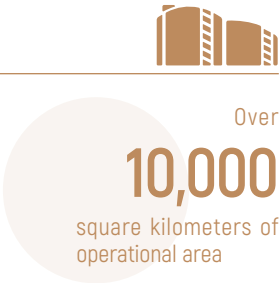


Safe Production

In line with the special rectification of "risk re-identification and safety hazard investigation" and the "year of strict management" for safe production, we firmly guard the production safety and eliminate safety hazards at the construction site by carrying out facility inspections, continuing the "STOP" card to encourage employees to rule out hazards in production, and informing other shifts about safety concerns.

Case Study: Breaking Saudi Aramco's production record

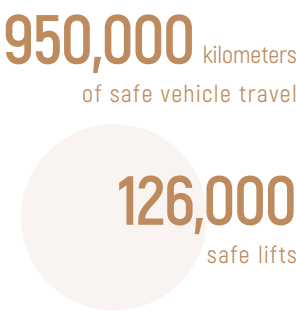
The S84 3D geophysical prospecting project of Saudi Aramco is the first mega 3D acquisition project with high-efficiency vibrating source undertaken by SSC. In 2020, SSC set a new record of high-efficiency acquisition by making 28,179 shots in a single day, and at the same time set an HSE benchmark record of 5,110,112 LTI free man-hours. Three 3D blocks were prospected throughout the year, covering over 10,000 square kilometers.



Case Study: No.1 in Safety Metrics Score among all Aramco's contractors



SSC always ensures safe production and strictly implements measures for prevention and control. As of November 3, 2020, one of SSC project departments had achieved 460,000 man-hours of safe production, 950,000 kilometers of safe vehicle travel, and 126,000 safe lifts without any reportable accidents. The Project Department was ranked first among all contractors in Aramco in May and June 2020 in construction safety metrics score and project safety metrics score.



Case Study: EP2 Project Department in Saudi Arabia passing Saudi Aramco's safety audit



In April 2021, Saudi Aramco organized the quadrennial safety audit for projects under construction, which covered various aspects such as construction site safety management, safety system documentation management, environmental safety control and camp safety management. SEG EP2 Project Department in Saudi Arabia withstood the rigorous inspection and audit of all aspects by the audit team and passed with a near perfect score. The audit team praised the project's "impressive" safety management.



Occupational Health & Safety

Sinopec is committed to maintaining the physical and mental health of its employees by strictly complying with Saudi Arabian occupational health and safety management system standards for energy and chemical industries, establishing occupational health-related systems that meet local requirements, and strengthening occupational disease hazard monitoring and occupational health checkups.

Sinopec, in all its workplaces, enforces strict safety protocols, provides safety facilities and equipment, posts safety signs at all project sites, and equips operators with complete protective gear such as goggles, high-temperature suits and masks. In the scorching desert, on-the-go medicines for heatstroke prevention and large ice machines are provided by project departments in order to facilitate employees. The company regularly conducts occupational health training and strives to improve employees' occupational health and self-protection awareness to protect employees' occupational health.



Safety sign posted at a construction site

Organizing Emergency Drills

Sinopec continuously strengthens emergency management, establishes and improves emergency response mechanisms, maintains emergency facilities and equipment, stocks supplies, and holds emergency drills.



Emergency drill

Case Story

Winning the Honor of "5 Million LTI-free Man-hours" through Safety and Prudence

Conducting Training to Keep Safety in Mind

Whether its construction or production, SEG Air Separation Project Department always insists on that "safety and prevention are top priority," with high standards and strict requirements. In particular, it carries out safety training and weekly broadcasting to educate all employees in all positions to achieve the continuous enhancement of the safety awareness of all employees involved in the project.

Strengthening Construction Site Safety through On-site Management

The Project Department focuses on its goal of achieving "zero injuries, zero pollution, and zero accidents" for on-site construction. It holds site safety meetings in order to optimize the allocation of safety management personnel in each area of the site. Safety signs are posted at construction sites and labor protection supplies, such as ear plugs, are supplied. Moreover, detailed emergency plans are prepared, and safety responsibilities are strictly fulfilled.

Responsibility is one of Sinopec's core values, and safety is an integral part of that value. In 2021, SEG Air Separation Project Department in Jubail, Saudi Arabia was awarded the honor of "5 million LTI-free Man-hours" by the owner, SABIC, demonstrating the full recognition of the owner to Sinopec in continuous improvement of safety management system and project safety control.

Highlighting Routine Control with Safety Checks

The Project Department promotes safety checks performed by safety managers on a daily basis. Specifically, they should conduct daily safety inspections, submit daily lists of safety hazard issues, enter them into a ledger, and prepare a hazard checklist. All high-risk operations are monitored and supervised, and the top management conducts annual site visits in order to ensure construction and employee safety.

Closed-loop Management and Safety Incentives

The Project Department is innovative in safety management, especially in actively encouraging employees to take the initiative to practice safety responsibility by issuing awards and rewarding employees with phone bill recharges for excellent safety performance. With a strict safety management process and atmosphere, the 196-ton argon gas tank was docked with a frame foundation in January 2020, indicating the completion of the lifting of large equipment for the Air Separation Project in Jubail, Saudi Arabia.



Safety awards presented to employees who excel in safety

Ecological Conservation to Make the Desert Greener

- Environmental Management
- Green Operation
- Ecological Conservation

In 2021, Saudi Arabia launched the Saudi Green Initiative and the Middle East Green Initiative to make progress in protecting the natural environment in Saudi Arabia. Sinopec has been operating projects in Saudi Arabia ever since bearing the concept of green development, protecting the fragile ecological environment and maintaining harmony with the natural environment, and contributing to the goal of "carbon peaking and carbon neutrality".



Environmental Management

Sinopec strictly complies with the environmental protection regulations of the project site. According to the *Environmental Management Systems--Requirements with Guidance for Use, Occupational Health and Safety Management System--Requirements, HSSE Management Manual*, and relevant HSE management systems, it has established a project environmental management system.

Carrying out Environmental Evaluation



In terms of construction activity, the Environmental Aspects Identification and Evaluation Form (involving factors that have impact on the environment, such as gas, water, noise, dust) is prepared according to the *Environmental Aspects Identification and Evaluation Procedures and Environmental Aspects Identification and Evaluation at Project Construction Sites* so as to develop and adopt targeted control measures and filings to reduce and eliminate the adverse impact on the environment.

Organizing Trainings on Environment Protection



Green promotion activities and training on green regulations are carried out to encourage employees to practice the concept of "harmony between human beings and nature" and to jointly fulfill their environmental responsibilities.

Building a Green Supply Chain



Procurement of construction materials should meet green standards in addition to quality requirements. In order to create a green site for the project, green construction site measures are established with the organizational design or special plan for environmental management, and these measures are implemented together with subcontractors in accordance with Sinopec's *Green Site Evaluation Measures* and *Green Enterprise Action Plan*.

Green Operation

With new technologies, processes and materials, as well as more efficient management practices, Sinopec effectively reduces energy consumption and pollutant emissions to minimize the impact on the surrounding environment where it operates.

Reducing Pollution and Emissions

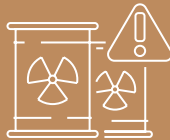
Sinopec strengthens the whole life cycle management of liquid, gas and solid effluents, and at the same time increases its efforts in production noise management, resource conservation, waste management, control of pollution source emissions and ecological environment protection of the project site.

Sinopec values energy saving and emission reduction in the operation process. Therefore, the preferred power of construction machinery and equipment is matched with the load, thus avoiding high-powered construction machinery and equipment running at low load for a long time; inverter welding machines and handheld power tools with low energy consumption and high efficiency are adopted to reduce energy consumption of electromechanical equipment. In addition, energy-saving oil additives are reused; electricity consumption indicators for both the construction site office and equipment are regulated, and regular accounting and comparative analysis are carried out to prevent excessive energy consumption.

Energy Conservation



Hazardous Waste Management



Sinopec has established and updated its hazardous waste identification list and hazardous waste management ledger, which accurately records the type, quantity, and warehouse. In addition, qualified organizations are entrusted with timely waste disposal, and Sinopec is responsible for the tracking and supervision of the whole process. The temporary storage site for hazardous waste is regularly inspected and features relevant signs, warning signs and labels. It is also equipped with complete fire-fighting equipment and has full-time supervisory staff allocated.



Sinopec collects industrial waste and domestic waste separately, and requires each subcontractor to clean up and transport domestic waste away in a timely fashion. Construction waste is sent to a designated disposal plant as burning waste is prohibited at construction sites, whereas medical waste is sent back to the medical subcontractor's facility for disposal. Finally, domestic waste is sent to nearby in-town waste disposal plant via special trucks on a daily basis.

General Waste Management



Wastewater Management



All production and domestic wastewater from SSC prospecting camps is treated to meet standards for being potable for desert birds before being discharged. SEG treats domestic water on a regular basis. The sedimentation tank is set up for timely treatment of water pumped from the pit and sewage from cleaning concrete mixers, mud trucks, etc. This tank reuses the water for on-site water spreading and concrete maintenance; wastewater from processes such as acid washing of equipment is treated in a compliant manner. STME prohibits the discharge of chemical waste streams directly into the municipal sewer system. As such, it has an agreement with a Saudi supplier qualified to treat wastewater on a regular basis.

STME takes effective measures such as vibration damping, sound dissipation, sound insulation, sound absorption and comprehensive control to prevent or otherwise reduce noise pollution. In addition, daily management of experimental operations is emphasized to reduce the incidental noise. The laboratory also conducts regular environmental monitoring for specific indicators including air, wastewater and noise to help safeguard the living environment of surrounding residents.

Noise Management



Promoting Green Construction

In order to achieve the goal of "no pollution in the work area, no damage to vegetation and no disturbance to animals," SSC uses a "one-line operation" in its field operations, leaving only the ruts of one vehicle. Furthermore, it strengthens the management of bulldozer construction, minimizes bulldozer operation, and aims to reduce the depth of bulldozing. Where bulldozing is necessary, it is limited to within 10 cm so that root systems will not be completely damaged. Oil products are stored in a standard manner to prevent pollution caused by oil leakage; all forms of waste generated at the site are collected in trash bags and transported to the camp by outgoing vehicles, and all measurement signs in the field are made of biodegradable environmental protection materials to reduce the impact of exploration and construction on the environment.

SEG promotes green construction in all aspects to reduce the impacts of production and operation on surroundings as much as possible. Dust particle emissions are reduced by way of confined space, shielding, watering, etc. Fine particle construction materials that tend to cause flying dust (such as bulk cement and ready-mixed mortar) are enclosed or covered, and the remaining materials are collected promptly. The wet method is applied in earth excavation and demolition works. The earthwork and construction wasters are transported in a closed manner. The main road surface in the construction area is hardened before commencing a project, and the road surface in the device area is also hardened before construction of process pipelines. Cleaning ponds are built, and moisture-absorbing mats are placed at the entrance and exit of the site to minimize the impact of construction on surrounding residents and communities.

Running Green Projects

We promote clean and low-carbon chemical production, actively undertake upgrading and renovation projects, and apply green construction technology and management to contribute to the green construction of Saudi Arabia.

Case Study: Upgrading industrial equipment and reducing pollutant discharge



For the IBB Synthesis Ammonia Plant Upgrading Project in Saudi Arabia undertaken by SEG, we improved the output of synthesis ammonia by increasing the reliability of the synthesis ammonia plant via stability modification. Thus, the plant was put into successful operation on May 4, 2021 after initial start-up. The Project Department carried out process and technical innovation to reduce the amount of civil works and cross-operations, shorten construction period and protect the safety of underground pipelines. The project, once completed and put into operation, will improve production stability and environmental reliability of Saudi national fertilizer companies, reduce the emission of pollutants from the plant, and will generate high economic and social benefits.



Case Study: Upgrading process technology and reducing energy consumption



In 2020, the YANPET glycol plant renovation EPC project for the Saudi Yanbu petrochemical company undertaken by SEG officially started construction. This is a typical upgrade project for an old plant, which will reduce the energy consumption of the original glycol process unit through an energy efficient and highly selective catalyst (HSC) unit to save on raw materials (ethylene and oxygen). the YANPET glycol plant renovation EPC project will reduce energy consumption by up to 25%, making it the most efficient unit of its kind in the world, thus contributing to the low-carbon development for the owner.

Ecological Conservation

Saudi Arabia is home to a variety of flora and fauna, some of which can be found near our working area. For many years, Sinopec has been dedicated to the protection of environment and biodiversity in all business areas for the benefit of creatures and their habitats. We actively carry out environmentally friendly actions to fulfill the goals of the Saudi Green Initiative and the Middle East Green Initiative. In addition, we strive to create comprehensive value in economic, social and environmental fields.

Case Study: Adding a splash of green to the Saudi desert



Voluntary tree planting is a tradition for Sinopec. Since 2008, SSC has been planting trees in places where its employees reside and work. This effort has resulted in more than 5,000 trees surviving in total, adding a green landscape to the desert, which was highly praised by owners and the government. The construction sites for the projects undertaken by SSC are usually located in the vast desert. We plan to grow a number of wind-resistant and drought-enduring saplings at every construction well site as a contribution to the environment protection while providing engineering services.

Producing the tree planting guide manual. According to this guide, each project department is encouraged to purchase drought-enduring and easily surviving saplings adaptive to the geomorphic environment surrounding each well site and grow and cultivate them in a scientific manner.

Promoting Sino-Saudi friendship. Greening the desert by planting trees can reduce staff stress and promote the friendship between Chinese and Saudi employees.



Case Study: Planting trees to protect the environment



To proactively respond to Saudi’s Middle East Green Initiative, Chinese Embassy in Saudi Arabia, Sinopec, and Saudi Ministry of Environment, Water and Agriculture jointly held a tree planting activity in Hari Mira National Park in May 2021. All members involved worked together to plant alhagi one by one by digging holes, carrying water, growing, and tilling up the earth, thus bringing life to the desert. Through this activity, we enthusiastically highlighted a green future and contributed to the building of a community of life for man and nature.



Case Study: Meeting desert friends and protecting biodiversity



SSC stresses the protection of surrounding ecological environment and the creation of a green ecological environment. In June 2021, a camp of SSC was visited by a little fox, the second species to visit after a camel. Seeing these animals, the personnel became more determined to protect the ecological environment and will continue to create a harmonious living environment for animals and plants through practical actions.



Case Story

Eastern Cleanup Campaign Protects the Blue Sea and Sky

First Stop

Cleaning the surroundings of the company's base

SSC values the surroundings where each project is located by organizing employees to engage in greening activities at the company's base and promptly cleaning up surrounding tree branches, plastics and other waste. This waste is sorted and classified properly to create a satisfactory construction environment ensuring the project runs smoothly and to reduce the impact on surrounding residents.



Second Stop

Keeping public places clean

SSC is committed to producing positive influence on local residents by taking the initiative to care about public health in communities, leading employees to visit communities and carrying out environmental innovation activities in communities. Carrying a trash bag, every employee picked up the residues in the region and volunteered to be a "sanitation worker" to create a clean, neat and healthy environment for community residents.

In 2021, the Saudi Government released its Saudi Green Initiative, which advocates for the protection of the domestic ecological environment in Saudi Arabia by improving coverage rate, reducing carbon emission, protecting marine life and other actions. The Saudi Green Initiative is designed under Saudi "Imata" Program to raise community residents' awareness of the importance of sanitation and Saudi environment protection. Sinopec actively responded to the Saudi Government's call and participated in the Eastern Cleanup Campaign in April 2021 to improve the ecological environment around communities, raise employees' awareness of environmental protection, and help build an eco-friendly "Green Saudi Arabia". The company also promoted the "Eastern Cleanup Campaign" on social media, emphasizing the power of community members working together and enhancing citizens' awareness of environmental protection and volunteerism.

Third Stop

Protecting the coastal eco-environment

SSC expresses its concern for the local marine environment by organizing employees to collect garbage along the coast and remove waste and residues left on the coast to create a clean and environment-friendly habitat for fishes, shrimp, crabs and other marine creatures as a contribution to the protection of biodiversity and the harmonious coexistence of human beings and nature.



Case Study: Protecting the marine environment



In September 2021, SEG, in conjunction with Saudi Aramco and other local cooperation partners, carried out an "orderly marine construction" activity near the Oil and Gas Processing Project Department in Berri of Saudi Arabia. Participants collected and cleaned up a variety of waste products to reduce their impact on the marine ecosystem.



Local Contribution Based on Bonds of Friendship

- Building Sustainable Infrastructure
- Creating More Jobs
- Being a Public-minded Citizen

Sinopec fulfills social expectations, solves difficulties for people, and brings benefits to people by building sustainable infrastructure to serve the development of local communities. It offers employment skills training for local community residents and actively engages in activities for public benefits to develop Sino-Saudi friendship.



Building Sustainable Infrastructure

In order to promote the realization of Saudi Vision 2030, which calls for continuing “to provide high-quality infrastructure services such as water and electricity, public transportation facilities and roads”, Sinopec has actively participated in the construction of transportation, water transmission works, public health and other projects. These efforts improve the local infrastructure and livelihood conditions by sharing advanced standards, technology, management and operation experience. As of August 2021, SSC has built more than 30 urban overpasses and roads in Saudi Arabia and completed the construction of nearly 700 km of domestic water transmission system and more than 300 km of irrigation water system from Yanbu to the holy city of Medina, making each livelihood project a monument to “Sino-Saudi friendship”. The company has been granted the outstanding contribution award by the local government multiple times.

Case Study: A project to meet people's needs for water supply



Led by the Saudi Government, SSC successfully completed the third phase of Yanbu-Medina Water Pipeline Project, which covers nearly 700 km and incorporates 20 remote control pumping stations, water storage stations and sub-transmission stations, 9 water intake stations and water supply stations. Saudi Arabia is known as the world's number one country in the seawater desalination industry. The project is the world's largest project to convey desalinated seawater, with a total transmission capacity of 550,000 cubic meters per day. Connected to the holy city of Medina, the project not only can provide sufficient drinking water, but also can protect groundwater resources for agricultural water conservancy, benefiting the residents in communities along a line that stretches for more than 100 kilometers.

Case Study: The largest recycled water project of Saudi Arabia to promote its agricultural development



The Saudi Ministry of Agriculture Treated Water Pipeline Project boasts 178 kilometers-long pipelines, two stations, 265 valve houses and 350 kilometers of optical cables. It is also the largest recycled water project in the history of Saudi Ministry of Agriculture. SSC actively allocated and utilized various resources for the works and ensured successful water supply of the whole pipeline in August 2018. For this project, the tertiary purified water is transported from the domestic wastewater treatment plant located in Al Khobar of Saudi Arabia to its largest agricultural irrigation area near Al-Ahsa City, supplying 200,000 cubic meters of purified water per day that accounts for 45% of the irrigation water consumption in the Al-Ahsa Oasis area and benefiting more than one million people in the area. Thanks to this effort, date palm farmers in the area no longer face water shortage issues and have expanded their planting area, and the delivery of irrigation water to the eastern region has been guaranteed, contributing to the development of Saudi agriculture.

Case Study: An "Overpass of China" to cement Sino-Saudi friendship



The main part of Saudi Khamis-Ahad Overpass Project undertaken by SSC has been open to traffic since March 2021. This overpass serves as a main road connecting Ahad and Khamis Mushayt and is designed with two-way six lanes. The construction includes structure, road, drainage, electricity, greening, traffic signs and other works. The Ahad Overpass, which is now open to traffic, has greatly released the increasingly tense traffic pressure by reducing the commuting time between the two places by 2/3 in rush hours, and will drive the development of regional economy and transportation, expand urban development space, and promote harmonious economic and social development along the route.



Saudi Khamis-Ahad Overpass Project undertaken by SSC



Water Transmission Project



SSC participating in IKTVA 2020 event in February 2020



Recruitment of SSC

Creating More Jobs

For the purpose of economic transformation, Saudi Arabia is actively pursuing a localization policy, with Saudi Aramco taking the lead in promoting the IKTVA (resource localization policy). Localization of employees is an important part of Sinopec's territorial management. Sinopec values the development of local communities and promotes long-term training and competence management of Saudi employees in all-round way, especially the localization of management positions, by employing local employees and offering employment skill trainings, in order to create more jobs for local residents and share the fruits of development with local people.

Sinopec conducts personnel recruitment, candidate selection and interviews via recruitment websites, social media and recruitment fairs. It employs Saudi nationals as regular employees of the company and increases local purchases to drive the prosperous development of neighboring supporting enterprises and create a large number of jobs for higher IKTVA rate.

SSC implements unified management for Saudi employees, performs monthly assessment and notification of the rate of Saudi nationals for projects, complies with policies, regulations and owners' requirements in regard to enrollment of Saudi nationals. Since the Ministry of Labour adopted classified requirements for the enrollment of Saudi nationals, SSC has been listed one of the enterprises in the green area that did the best job and was recognized by the Saudi Arabia Ministry of Labour. In 2020, SSC achieved a Saudi enrollment rate of 27.34% and IKTVA rate of 46%, both of which met government requirements.

SEG has played an active role in the Community Development Program of Saudi Arabia (CDP) by creating jobs for about 1200 Saudi laborers each year and maintaining the Saudi enrollment rate above 14%. In addition, it has employed, trained and registered more than 1000 Saudi employees through Saudi Human Resources Development Fund (HRDF) and has helped Saudi Association for the Disabled by hiring 20 disabled individuals.

Case Study: Offering a training platform



STME offers local internship positions. From 2020 to 2021, STME has recruited 15 college interns who took positions in finance and accounting, general management, research, experiments and other fields, which enable interns to gain more skills as the foundation for getting satisfactory jobs in the future. In addition, the internship program has also offered service engineer training so that local people will gain access to more high-end jobs, further improving the localization proportion of Saudi employees.

Based on the characteristics of the local staff's experiment skills, the STME invited instrument engineers to Saudi Arabia to instruct the experimenters to install and use experimental instruments, get familiar with operation manuals of the instruments, and acquire knowledge from laboratory management system documents. The engineers taught experimenters how to record, analyze and process the experimental data.



Interns developing skills in the STME

Case Study: Supporting young people's efforts to start businesses



On March 20, 2019, Yasref signed a support and sponsorship agreement with the State Institute of Entrepreneurship (Riyadah). The signing ceremony was held at the head office of the Ministry of Energy, Industry and Mineral Resources (MEIM) located in Riyadh. Eng. Mohamed Nghash Al Nghash, the President and CEO of Yasref, said that Yasref would support and help young entrepreneurs of Saudi Arabia to start and develop their own businesses through the agreement as a part of the corporate social responsibility program of Yasref.

Being a Public-minded Citizen

Seeking mutual benefits, Sinopec actively participates in community cultural exchanges, supports local education development and is committed to enabling local residents to obtain sustainable benefits, improving people's lives and promoting sustainable regional economic and social development.

Cultural Exchanges

A culture becomes more colorful because of exchanges and is enriched through mutual learning. Sinopec actively carries out cultural exchanges to promote the bond between Chinese and Saudi people and draw closer to local residents.



SSC presenting vegetarian food gift boxes to Muslim friends for Eid al Fitr



Cross-cultural symposium of China and Saudi Arabia in 2019



In 2020, SSC sponsored the Ash Sharqiyah cultural tourism festival of Saudi Arabia themed "Desert Heritage" to drive the development of local tourism, which was appreciated by Abqaiq Government officials



SEG presenting vegetarian food gift boxes to Muslim friends for Eid al Fitr at the mosque, 2019



The first Chinese and foreign culture salon under the "Belt and Road" Initiative to bridge cultural exchange in 2021

Celebration of the 15th Anniversary of SSC

In August 2019, SSC carried out a series of activities to celebrate the 15th anniversary of its establishment, inviting many stakeholders, such as senior management of Saudi Aramco and key persons in charge of relevant business departments, the Chinese Embassy in Saudi Arabia, Sinopec's representative office in Saudi Arabia, business partners and representatives of Chinese and foreign employees. These activities were designed to enhance communication from all circles and provide space to listen to their opinions and suggestions for the company.



Group photo for the 15th Anniversary of SSC

Education and Medical Support

Sinopec actively participates in local education and public welfare efforts and provides more learning opportunities for local students by engaging in activities, such as sponsoring training funds, donating to local charities and "Summer Student Aid Program," to promote the development of local education. Sinopec attaches great importance to the medical and health conditions of local communities; therefore, it leverages existing resources to build hospitals, donate medical equipment and provide medical funds in order to improve local health conditions and enhance the level of local medical practices.

Case: Disseminating safety and environmental knowledge and improving the skills of Saudi students



Invited by Saudi Aramco, SSC carried out safety activities focused on health, safety and environment protection for students at Aramco Al Khobar Elementary School. The company explained safety emergency measures to Saudi pupils by producing health, safety and environment protection posters, videos, brochures, displaying health, safety and environment protection videos, on-site Q&A, etc. It also organized garbage sorting activities to enhance their awareness of health, safety and environment protection activities as well as their safety skills.



Participating in SAWOD kids Campaign

Case Story

Industry-Wide Communication to Empower Common Development



Case Study: Sponsoring and attending International Petroleum Technology Conference



In January 2020, the 12th International Petroleum Technology Conference and Exhibition (IPTC) was held at Dhahran International Exhibition Center of Saudi Arabia. SSC was invited to sponsor and participate in the event. As the largest onshore drilling rig contractor and important partner of Saudi Aramco, SSC demonstrated its advanced equipment and technical strength in unconventional field development in this exhibition, which earned it praise from the organizer, Aramco and many visitors.

Sinopec is committed to establishing closer ties and achieving wider communication with its partners in Saudi Arabia, actively participating in industry conferences, academic meetings and special discussions and contributing wisdom to industry development and green development. Furthermore, it has maintained extensive cooperation with many internationally renowned general contracting companies.

Case Study: Strengthening international exchange via multiple channels to forge product brand



In March 2020, STME attended the World Intellectual Property (IP) Forum held by KFUPM University in Dhahran Techno Valley. Through the display of hydraulic jet hammer and other equipment, the senior technical management officers of Saudi Aramco and the management of Techno Valley became more informed about Sinopec products. In November, STME made an appearance at the online exhibition of Middle East Petroleum & Gas Conference (ADIPEC), which raised people's awareness of Sinopec by displaying high-end well drilling and completion tools and oilfield chemicals such as drilling fluids, cementing fluids and completion fluids.



STME at the Academic Conference of King Fahd University of Petroleum and Minerals

Case Study: Strengthening exchanges on safety knowledge with industry players



October 8-9, 2019, Sinopec Oilfield Service Corporation (SSC) joined the first "Workplace Safety and Health (WPHSE) Forum and Exhibition" of Saudi Arabia. The exhibition brought together safety management leaders and experts from internationally well-known oil companies to deliver a series of keynote speeches and discussions on how to improve HSE management level, enhance the value of Saudi Arabia's local human capital and contribute to the realization of Saudi Vision 2030. SSC shared its experience in strengthening staff training, improving the ratio of sandy desertification, supplier selection and training qualification, which was well received by the participants.

People-Centered Approach to Employee Development

- Realizing Employee Value
- Caring for Employees
- Adapting to Cultural Diversity

Sinopec's prosperity development in Saudi Arabia is built on the hard work of its employees. With the awareness that employees are the solid foundation for an enterprise's survival and growth, Sinopec strictly abides by labor laws and regulations in Saudi Arabia, respects local customs and culture, safeguards the rights and interests of employees, and builds a good platform for promoting the personal development of its employees from various countries, including Saudi employees. All of these are done to achieve the common growth of enterprise and employees.



Realizing Employee Value

Sinopec is committed to cultivating a workforce with professionalism, dedication, solidarity, and close cooperation in Saudi Arabia. Constant efforts are made to improve practical training and internal promotion system, to carry out various forms of motivations and recognition, and to meet employees' demand for professional and personal development.

Employee Training

Through establishing a scientific and comprehensive employee training mechanism and building a training platform, Sinopec provides a systematic training to its employees. For the ability requirements of different positions and targeting employees' weaknesses, Sinopec conducts special skill training and paired assistances aimed at instructing new employees with seniors and stimulating seniors with new employees.

Sinopec Oilfield Service Corporation (SSC) utilizes the resources of local professional training colleges such as SADA to strengthen the Saudi employees' reserve of key positions in the wellbore and technical services. It cooperates with Saudi Petroleum Services Polytechnic (SPSP) to cultivate drilling professionals and has established the Sinopec Training Center(KSA) to train local petroleum engineering talents.

Case Study: Saudi employees sign mentorship agreements with Chinese colleagues



When Hazare, a Saudi employee, joined Sinopec, he signed a mentorship agreement with Huang Bo, platform manager of SSC's SINO-18 drilling team. As Hazare encountered difficulties in his daily work, he would seek guidance from Huang Bo, who was his instructor and friend and always patiently explained the principles and demonstrated them to him. Thanks to Huang Bo's instruction, Hazare quickly became the drilling team's internship leader and obtained IADC supervisory level well control certification.



SSC and SADA Cooperate to Train Employees

Case Study: Training local employees with a platform for development



The Umm Al Sulfuric Acid Power Plant Project in northern Saudi Arabia, in which Sinopec Engineering (Group) Co., Ltd. (SEG) participated, is one of the largest sulfuric acid complex projects in the world. During the construction period, SEG allocated funds to the development plan of the local community. The company focused on setting up a professional team to implement its plan, combining theoretical training and practical training. Through mentorship agreements and one-to-one assistance, SEG has cultivated nearly 300 professional and skilled personnel for the town of Turaif and has provided a platform for their careers' sustainable development and skills learning, enhancing Sinopec's synergy for local socio-economic development.

Case Study: Training for local employees during the YMWT Project



During the Yanbu-Madina Phase 3 Water-Transmission System Project (the YMWT Project) constructed by SSC, we provided more than 2,000 jobs for the local community and other regions in Saudi Arabia. The quality of Saudi employees was generally high, and Sinopec colleagues taught them mechanical operation and equipment repair techniques to cultivate skilled, rationally-oriented, and professional local employees. Sinopec respected Saudi employees' customs and set up a special worship place for pilgrimage. The company selected outstanding local employees according to their performance in every aspect. All employees enjoyed the good treatment, and there were no complaints.

Case Study: Diverse training to enhance skills



Sinopec actively created more positions for local employees and carried out diversified training to enhance their skills. Fadiri Natural Gas Treatment Project Department of SEG cooperated with SPSP and NESMA to train 630 Saudi employees, including welders, pipefitters, installers, instrument workers, and scaffolders, and conducted a three-month OJT training on-site with existing resources. In addition, Sinopec employed 11 Saudi students returned from China and 502 Saudi employees, who were assigned to technical, planning, HR, and contract drafting positions. We had invested a total of more than 100 million rials to effectively improve the skills of Saudi employees.



SEG's Natural Gas Treatment Project Department in Fadiri awards training graduation certificates to Saudi employees

Employee Growth

Sinopec formulated a long-term localization development plan, increased the proportion of locals and overseas, and improved the salary system and career planning of Saudi employees. With monthly and annual assessment, all employees are motivated to fulfill their duties, strive for excellence, and fully utilize their talent. The company's efforts are not limited to the growth of employees' competence and accumulation of work experience. Rather, it also focuses on the development of employees' life experience and minds and aims to increase their confidence and pride to better realize self-improvement and see the value of their lives.



Our first foreign employees, Rifai Abdulla Beary, Manzoor Akhtar Anjum, Mohammed Rashad (from left to right) join SSC in 2004



Awards for SSC 10-year employees in 2019



Yahya had studied and lived in China for five years. After joining SSC in 2014, he worked in frontline drilling teams. He often filled the role of a communicator that facilitated dialogue between the rig manager and Saudi employees. On the one hand, he introduced Chinese characteristics and local customs to Saudi employees, on the other hand, he helped the rig manager to communicate with Saudi employees in Arabic so that Saudi employees could familiarize themselves with Sinopec's management regulations. He spared no efforts to the management of the team's Saudi employees.



After joining SEG, Nassir was mainly responsible for the ID processing of projects, public relations coordination, and other related tasks. Because he acted on his initiative and had strict standards for his work, Nassir was soon recognized and gradually became Sinopec's public affairs coordinator in Ras Tanura.



Case Study: Employee recognition



In order to effectively motivate employees, SSC's MIP Project Department in Saudi Arabia established a mechanism to select and reward excellent employees. Sinopec regularly posts a list and commend excellent employees, who had the excellent working ability, worked hard to increase their business knowledge, and had outstanding performances in their work. Such employees are awarded certificates of honor and other prizes.



Caring for Employees

Sinopec strictly enforces local labor laws and regulations and establishes multiple communication and feedback mechanisms to ensure that employees' reasonable demands are satisfied. Sinopec improves the system of compensation and benefits to ensure employee stability and organizes cultural and sports events to enhance employees' sense of happiness.

Employee Care

Sinopec cares about employees' work and life and values their rights to appeal. A communication and feedback mechanism between the company and employees has been established to safeguard employees' right to appeal and ensure timely communication between the two sides.

SSC has installed GPS devices for operation vehicles and provided medical vans and large ice makers. It also regularly tests the quality of drinking water. Additionally, Sinopec built prayer rooms and set up different canteens based on ethnic customs, keeping employees working and living in an equal and harmonious environment.

SEG's management personnel and contact personnel visited the site and employee dormitory, listening to their comments and suggestions on compensation, vacation, food, life during off hours, etc. Sinopec strives to meet employees' small appeals as quickly as possible and to effectively respond to the various risks affecting teams' stability.

Compensation and Benefits

Sinopec continuously improves its system for ensuring employees' compensation and benefits. Sinopec Zhongyuan Oilfield Company, a subsidiary of SSC, improved its employees' medical insurance benefits. In 2020, the company negotiated with insurance companies to add four local hospitals with superior medical facilities and to increase employees' options for medical treatment. At the same time, relatives of Saudi employees were included in the medical insurance range to enhance employees' sense of satisfaction and security of health-care insurance.

Rich Variety of Activities

To relieve employees' pressure at work, Sinopec organized various cultural and sports events such as different ball games, chess and cards, photography competitions, and tree planting. Family Open Days, preparation of birthday cakes and blessings for employees, assistance to families in need, party organization, and outstanding foreign employee recognition all play a role in strengthening communication and mutual collaboration between employees and have increased their sense of happiness.



Adapting to Cultural Diversity

We advocate the concept of respecting differences, openness and adaptation to cultural diversity. Chinese employees actively learn Arabic and understand the local culture. We provide new foreign employees with lessons on Chinese culture and Sinopec corporate culture to help them better understand Chinese culture. Chinese and Saudi employees share traditional festivals to promote cross-cultural communication.

Happy Festivals

Traditional festivals contain the excellent traditional culture of China and Saudi Arabia. Sharing the traditional festivals of both countries can achieve the effect of sharing culture, and bringing hearts and minds of two countries together.

Sinopec invited employees to celebrate Chinese traditional festivals by tasting moon cakes, attending a Spring Festival party, and sharing stories of Spring Festival and Mid-Autumn Festival. Sinopec also celebrated Saudi traditional festivals like Eid al-Fitr and Eid al-Adha with Muslim employees. On Saudi National Day, we celebrated it with Saudi employees, formed a Chinese and foreign band and held team activities to promote the friendship of employees.



STME shows its care for employees during the month of Ramadan

Cultural Exchanges

People may belong to certain nationalities, but culture has no borders. Excellent culture is the essence of each country and national culture. Sinopec is committed to exchanging the cultural essence of the two countries with China and Saudi employees, providing employees with places and resources to learn and exchange two countries' cultures in various ways.

Case Study: A Silk Road Library at Sinopec Training Center (KSA)



To promote cultural exchange, the Sinopec Training Center set up the Silk Road Library, which plays videos of Chinese scenery and music of Chinese style and offers a large number of books about Chinese culture and Sinopec corporate culture. The library provides books in Chinese, English, and Arabic versions for the convenience of Saudi employees. Employees can read books, learn calligraphy and participate in cultural exchange activities to enrich their lives during their spare time, learn about Chinese culture and experience its charm.



Group photo of Saudi students at Silk Road Library

Case Study: Book in hand, culture in mind



There is a reading room in STME. Besides providing books to read, this room also functions as a cultural salon as well as a space for video broadcasting, tea break, and relaxation. The reading room houses more than 1,500 books in English and Arabic, including Chinese customs and culture, petrochemicals and petroleum engineering in China. Reading not only promotes employees' understanding of China, but also enhances their sense of belonging and corporate cohesiveness.



Cultural exchange salon in the book corner

Case Story

A Land of Cultivation, the Sinopec Training Center (KSA)

Starting from scratch, the Sinopec Training Center (KSA) researched and developed distinctive training materials in Chinese, English, and Arabic versions, including hydrogen sulfide, confined space, first aid, firefighting, and well control. Now, it offers seven international training qualifications. In addition to helping students expand their skills, we also cultivate their abilities, such as research and management.

Since its establishment to the end of August, 2021, Sinopec Training Center has organized **1,507** training sessions, totally trained **150,989** person-time, including **65,924** person-time of Saudi employees, **63,373** person-time of Chinese employees and **21,692** person-time of other nationalities employees.

Case Study: Model student in the Sinopec Training Center (KSA)



Mohammed Salman Al Shaib, a Saudi employee of SSC's SP165 well team, has been with Sinopec for seven years. During this period, he attended various training in drilling techniques, which was held by the Training Center for Saudi employees and passed the well control exam of IADC. In 2016, Shaib was awarded as an outstanding employee and received an exchange learning opportunity in China. In 2018, he successfully became the first Saudi driller of the Sinopec Shengli Drilling project department in Saudi Arabia.



Shaib reviews in his dorm at night

Cultivation Place for Employees Basic Skills

Employees in Saudi Arabia differ considerably in abilities and education. The Training Center arranged for one-hour spelling and reading practice and coaching every day to increase trainees' vocabulary of drilling terms. Trainers patiently explained relevant knowledge to trainees to enhance their understanding of drilling theory. After a long period of theoretical learning and practice, many trainees who initially were novices in this field have turned into excellent employees.

Committed to empowering local youth in Saudi Arabia, SSC established the Sinopec Training Center (KSA) in 2008, which is its first training center overseas. The establishment of the Training Center was aimed at training Saudi employees in basic skills, improving their skills for the need of long-term development and cultivating them into international professionals who met international training requirements.

A Ladder for Employees' Long-term Growth

The Training Center provided long-term training programs such as drilling training, safety training, HSE conference, and IADC well control test for them to make long-term progress for their career development.



Saudi employees practice on well control simulators

A Cradle of International Talents

In order to better meet the training needs of SSC projects in the Middle East, particularly in Saudi Arabia, the Training Center strove to professionalize teaching staff, systematize training materials and modernize training conditions. In addition, research was conducted on training needs. Through that research, the company created a series of professional training programs closely related to international projects, with an emphasis on cultivating Saudi professionals and management talent based on international standards, operation services talent with international qualification certificates, and practical reserve talent who can meet the needs of the international market.

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