



责任  
引领未来

**Sinopec Corp. 2015**  
Communication on Progress for  
Sustainable Development

Sinopec Corp.

Global Compact  
**LEAD**

Responsibility Leads the Future

Sinopec Corp. is a large scale integrated energy and petrochemical company with upstream, midstream and downstream operations which enables the company with strong strengths. The business of the Company covers the entire petroleum and chemical industrial chain, from oil and natural gas exploration and production, refining to petrochemicals and sales, which is supported by our strong research and development capability and international trade.



Exploration and  
Production



Refining



Marketing and  
Distribution



Chemicals



Technology  
Research and  
Development



International  
Trade

## Responsibility Creates Value

Sinopec Corp. performs its responsibilities as a corporate citizen by serving the people and the society whole-heartedly. We are committed to value creation and improvement throughout the complete process of corporate reform and development, production and operation, as well as corporate management, which comprises of economic, social and cultural values.



### Creating Economic Value

■ Aiming to serve the social development and the improvement of people's living standards, we are committed to achieve performance accretion, bringing long-term sustainable value addition in corporate capital and assets.

### Promoting Social Value

■ Aiming to promote the construction of ecological civilization, we are committed to realise green, low-carbon, healthy and sustainable growth by protecting employees' interests, implementing safe production, protecting environment, conserving energy, reducing emission and conducting philanthropy.

### Enriching Cultural Value

■ Aiming to develop enterprise culture, we are committed to uphold the honorable legacy from China oil and petrochemical industry to guide our employees to pursue excellence, and advocate the common expectations by Home Culture building. Aiming to contribute to cultural development progress of the society, we are committed to conduct cultural communication and education, serve for community development and upgrade the standards of local medical and health care during the operation.

## During the 12th Five-year Plan period

• The taxes and fees paid amounted to RMB1,493.4 billion, accounting for 2.32% of the country's total cumulative revenues

• Sinopec Corp.'s annually average growth of Gross Industrial Output Value was 4.29%, but the total energy consumption only increased by 2.17%

• Sinopec Corp.'s energy intensity dropped by 8.3%, and industrial water consumption dropped by 6.1%

## For 15 years Since IPO

• Keep improving the quality of refined oil products with the sulfur content in gasoline reduced from nearly 1000 ppm in 2000 to present 10 ppm

• The accumulative dividends declared to shareholders amounted to RMB 244.2 billion

• Input accumulatively RMB49.44 billion in cultural education, community development and medical care service

• Donate RMB2.32 billion to the society. Donate RMB127 million in the Lifeline Express Programme and help cure 34,798 cataract patients

## Responsibility Leads the Future

Sinopec Corp. bears in mind the responsibilities of serving the people and the society whole-heartedly. Together with stakeholders, we contribute to constructing a beautiful China, safeguarding global ecological safety, building a harmonious society, and making a better future!



## Innovative Development Leads to an Excellent Future

We keep on promoting management innovation, strengthening anti-corruption, efficiency supervision and business transparency to improve corporate governance. We further drive our technological innovation to conform to Mass Entrepreneurship and Innovation initiative, and skill masters and technical talents keep emerging.

■ Sinopec's high efficient and environmentally friendly Aromatics Package Technology, was awarded National Special Prize for Progress in Science and Technology .

■ We achieved rich accomplishments in patents and 3,769 patents were granted, up by 25% year on year.

■ Sinopec's four subsidiaries achieved good results in building pilot intelligent plants. Among which, Jiujiang Company was selected as the State's Intelligent Manufacturing Pilot Demonstrative Project, the only one in the country's petrochemical industry.

## Green Development Leads to a Beautiful Future

We adhere to green and low-carbon development strategy, and strive to build an energy-saving and environmentally friendly enterprise, contributing to the harmonious development between human and nature.

**Supply clean energy**

■ In 2015, Sinopec Fuling shale gas successfully completed the first phase of 5 billion cubic meters capacity construction. And we have started up the second phase of capacity construction with annual capacity of 5 billion cubic meters.

■ We persistently upgrade the quality of refined oil products. In 2015, eleven municipalities and provinces in Eastern China have adopted the gasoline standard of GB V, equivalent to European V.

■ In 2015, bio-jet fuel independently developed by Sinopec Corp. was successfully deployed in its first commercial passenger flight, making China one of the few countries in the world that achieved commercialisation.

**Green and low-carbon development**

■ We continue to advance Clean Water and Blue Sky Campaign. In 2015, the total emission of four major pollutants, known as COD, sulfur dioxide, ammonia nitrogen, nitrogen oxide, had all achieved the emission reduction targets.

■ We have carried forward the Energy Conservation Plan. In 2015, 484 projects were completed, saving energy equivalent to 980,000 tonnes of standard coal.

**Tackling climate change**

■ As a lead member of the UNGC, we have supported Caring for Climate China Summit organised by the UNGC China Network for three consecutive years, leading Chinese enterprises to tackle climate change.

■ We actively participate in carbon trading. The accumulative trading volume had reached 3.90 million tonnes with a turnover of RMB140 million, accounting for roughly 8% of the domestic trading volume and turnover.

## Shared Development Leads to a Harmonious Future

We take care of our value chain partners including employees, investors, consumers and suppliers, as well as communities where we operate, sharing the fruits of our development with stakeholders and society.

**Guarantee safety production:** In 2015, we further strengthened safety production, optimised the regulations and rules, increased efforts in detecting and treating safety hazards, enhanced safety training to keep the enterprise and the employees safe.

**Caring for employees:** We respect and safeguard internationally recognised human rights, caring for employees, guarantee occupational health, facilitate career development, develop the construction of the Home Culture to increase team cohesion and sense of belonging.

**Reward investors:** We keep enhancing communications with investors, and dividends pay-out ratio has been over 40% for four consecutive years.

**Increase customer value:** We develop our own more strict enterprise standards throughout the full lifecycle quality management, aiming to provide healthy, safe and satisfying products and quality services to customers and consumers.

**Grow with industrial value chain:** We integrate social responsibility with the whole industrial value chain. In 2015, we strengthened contractor management, integrated HSE responsibilities in supplier tendering and assessment mechanism, and support suppliers by assisting them in financing.

**Contribute to the society:** We keep on supporting the development of the communities where we operate, focusing on communication with community residents, and handling the community grievance actively. We keep engaging in social donations, and undertaking philanthropy to fulfill our responsibility.

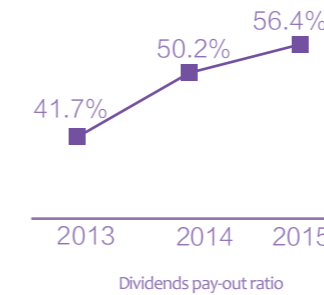
## 2015

Supplied 189 million tonnes of refined oil products and 62.87 million tonnes of chemical products

Contributions to cultural education, community development and medical service (RMB )  
6.754 billion

Sinopec Lifeline Express Programme carried out free operations for 3,286 cataract patients

Donated RMB112 million in poverty alleviation



Sinopec's Warm Station with Love programme served 6 million person-times of drivers returning to hometown during Spring Festival

## Coordinated Development Leads to a Sustainable Future

We focus on optimising resources among business segments to promote the coordinated development in the upstream, midstream and downstream of the industrial chain. Furthermore, we drive the coordinated development of traditional and emerging businesses, enhancing the company's overall capabilities and competitiveness.

In 2015, in an environment of weak oil prices which had severe impact on the oil and gas exploration & development segment, the Company's integrated businesses helped achieve good performance.

**The Exploration & Production Segment**  
We set up flexible investment decision making mechanism, effectively reduced costs and expenditures, kept exploration pace in domestic and the Fuling shale gas project attained achievement both in reserves and production.

**The Refining Segment**  
We adjusted the product slate to increase the yield of gasoline and jet fuel, optimised resources allocation and controlled the unit cost. Meanwhile, we took advantages of our dedicated marketing network which helped promote the products profitability.

### The Chemical Segment

We optimised feedstock and product mix to achieve better cost efficiency and produced marketable high value-added products. We took advantages of our marketing network and implemented differentiated marketing strategy.

### The Marketing & Distribution Segment

We developed the market, optimised the marketing network, adjusted marketing strategy to increase retail volume and single station throughput, and complimented the rapid development of non-fuel business with fuel business.

**The emerging business:** We adjust business management and development model. Based on 25,000 Easy Joy stores across the country, we explore businesses of different areas and drive physical products and industries achieving rapid development, and provide convenient and one-stop shop service for the customers. The revenue from non-fuel business recorded RMB24.83 billion, up by 45% year on year.

## Open Development Leads to a Win-Win Future

We respond to One Belt One Road initiative, integrate the company into economic globalization, adhere to the cooperative, win-win and open initiative and advance multi-culture and community integration.

■ We abide by international norms and human rights, stick to an equal, free and non-discriminating employment policy, guarantee safety, health and environmental protection .

■ We provide both job opportunities and professional skill training for countries where we invest.

■ We provide aid to improve local infrastructure, actively carry out public welfare activities and support local social development.



Leaders of China and Saudi Arabia attended the operation launch ceremony of YASREF

In 2015, China's first refining joint-venture abroad and the biggest investment project in Saudi Arabia-Yanbu Aramco Sinopec Refining Company Ltd (YASREF), put into operation. This is an important step for Sinopec in following China's One Belt One Road initiative, giving play to our advanced technologies and management advantages in refining and petrochemical segments, and promoting our business experience abroad.