

Sinopec Corp. has been long dedicated to pursuing HSE and economic development in a well-coordinated manner, and establishing a long-standing and efficient mechanism of safe production. The Company has strictly honored its social responsibilities, and solemnly carried out its operating motto featuring “safety first, preventative measures, full participation, comprehensive governance, environment improvement, health protection, scientific management, and sustainable development”. In 2003, the Company continued to maintain its safe and stable production, endeavored to provide the society with safe, reliable and environment-friendly products with high quality, protected the environment, cared for the health of its employees, made continued efforts to get along well with the community, established a good social image, and achieved even better performance in HSE.

### ● **Steady improvement of HSE management**

Since 2001 when Sinopec Corp. announced its implementation of HSE management system, the Company has invited an international HSE Consulting Service Company to guide it on how to establish an HSE management system. At the end of 2003, 49 branch companies and subsidiaries of the Company have already established and put into operation a relatively complete HSE management system.

### ● **Implementation of a precaution-oriented policy, and a pre-evaluation of the safety risks of the newly launched projects.**

In 2003, the Company completed the pre-evaluation of the safety risks of a number of new, modified and expanded projects, such as

the southwest refined oil product pipeline, and revamping of PTA unit in Yangzi Petrochemical. It also evaluated the risks, on a regular basis, arising from those existing facilities and utilities systems. Moreover, principal facilities and critical parts were subject to dynamic monitoring and management by designated operators. For any problem found in the evaluation, the Company would rectify the potential problems and trace along the full process accordingly until such potential problems were eliminated completely, so as to ensure a safe production.

### ● **Active promotion of clean production to save water and reduce effluents.**

In 2003, the Company conducted acceptance of the clean production pilot program in some of its branches and subsidiaries, and assessed certain operative techniques of clean production which are worth promoting. Besides, the Company reinforced its control of water consumption, conducted a more intensive assessment on the use of water, and actively developed practical water-saving techniques. Compared with the year 2002, the water consumption for industrial purpose was brought down by 1%, despite of a huge increase in the production.

### ● **Providing cleaner fuel for the society**

Since 1 July 2002, the Company has fully complied new national standard for light diesel. Under the new standard, sulphur content is reduced from 1.0% to 0.2% (m/m). Since 1 July 2003, the Company has fully complied the new national standard of gasoline for motor vehicle.