



Proactively Addressing Climate Change

Sinopec Corp. implements the green and low-carbon development strategy, proactively tackles climate change issues, and persists in integrated management in energy conservation, emission reduction and carbon reduction. With these efforts, we strive to promote clean production, protect the environment, and build an environment-friendly enterprise.

Risk management of climate change

A global consensus has been reached on addressing climate change. The international, national and regional laws and regulations that stipulate greenhouse gas emission limits and the possibility of more strict rules in future will probably affect the global needs for fossil fuels, increase capital expenditure and affect profitability and strategic growth in the future. Meanwhile, extreme weather caused by climate change such as typhoon, hurricane or flood as well as sea level rise or drought may cause direct assets loss to corporate production and operation; supply chain disruptions triggered by climate change may exert indirect impacts.

The development of human society is closely related to energy supply. Without technological breakthrough, renewable energy cannot become the dominant and affordable energy; so fossil fuels will remain dominate in energy supply. As an energy and materials supplier, on one hand, Sinopec Corp. is dedicated to the development of main businesses, providing clean, high quality and affordable energy and petrochemical products. On the other hand, the Company pays high attention to climate change risks. Every year, the environmental management and protection department evaluates climate change risks, includes the risk list into the internal control manual (Please refer to the Page 21), conducts the research on greenhouse gas emission reduction, and proposes specific solutions.

Greenhouse gas emission management

We optimise energy structure, improve energy efficiency utilisation, and formulate target to control GHG emission. We have included both energy efficiency assessment and GHG assessment into the feasibility study of fix assets investment. Based on the characteristics of our current businesses, we have identified that energy conservation and efficiency improvement are the most important carbon reduction measures and advance the Energy Conservation Plan actively, with the result that the consumption of comprehensive energy per RMB 10,000 of production value is continuously reduced. We conduct GHG emission reduction by carbon dioxide capture and methane recovery in our oilfield and refining & chemical subsidiaries, and by reducing flaring emissions.