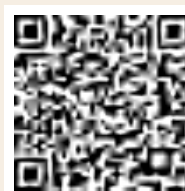




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Smart Energy Better Life

CHINA PETROCHEMICAL CORPORATION

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CHINA PETROCHEMICAL CORPORATION ANNUAL REPORT 2023



2023

ANNUAL
REPORT

CHINA PETROCHEMICAL CORPORATION





**Supporting social progress
Improving people's well being
Building inspirational legacy**

Learning and implementing the Important Instructions by General Secretary Xi Jinping during His

Visit to Shengli Oilfield and Jiujiang Petrochemical

On October 10, 2023, General Secretary Xi Jinping visited Sinopec Jiujiang Company during his inspection tour in Jiangxi. He extended his greetings to the cadres and workers and gave important instructions. This was the second time that the General Secretary Xi Jinping visited Sinopec in two years. We felt greatly encouraged and started right away a campaign to study and implement the instructions. We will close follow the important instructions, ensure concrete efforts and strive to write a new chapter of Sinopec through a Chinese path to modernization.

Adhering to in-depth learning and systematic enhancement. The Company's Leading Party Member Group held a special meeting for learning and discussion. A plenary meeting was then held afterwards to deploy a learning campaign. We carried out comprehensive publicity and in-depth interpretation of the instructions and encouraged employees at all levels including subsidiaries, workshops, stations and work teams etc. to follow the instructions and further enhance their political consciousness of firmly supporting the "two establishment" and resolutely achieving the "two maintenance".

Adhering to detailed research and comprehensive understanding. We combined the implementation of the important instructions given by General Secretary Xi Jinping during his visits to Jiujiang Petrochemical and Shengli Oilfield with learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the

feedback from the central disciplinary inspection. We conducted discussions on topics such as enhancing the core competitiveness of the refining business, accelerating digital development, and promoting green and low-carbon transformation. We reached consensus on accelerating transformation and upgrading, taking the path of new industrialization, further clarified the direction of high-quality development, and brought in new ideas for building a world-leading company.

Adhering to benchmarking and practical implementation. We focused on what General Secretary Xi Jinping pointed out as the key area for breakthroughs, made concrete efforts, and ensure implementation. The Jiujiang Petrochemical 1.5 mtpa aromatics and refining revamping project, which General Secretary Xi Jinping paid close attention to, was successfully enlisted into the national petrochemical industrial plan. Four subsidiaries were rated as national intelligent manufacturing demonstration factories, and eight subsidiaries were rated as green factories. Pollution Indicators of subsidiaries along the Yangtze River were greatly reduced including wastewater discharge, chemical oxygen demand, ammonia nitrogen, nitrogen oxides etc. We drew motivation and inspiration from General Secretary Xi Jinping's instructions on "building world-leading green intelligent refineries and petrochemical companies" and "breaking the encirclement of chemical plants around the river", and provided solutions and successful practices at Sinopec.



Sinopec Dream, Chinese Dream

—Celebrating the 40th anniversary of the establishment of Sinopec

The long river of time passes through towering mountains, and leads us to the 40th anniversary of Sinopec's establishment.

40 years is just a fleeting moment in the long history, but for Sinopec, it means great changes. 40 years ago, with the surging tide brought by reform and opening up policy, the Party Central Committee and the State Council decided to establish China Petroleum and Chemical Corporation (Sinopec) in order to make good use of the precious 100 million tonnes of crude oil in China at that time, which marked the beginning of vitalizing China's petrochemical industry. For the past 40 years, we have always devoted ourselves to serving the Party, the country, and the people, taken "Love China, Revitalize the Petrochemical Industry" as our own responsibility, and consciously shouldered the glorious mission entrusted by the Party and the country. We have overcome many unimaginable difficulties and challenges, and have made many arduous struggles at different historical stages including reform and opening up, restructuring and reorganization, transformation and upgrading. We have made remarkable and indispensable contributions to revitalizing China's petrochemical industry, including ensuring national energy security, enhancing people's well-being, improving the modern corporate system with Chinese characteristics, promoting scientific and technological self-reliance, and consolidating the Party's governing foundation. We have successfully embarked on a path of SOE reform that adapts to socialist market economy. This is a path that demonstrates revolutionary spirits that has been passed down from generation to generation, a path that aims for revitalization dedicated to the Party and the people, and a path where all Sinopec employees move forward, work hard, and climb new heights despite all obstacles. We will follow this path and join hands for a more brilliant future together!

One at the age of 40 years is already a middle-aged person. Sinopec at its 40th anniversary is still in the prime of youth. Today, Sinopec is immersed in the great new era with a solid foundation to empower a better life under the strong leadership of the Party Central Committee with General Secretary Xi Jinping at its core. Today, Sinopec has developed into the world's largest refiner, the second largest chemical company, and China's largest supplier of refined oil and petrochemical products. The total number of service stations ranks second in the world. The past years have witnessed our increasing oil and gas supply capabilities, stronger scientific and technological innovation strength, and greatly-enhanced management level and more powerful Party leadership. Today, Sinopec stays firm among the top on the Fortune Global 500 list, and shows an unprecedented growing momentum. Time is mature for us to achieve high-quality development and build a world-leading company. We should cherish the hard-won achievements, walk on the right path, do our things right, and make our business prosper day by day!

40 years is not only a milestone in carrying forward the past and opening up the future, but also a new starting point for uniting together and forging ahead. On the new journey, we are honored to participate in the unprecedented great cause of Chinese path to modernization, and to be the dreamer of the great rejuvenation of the Chinese nation. It is a gift of the times and a great honor as well. When born in a prosperous era, one should live up to it and strive for it. Dreams will not be easily realized by just beating drums and singing songs. Only by arduous efforts could dreams come true. We must unite together, work harder, look ahead, and be upright and innovative. We would shoulder new responsibilities, take on a new journey, and bring the petrochemical industry to a higher level. We would make contributions to realizing the beautiful landscape of Chinese path to modernization step by step, and raising up the Chinese Dream with Sinopec Dream!

Forty years of glory pave the way to set sail for a greater future. We will rally closely around the Central Committee of the CPC with General Secretary Xi at its core, hold high the great banner of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and carry on with the vision of "Love China, Revitalize Petrochemicals". We will forge ahead towards building Sinopec into a world-leading company that supports social progress, improves people's wellbeing and builds inspirational legacy. We will write a new chapter of Sinopec through a Chinese path to modernization, and making new contributions to the great cause of building a strong country and achieving national rejuvenation!





Corporate Spirit

LOVING CHINA, REVITALIZING
PETROCHEMICAL INDUSTRY

Corporate Vision

BUILDING A WORLD LEADING CLEAN ENERGY AND
CHEMICAL COMPANY

Corporate Mission

POWERING A BETTER LIFE

Corporate Values

- PEOPLE
- METICULOUSNESS
- RESPONSIBILITY
- INNOVATION
- INTEGRITY
- WIN-WIN

Corporate Way of Doing Things

- BEING STRINGENT
- ATTENDING TO DETAILS
- LAYING SOLID BASE

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About Us

Members of the Board of Directors

Chairman: **Ma Yongsheng**

Director: **Zhao Dong** **Zhong Ren**

Independent Directors:

Jiao Kaihe **Chen Yueming**

Wu Xiandong **Chen Bi**

Pan Zhengyi

Employee Director:

Qin Du

Members of the Leading Party Member Group

Ma Yongsheng

Chairman, Secretary of the Leading Party Member Group

Zhao Dong

Board Director, President, Deputy Secretary of the Leading Party Member Group

Zhong Ren

Board Director, Deputy Secretary of the Leading Party Member Group

Wang Peng

Member of the Leading Party Member Group, Leader of the Discipline Inspection and Supervision Team

Zhang Shaofeng

Member of the Leading Party Member Group, Chief Financial Officer

Li Yonglin

Member of the Leading Party Member Group, Vice President

Lv Lianggong

Member of the Leading Party Member Group, Vice President

Niu Shuanwen

Member of the Leading Party Member Group, Vice President

Wan Tao

Member of the Leading Party Member Group, Vice President

China Petrochemical Corporation (the Company) was established in July 1998 on the basis of the former China Petrochemical Corporation, a move by the central government to strategically restructure the petroleum and petrochemical industry. It was further incorporated as a limited liability corporation in August 2018. A super large energy and petrochemical group with integrated business in upstream, downstream, production, supply, marketing, domestic and overseas trading, the Company has a registered capital of 326.5 billion yuan with the chairperson of the board of Sinopec Group serving as its legal representative. Headquartered in Beijing, it exercises the investor's rights to the related state assets owned by its full subsidiaries, controlled companies and share-holding companies, including receiving returns on assets, making major decisions and appointing managers. It operates, manages and supervises state assets according to related laws, and shoulders the corresponding responsibility of maintaining and increasing the value of state assets.

Principal businesses of the Company include industrial investment and investment management; petroleum and natural gas exploration, production, storage and transportation (including pipeline transportation), sales and comprehensive utilization; coal production, sales, storage and transportation;

oil refining; storage, transportation, wholesale and retail of oil products; production, sales, storage, transportation of petrochemical products, gas-based chemicals, coal chemical products and other chemical products; production, sales, storage and transportation of new energy products such as hydrogen, solar, wind and geothermal energies; battery charging and swapping business for new energy vehicles and other related services; design, consulting, construction and installation of petroleum and petrochemical engineering projects; overhaul and maintenance of petroleum and petrochemical equipment; R&D, manufacturing and sales of electrical and mechanical equipment; production and sale of electricity, steam, water and industrial gas; research, development, application and consulting services of technology, e-commerce, information and alternative energy products; import& export, including import and export agency business of self-support products and commodities and technologies; foreign project contracting, bidding and purchasing; international storage and logistics business.

The Company is the largest oil and petrochemical products supplier in China, and the largest refining company and the second largest chemical company in the world. Its total number of gas stations ranks the second place in the world. It has been ranking among the top on Fortune's Global 500 List in recent years.

Message from the Chairman

Thank you for your interest in reading our annual report and continued support to the Company.

The year 2023 was of special significance in the history of Sinopec. This year, General Secretary Xi Jinping visited Jiujiang Petrochemical to point out the direction for the high-quality development of the Company. This was his second inspection tour to Sinopec in two years. All of our employees felt the warmth and support and were greatly encouraged and motivated. Over the past year, we kept in mind General Secretary Xi Jinping's earnest instructions, took thematic education and disciplinary inspections as driving forces, further implemented high-quality development actions, and accelerated building a world-leading company. We managed risks, overcame difficulties, adapted to various situations, and blazed new growth patterns. Progress was made in all aspects of our performance. After restoring policy-related extra-budgetary factors, we outperformed our annual targets. Domestic oil and gas production, refining throughput, ethylene production, PX production, total labor productivity, and R&D investment all reached historic highs. Oil production, marketing volume, and retail volume all reached their best levels since the 14th Five Year Plan period. We delivered gratifying results with high quality and good performance in the opening year of fully implementing the principles of the 20th National Congress of the Communist Party of China and at the milestone when we celebrated the 40th anniversary of Sinopec's establishment.

We made new achievements in ensuring energy security, with a good momentum of increasing reserve and production. We actively sought ways to sustain resource succession, made efforts to guard and expand mining rights, carried forward the seven-year E&P campaign, and achieved a number of major breakthroughs in ultra -deep, tight, and unconventional fields. The "Deep Earth Engineering" project drilled the deepest onshore well in Asia, and the construction of the Jiyang Shale Oil National Demonstration Zone smoothly went on. We discovered new shale oil resources in Sichuan Basin with a capacity of billions of tonnes, stabilized production in brown fields and achieved good results in increasing reserve, production and profitability while cutting costs. We promoted international energy cooperation by signing contracts for projects such as Qatar Northern Field Expansion and continuously optimizing the overseas asset portfolio. Sinopec International Petroleum Exploration and Production Corporation hit the "billion yuan" goals for both its net profit attributable to the parent company and free cash flow respectively.

We made new achievements in industrial transformation, with breakthroughs in quality improvement and upgrading. We actively undertook the strategically emerging and future industrial development tasks deployed by SASAC, firmly moved towards the mid to high end, and focused on consolidating our market competitiveness. We expedited the implementation of a number of refining structural adjustments, transformation and development, as well as integration and exit projects. We continued to develop advanced ethylene production capacity and the number of ethylene projects enlisted into the national petrochemical industrial plan reached the highest in history. With a clear top-level design in place for the charging business, we promoted the construction of comprehensive energy stations for "fuel, gas, hydrogen, electricity and services". Breakthroughs were also made in the overseas market refining, chemicals, and marketing. The Kuqa Green Hydrogen Demonstration Project was completed and put into operation, and the "Demonstration Project of Hydrogen Transmission Pipeline from Ulanqab to Beijing-Tianjin-Hebei Region" was included in the national plan. Our wind and solar power generation business continued to grow, with geothermal heating capacity still ranking first in the world. We successfully hosted the World Geothermal Conference, achieved breakthroughs in CCUS industrialization, and built China's first integrated smart energy system in the oil and gas field, which integrated source, network, load, and storage. The level of green and low-carbon development continued to improve. The capital and financial services actively facilitated the development of major business segments, acting as the engine to drive industrial transformation and upgrading.

We made new achievements in scientific and technological self-reliance, with innovative results constantly emerging.

We endeavored to act as the national strategic scientific and technological development force and actively integrated into the national scientific and technological innovation system. The number of national key laboratories owned by Sinopec ranked first in China's energy and chemical industry. The National Key Laboratory for Shale Oil and Gas Enrichment Mechanism and Efficient Development was successfully restructured, and the Key Laboratory for National Energy Carbonate Oil and Gas was officially unveiled. We beefed up for national key research and development plan, "1025 Special Project" phase II, and the "Weakness Shoring Up" project, accelerated the efforts to seek original technology sources, and completed the medium and long-term development plans of basic research. Significant progress was made in a number of key and core technologies such as continental shale oil and gas, 5G intelligent node instruments, rotary geological directional drilling, high-temperature logging, heavy oil catalytic cracking, aviation lubricants, liquid rubber, PVA optical films, and hydrogen fuel cell catalysts, etc. We ranked sixth in the world's top 250 patents list and also stayed top among Chinese companies. We completed the national pilot demonstration project of "Industrial Internet +Safe Production" and "Beidou Comprehensive Application", becoming the "chain leader" of software industry chain in the petrochemical sector.

We made new achievements in deepening reform with development vitality continuously unleashed. We completed the three-year action of state-owned enterprise reform with high quality and won an A-level assessment. We fully launched the reform deepening and enhancement action. The headquarters and functional settings were continuously optimized, breakthroughs were made in subsidiary restructuring and integration, new steps were taken in specialized subsidiary development, and efforts were sped up for building a new type of operation accountability system. By focusing on becoming a world-leading company, we perfected the strategically intensive financial management and control system, promoted the construction of the treasury system with high quality, strengthened equity investment management, deepened asset classification evaluation, and vigorously cracked down on false trade. We prudently responded to changes in the capital market, intensified company value management, and significantly improved the quality of listed companies under Sinopec Group such as Sinopec Corp., all leading to continuous progress in ESG. We actively promoted the transformation and development of long-established subsidiaries with operating difficulties and helped them to turn around. We achieved the historic goal of basically eliminating loss making subsidiaries. Measure were taken to strengthen comprehensive risk management, continue to apply the rule of law and compliance management, fully leverage the functions of audit, finance, law, and corporate management, and focus on risk prevention and control in key areas for safeguarding the bottom line of preventing systemic risks. We persisted in strengthening the "three basics" work, and actively carried out safety management strengthening and the green and low-carbon "weakness shoring up" actions, contributing to overall stable operation and clean production

We made new achievements in the Party's full and rigorous self-governance with political ecology going up steadily. We

studied and implemented the important thoughts of General Secretary Xi Jinping on Party building, took thematic education as a driving force, persistently applied the innovative theories of the Party, held rounds of training sessions on the guiding principles of the 20th National Congress of the Party, thus enhancing the political judgment, understanding, and execution of Party members and cadres. We kept improving the Party's full and rigorous self-governance, sought ways and methods to ensure Party building in various subsidiaries and elevated the organizational functions of Party organizations. For three consecutive years, we had been rated as Grade A in the assessment of Party building responsibility system among central SOEs. We paid close attention to the need of gathering talents for career succession and took effective measures to select and promote talents. The proportion of cadres selected and appointed with an overall evaluation of "good" maintained a high level for consecutive years and the implementation of talent development plans paced up. Apart from growing our business organically, we also strengthened external publicity. We celebrated the 40th anniversary of the establishment of Sinopec in a grand yet simple manner and shouldered social responsibility in assisting rural revitalization and disaster relief etc. Our brand building capability ranked first among central SOEs for three consecutive years. We strengthened inspection and supervision work, carried special rectification actions, and ensured a political ecology featuring uprightness and entrepreneurship.

The remarkable achievements were hard won, thanks to the dedication and concerted efforts of all the management and employees of the Company under the care and support of the Central Committee of the CPC with General Secretary Xi at its core, under the guidance of the authorities and friends from all walks of life, under the trust given by our clients and consumers and under the collaboration with partners from home and abroad. Hereby, on behalf of the Board of Directors, the management and all employees of the Company, I would like to express my heartfelt appreciation to all friends who have been supporting and helping Sinopec!

2024 marks the 75th anniversary of the founding of the People's Republic of China and is a crucial year for achieving the goals and tasks of the 14th Five Year Plan. It is of great significance to deliver good performance in all aspects of work throughout the year. We will rally closely around the Central Committee of the CPC with General Secretary Xi at its core, fully implement the guiding principles of the 20th CPC National Congress and the important instructions given by General Secretary Xi Jinping during his visits to Shengli Oilfield and Jiujiang Petrochemical. We will forge ahead to enhance our core functions and competitiveness and focus on transformation and upgrading, business efficiency, reform and innovation, risk prevention and control, and Party building. We will step up to create new paths for high quality development, make new and greater contributions to the construction of a strong country and the great cause of national rejuvenation, and celebrate the 75th anniversary of the founding of the PRC with excellent results.

馬永生



Ma Yongsheng,
Chairman

Message from the President



Zhao Dong,
President

The year 2023 was full of difficulties and challenges, with weak global economic recovery, intensified geopolitical tensions, fluctuating international oil prices, and slack demand in the chemical market. Unstable, uncertain, and unpredictable factors were on the rise. In the face of such complicated environment, we followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and carried out in-depth studies on the guiding principles of the 20th CPC National Congress and the important instructions given by General Secretary Xi Jinping during his inspection tours to Shengli Oilfield and Jiujiang Petrochemical. We fully implemented high-quality development actions, optimized production and operation in all aspects, and made every effort to boost development quality and profitability so as to ensure stable growth. After restoring policy-related extra-budgetary factors, the Company recorded an annual operating revenue of 3.25 trillion yuan, a total profit of 117.07 billion yuan, and a net profit of 96.63 billion yuan. We successfully met the "One Profit and Five Rates" targets set by SASAC and our operating performance stayed ahead among the central SOEs.

We kept improving operation with greater results achieved in production and operation. We pressed ahead with the seven-year E&P campaign for domestic upstream. Major breakthroughs were made in the exploration of the Shunbei New Zone of the Tarim Basin and the deep coalbed methane in the Ordos Basin. Progress was obtained in promoting "Deep Earth Engineering" projects and Shengli Jiyang shale oil national demonstration area effectively. The net profit and cash flow of overseas upstream both reached 10 billion yuan, and a batch of non-performing assets was divested. In refining, we followed dynamic resource coordination, completed the supply guarantee task under ultra-low inventory, optimized the operation of the industrial chain in line with market conditions, and set a historical high in refining throughput for the year. In chemicals, we adhered to an integrated operation approach to generate profit, calculated marginal benefits on "one subsidiary, one policy", optimized utilization rate and further increased proportion of three major synthetic materials and high value-added fine chemical products. In marketing, we spared no efforts to secure our market position and explore new market space. The marketing segment coordinated with refineries to determine production and marketing volume for consolidating market share in fierce competition. Favorable operating results were achieved in refining sales, chemical sales, catalysts, oilfield service, refining and petrochemical engineering etc.

We promoted two-way development with all-around acceleration in transformation and upgrading. We vigorously transformed and upgraded traditional business, strengthened cooperation with resource-rich provinces (regions), and took effective measures to protect and expand mining rights. We continuously improved the natural gas production, supply, storage and sales system, and completed and put into operation key projects such as the Wen24 gas storage facility and Shandong LNG Phase III. Projects including Anqing refining to chemical structural adjustment, Hainan ethylene, and relocation and upgrading for caprolactam industry chain were completed and put into operation. Mechanical completion was accomplished for Tianjin Nangang Ethylene project. The construction of Zhenhai Phase II and Yizheng PTA was accelerated. The number of ethylene project enlisted into the national petrochemical

industrial plan reached a record high. We fully implemented the three-year action plan for development charging network, and steadily increased the number of charging and swapping stations and charging terminals. We expedited the development of strategic and new industries with wind, solar, geothermal, and hydrogen energies enlisted to the Company's main businesses to be cultivated. The completed Kuqa Green Hydrogen Project in Xinjiang began to produce hydrogen. The "Demonstration Project of Hydrogen Transmission Pipeline from Ulanqab to Beijing-Tianjin-Hebei Region" was incorporated into the national network, and the "Source, Network, Load, Hydrogen, Storage" integrated project was included in the third batch of national wind and solar power bases. We built and put into operation China's first megaton carbon dioxide long-distance pipeline. The newly added installed capacity of wind and solar power exceeded 1000 megawatts, and the newly added geothermal heating capacity exceeded 12 million square meters. The 7th World Geothermal Congress we held received high recognition from all parties.

We strived for self-reliance, self-improvement, and indigenous innovation with the vitality of R&D further unleashed. We actively integrated into the national scientific and technological innovation system, led the establishment of four national key laboratories and participated in the set-up of two national key laboratories, ranking among the top in the energy and chemical industry in terms of quantity. We brought forward national strategic scientific and technological tasks with high quality and made phased results in creating original technology sources. We made fruitful achievements in tackling key and core technologies. The key technologies of ultra-deep well drilling and completion engineering saw more breakthroughs, and the electric fracturing equipment with the world's largest unit power was successfully developed. The world's first 3 mtpa heavy oil catalytic cracking unit was put into operation. The high-performance liquid rubber industrial unit was domestically produced for the first time, and PVA optical films arrived on the market for the first time. We improved the mechanism for tackling new technological challenges, and continuously provided support for the "Seedling Plan", "Open Competition Mechanism", "Youth Doctoral Support Plan" and "Special Funds for Key Pilot Projects". We solidly promoted more than 10 national pilot demonstration projects, such as artificial intelligence and "Industrial Internet+". The Company became the "chain leader" of software value chain for the petrochemical industry.

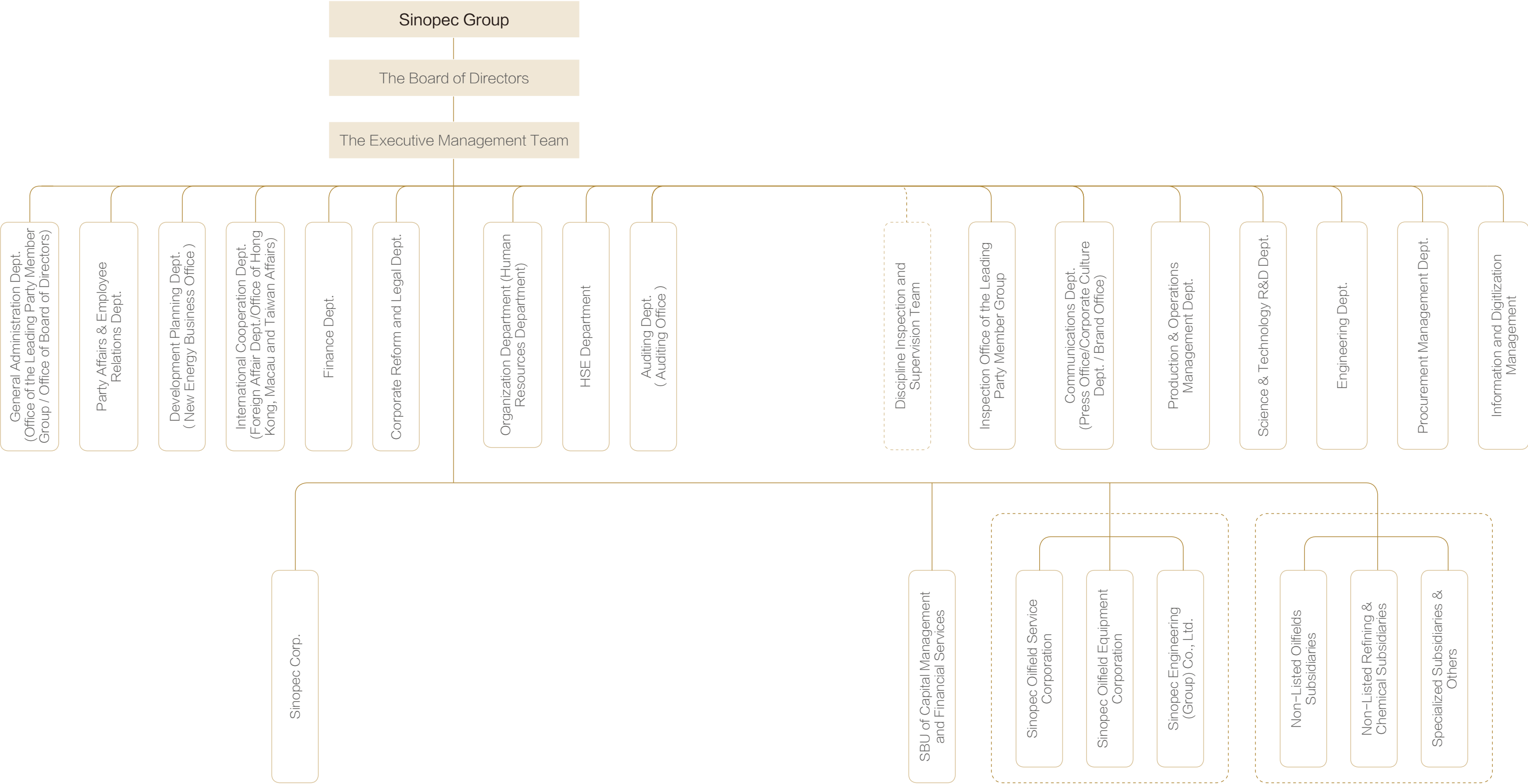
We took multiple measures to carry out reform with the effectiveness of corporate management released continuously. We consolidated and enhanced the effectiveness of the three-year action plan for deepening reform, continued to launch the

reform deepening and upgrading actions, coordinated and optimized the headquarters structure and functional settings, and vigorously implemented strategic restructuring. We improved the organization and institutional system of the "Three Basics" work, and continuously enhanced the standardization level of grassroots management. The Company was included into SASAC's list of world-leading demonstration companies. Our total cost of major segments achieved a "double decrease" when comparing to the budget and the same period of last year. We met the goal of basically eliminating loss-making subsidiaries. We worked on normalized market value management mechanism, orderly implemented the stock increase for Sinopec Group and share repurchase of the Sinopec Corp. 9 controlling listed companies made full ESG performance disclosure for the first time, significantly raising the quality of our listed companies. We strengthened risk control and internal control management and the Company was rated A-level in terms of the effectiveness of the internal control system during the spot check by SASAC. We ensured the rule of law and compliance management and completed the appointment of chief compliance officers in 38 directly affiliated subsidiaries. We efficiently coordinated and carried out audit supervision, with audit quality evaluation ranking first in the A-level of central SOEs. We carried forward the annual action plan to strengthen safety management and fought the battle against pollution, and the level of HSE management continued to improve.

The new era carries new hope, and the new journey calls for new responsibilities. We will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, study and implement the guiding principles of the 20th CPC National Congress and the important instructions given by General Secretary Xi Jinping during his visits to Shengli Oilfield and Jiujiang Petrochemical. We will make solid steps to reach our goals, shoulder responsibilities, and strive for better operating performance. We will march towards high-quality development, build a world-leading company and celebrate the 75th anniversary of the founding of the PRC with outstanding achievements.

Organizational Structure

(As of 31 December 2023)



Financial Overview

(As of 31 December 2023)

Balance Sheet

RMB: Millions

Item	2023	2023 (adjusted)	2022 (unadjusted)	2021
Current Assets				
Cash at bank and in hand	225,863.75	230,343.11	230,343.11	271,061.34
Financial assets held for trading	32,479.51	33,541.39	33,541.39	28,462.29
Accounts receivable	61,835.52	55,744.00	55,744.00	48,169.64
Receivables Financing	4,919.40	5,589.25	5,589.25	8,427.88
Advance payments	18,733.58	23,670.89	23,670.89	22,889.09
Other receivables	33,969.92	36,540.14	36,540.14	42,626.48
Inventories	314,643.70	308,917.29	308,917.29	262,595.44
Contract assets	27,563.16	26,280.58	26,280.58	24,534.74
Current portion of non-current assets	5,379.00	15,293.76	15,293.76	2,655.37
Other current assets	179,220.11	126,832.84	126,832.84	134,899.77
Total current assets	904,607.65	862,753.25	862,753.25	846,322.05
Non-current assets				
Other debt investment	6,618.41	5,755.99	5,755.99	6,801.01
Long-term receivables	13,151.73	985.99	985.99	12,727.85
Long-term equity investment	235,954.09	233,539.71	233,539.71	200,676.86
Other equity instruments investment	28,142.62	24,496.37	24,496.37	12,839.34
Fixed Assets	641,346.73	593,115.43	593,115.43	570,452.47
Oil and gas assets	200,880.24	163,533.98	163,533.98	132,138.15
Construction in progress	203,534.33	217,816.18	217,816.18	173,719.01
Right-of-use assets	41,078.06	40,243.07	40,243.07	37,968.79
Intangible assets	164,167.32	146,714.15	146,714.15	145,462.24
Goodwill	8,656.82	8,649.03	8,649.03	10,778.94
Long-term deferred expenses	21,728.48	19,766.56	19,766.56	17,102.58
Deferred tax assets	26,260.20	24,350.88	21,857.52	21,355.56
Other non-current assets	220,115.88	204,118.54	204,118.54	229,738.64
Total non-current assets	1,811,634.89	1,683,085.90	1,680,592.53	1,571,761.42
Total assets	2,716,242.54	2,545,839.15	2,543,345.78	2,418,083.47

Item	2023	2023 (adjusted)	2022 (unadjusted)	2021
Current liabilities				
Short-term loans	139,443.05	81,098.80	81,098.80	69,122.24
Bills payable	40,977.51	21,936.96	21,936.96	22,519.10
Accounts payable	282,700.14	288,920.96	288,920.96	251,277.72
Contract liabilities	162,687.20	157,231.68	157,231.68	150,022.24
Employees compensation payable	28,017.63	25,784.73	25,784.73	19,674.11
Taxes and fees payable	45,452.67	38,369.60	38,369.60	88,726.08
Other payables	119,231.65	135,773.10	135,773.10	114,365.70
Current portion of non-current liabilities	58,871.60	75,830.15	75,830.15	49,318.49
Other current liabilities	31,872.85	37,682.42	37,682.42	62,727.62
Total current liabilities	909,254.30	862,628.40	862,628.40	827,753.29
Non-current liabilities				
Long-term loans	174,996.51	92,638.71	92,638.71	46,452.60
Debentures payable	137,266.11	163,791.63	163,791.63	201,133.83
Long-term accounts payable	49,789.82	13,597.64	13,597.64	18,117.64
Lease liabilities	24,545.48	25,213.41	25,213.41	23,382.95
Long-term employee compensation payable	1,791.85	1,731.69	1,731.69	1,957.01
Contingent liabilities	58,532.25	51,898.18	51,898.18	44,077.43
Deferred tax liabilities	14,957.69	8,970.69	9,773.15	9,192.79
Other non-current liabilities	17,341.45	9,014.50	9,014.50	12,377.47
Total non-current liabilities	479,221.17	366,856.46	367,658.92	356,691.72
Total liabilities	1,388,475.46	1,229,484.86	1,230,287.32	1,184,445.01
Shareholders'equity				
Paid-in capital	326,525.11	326,423.92	326,423.92	326,093.75
Capital reserve	62,672.24	62,622.07	62,651.64	55,989.61
Other comprehensive income	-8,996.83	-6,120.04	-6,119.97	-11,822.24
Special reserve	2,874.06	3,013.05	3,013.05	2,761.07
Surplus reserve	250,009.51	242,484.21	242,364.55	234,943.20
Provision for general risks	2,936.10	2,816.91	2,816.91	2,303.82
Retained profits	286,713.13	282,616.43	280,720.12	237,583.54
Shareholders'equity attributed to equity shareholders of the Group	922,733.32	913,856.55	911,870.23	847,852.75
Minority interests	405,033.76	402,497.73	401,188.23	385,785.71
Total shareholders'equity	1,327,767.08	1,316,354.29	1,313,058.46	1,233,638.46
Total liabilities and shareholders'equity	2,716,242.54	2,545,839.15	2,543,345.78	2,418,083.47

Note: In accordance with the relevant provisions of the Ministry of Finance's 'Interpretation of Accounting Standards for Business Enterprises No. 16', the Company, for the lease liabilities and right-of-use assets recognized on 1 January 2022 as a result of a single transaction to which the provisions apply, generating taxable temporary differences and deductible temporary differences, in accordance with the provisions of the 'Accounting Standards for Business Enterprises No. 18 - Income Taxes', made adjustments to the 2023 Financial Statements opening retained earnings and other related items.

Income Statement

RMB: Millions

Item	2023	2022 (adjusted)	2022 (unadjusted)	2021
Operating Income	3,245,388.23	3,366,865.58	3,366,865.58	2,789,498.71
Total operating expenses	3,152,515.15	3,272,326.15	3,272,326.15	2,665,562.10
Operating expenses	2,707,654.17	2,840,169.21	2,840,169.21	2,239,760.38
Taxes and surcharges	276,468.44	266,782.27	266,782.27	261,695.02
Selling expenses	61,124.37	58,433.08	58,433.08	57,637.52
Administrative expenses	72,963.98	74,990.46	74,990.46	75,246.96
R&D expenses	19,239.28	18,067.93	18,067.93	16,251.19
Exploration expenses	11,331.66	10,593.48	10,593.48	12,381.97
Financial expenses	3,733.25	3,289.71	3,289.71	2,589.05
Add: Other income	11,949.78	9,005.13	9,005.13	6,841.65
Investment gains	9,922.32	16,601.52	16,601.52	8,113.39
Change of fair value	1,922.89	-1,169.03	-1,169.03	4,929.01
Credit impairment loss	325.16	3,007.30	3,007.30	-11,090.98
Assets impairment loss	-3,419.02	-10,162.19	-10,162.19	-13,798.94
Assest disposal gains	5,332.93	1,766.25	1,766.25	1,976.22
Operating profit	118,907.13	113,588.40	113,588.40	120,906.97
Add: Non-operating income	2,557.58	13,861.91	13,861.91	5,941.58
Less: Non-operating expenses	4,395.81	6,975.84	6,975.84	10,263.57
Total profit	117,068.91	120,474.47	120,474.47	116,584.98
Less: Income tax	20,440.39	24,361.34	25,235.61	28,557.78
Net profit	96,628.52	96,113.14	95,238.87	88,027.20
Less: Minority interests	30,130.26	30,594.09	30,278.75	34,385.84
Net profit attributable to equity shareholders of the Group	66,498.26	65,519.05	64,960.12	53,641.37

Note: In accordance with the relevant provisions of the Ministry of Finance's 'Interpretation of Accounting Standards for Business Enterprises No. 16', the Company, for the lease liabilities and right-of-use assets recognized on 1 January 2022 as a result of a single transaction to which the provisions apply, generating taxable temporary differences and deductible temporary differences, in accordance with the provisions of the 'Accounting Standards for Business Enterprises No. 18 - Income Taxes', made adjustments to the 2023 Financial Statements opening retained earnings and other related items.

Investment Overview

The Capex throughout the year totaled 233.3 billion yuan (including 11.1 billion yuan of exploration expenses). Among it, 116 billion yuan was invested in oil, gas and new energy business segment, 41.3 billion yuan in refining and marketing segment, 66.2 billion yuan in chemical and materials segment, 4.1 billion yuan in capital and financial services segment, and 5.7 billion yuan in R&D, IT and others.

For the oil, gas and new energy business segment, we seized the opportunity of high oil prices, further consolidated our energy foundation, and promoted high-quality exploration. We carried forward basic research in key areas such as the Deep Earth Project, shale oil and gas, marine areas, and deep coal-bed methane, and strengthened risk exploration in new areas and integrated evaluation and exploration in oil and gas rich zones, all contributing to more fruitful results in exploration. We expanded the scale of profitable oil and gas production capacity, implemented the seven-year action plan, and accelerated the construction of oil and gas production capacity projects in key regions such as Shunbei, Sichuan and Chongqing. We promoted the construction of natural gas infrastructure, optimized plans for the scale-up of natural gas reserves, overall layout and construction methods. Projects such as Wen24 and Baimiao shallow gas storage were promoted steadily to enhance market peak shaving and ensure gas supply. We advanced the development of CCUS and the Qilu Petrochemical-Shengli Oil-field megaton CCUS demonstration project was completed and put into operation. We pushed up the development of the new energy industry. In green hydrogen, the world's largest industrial green electricity to hydrogen production project, Kuqa Green Hydrogen Project, was completed and put into operation, and 11 hydrogen supply centers for hydrogen fuel cell were completed. In green power, we accelerated the construction of decentralized wind power and distributed photovoltaic power stations. The Shengli Kendong 600 MW photovoltaic project and the Xinjiang Kuqa project integrating "source, grid, load, storage and hydrogen" had been included in the list of national wind and solar power bases. In geothermal energy, we fully utilized the high-quality geothermal resources in the Beijing-Tianjin-Hebei region and Bohai Bay Basin, continued to promote the development of geothermal heating business, and added 12 million square meters of geothermal heating capacity.

For the refining and marketing segment, we promoted the construction of integrated bases and transformed the conventional business. We paced up the Zhenhai 11 mtpa refining project, and the Gulei Phase II Refining and Chemical Integration Project was enlisted into the national development plan. We stepped up more efforts for "oil to chemicals" projects. The Anqing Petrochemical Refining to Chemicals Structural Adjustment Project was completed and put into operation. The Yangzi Petrochemical Structural Adjustment Project entered the final stage. Efforts were also made to promote the safe, green, and high-quality development technology transformation project at Guangzhou Petrochemical etc. For "oil to specialties" projects, we adhered to a differentiated approach, and accelerated the construction of a number of projects for ramping up specialty production. We steadily carried out the construction of crude oil commercial storage facilities and accelerated the construction of the Lianyungang commercial storage base project. We were moving closer towards being a comprehensive energy service

provider for fuel, gas, hydrogen, electricity and services, by optimizing traditional business, and developing battery charging and swapping services. Throughout the year, we added 10.7 mtpa of secondary and tertiary processing capacity, including catalytic cracking and residual oil hydrogenation. 440 comprehensive energy stations, 1100 photovoltaic power stations, and 30 hydrogenation stations were also added.

For the chemical and materials segment, we carried forward strengthening, extending, and supplementing the value chain, and continuously improved our comprehensive competitiveness. We focused on advantageous production capacity and conventional business, strengthened and expanded the industrial chain. We gave more impetus to develop ethylene and aromatics production capacity. Ethylene projects in Hainan and other areas entered the stage of production and those of Zhenhai phase II, Maoming, Luoyang, and Yueyang were included in the national petrochemical industrial plan and approved by local governments. For achieving structural optimization and value enhancement, we further extended and upgraded the industrial chain, and actively built new chemical and material production capacity. We completed and put into operation projects such as the relocation of Baling Petrochemical caprolactam unit, and steadily promoted the construction of projects such as Maoming Petrochemical POE and Tianjin Nangang ABS. In terms of building integrated and robust chemical business, we further expanded the value chain by promoting business in green hydrogen coupling with coal chemicals and carbon dioxide capture and utilization. The annual newly added ethylene production capacity was 1.5 mtpa.

The capital and financial service segment synergized with the main business segments and optimized capital investment layout. We focused on new energy, new materials, high-end intelligent manufacturing, artificial intelligence and big data, biotechnology and other new industries as investment targets. We invested advanced tech-companies in areas such as value chain of hydrogen energy (hydrogen storage technology and equipment), charging and swapping equipment, chemical new materials, wet electronic chemicals etc. We leverages the synergy of financial tools to serve the real economy.

More efforts were stepped up for science and technology innovation. The number of national key laboratories ranked first among state-owned enterprises in the field of energy and chemicals. Progress was made in the enrichment patterns of continental shale oil and gas, as well as in the efficient catalytic cracking RTC unit for heavy oil. The industrial unit for hydrogen peroxide production with our independent intellectual property rights was started up in one go. We boosted the development of new industrialization with digital intelligence, and took the initiative to undertake the construction of more than 10 national pilot demonstration projects, including industrial Internet plus+, 5G, artificial intelligence, among which the pilot task of "industrial Internet +safe production" was fully completed. We increased efforts to domesticate major equipment and materials. The localization rate of equipment and materials used oil and gas exploration and development rose to 97% from 92% during the 13th Five Year Plan period. Megaton level ethylene projects increased from 87% to 90.9%, and large-scale aromatics projects increased from 92% to 96%.

Technological Innovation

Reform of Science and Technology System and Mechanism

Significant Technological Development and Achievement Transformation

R&D and Achievements in New Energy and New Materials Technologies

R&D and Achievements in Energy Efficiency Improvement and Emission Reduction Technologies

Significant Breakthroughs in Science and Technology Innovation

■ In 2023, the Company deeply implemented the innovation driven development strategy, consolidated scientific and technological innovation as the main force, strived to break through key core technologies, deepened the reform of the scientific and technological system and mechanism, promoted the deep integration of the innovation chain and industrial chain, continuously improved the leading and supporting forces of scientific and technological innovation, and accomplished new results.

Reform of Science and Technology System and Mechanism

Sinopec Catalyst Co., Ltd., Sinopec Beijing Research Institute of Chemical Industry, and Shelfoil Petroleum Equipment & Services Company were awarded the "benchmark" title for their science and technology reform achievements. The Matrix Company was selected in the 2023 "Science and Technology Reform Action" expansion list. Four national key laboratories mainly constructed by Sinopec were optimized and restructured, with two new ones under construction. The National Carbonate Oil and Gas Laboratory was approved and Sinopec became the leading construction unit of the first batch of national energy research and development innovation platforms during the 14th Five Year Plan period. The Company continuously improved the mechanism for tackling new technologies, launched pilot projects for the "Seed Program", and optimized the mechanism for research and development. We provided stable support to affiliated research institutes to maintain a leading position in advantageous areas. The Company implemented "the Youth Doctoral Support Program" and fully leveraged the innovative role of young scientific and technological talents.



Significant Technological Development and Achievement Transformation

Oil and Gas E&P Technology. We tackled the precise characterization of fault folds and fractures, along with efficient drilling and completion techniques, to support the efficient and continuous production of tight sandstone gas reservoirs in Xujiahe, West Sichuan. We deepened our theoretical understanding of Jurassic exploration and development, leading to the discovery of new types of continental facies shale oil and gas reservoirs. We also innovated the development model and efficient technology system for three-dimensional well networks in continental facies shale oil.

Petroleum Refining Technology. We continued to advance research in "oil to chemicals" technology, and successfully commissioned the world's first 3 million-tonne/year high-efficiency catalytic cracking unit for heavy oil. Positive progress was achieved in the application of "oil to specialties" products, and our independently developed phase change materials were successfully applied numerous times. All series of bio-based products received certification from the Roundtable on Sustainable Biomaterials (RSB).

Chemicals & Materials Technology. The world's first CHP epoxybutane plant and slurry bed anthraquinone hydrogen peroxide production plant successfully started up. The implementation of new green caprolactam technology provided strong support for the relocation and upgrading of the petrochemical industry chain in Hunan. We pioneered the transformation of the first 200,000-tonne/year cyclohexene esterification hydrogenation to cyclohexanone technology. Additionally, we established a pilot plant platform for carbon dioxide hydrogenation to methanol, achieving a methanol yield at the forefront domestically. The proportion of high-value-added products continued to increase, effectively supporting the adjustment of the industrial product structure.

Utility Technology. Demonstration deployment of intelligent refueling robots was achieved. The key technology for the intelligent and safe operation of catalytic cracking units effectively enhanced the level of intrinsic safety.



R&D and Achievements in New Energy and New Materials Technologies

Geothermal Energy. The company developed the CDM methodology for geothermal heating, and innovatively established a comprehensive technology system integrating geothermal exploration, drilling, and automation control technologies. We successfully drilled the first 5,000-meter deep and high-temperature geothermal exploration well in China, which propelled medium and deep geothermal technology to the forefront of the world.

Hydrogen Energy. China's inaugural 10,000-tonne photovoltaic green hydrogen demonstration project was completed and put into operation, providing a replicable and scalable showcase for the development of the domestic photovoltaic green hydrogen industry. The design and manufacture of key core equipment for hydrogen purification with independent intellectual property rights were accomplished. We developed membrane electrodes with in-house catalyst as the active component, meeting the performance requirements for commercialization, and the self-assembled electric stack passed the test conducted by a third-party professional company.

New Materials. Utilizing complete sets of high-performance liquid rubber industrial technology, the Company constructed a 5,000-tonne/year industrial plant. We also developed liquid rub-

ber for high-frequency copper-clad laminates and flexible resin plates for 5G communication. The achievement marked the commercial production and large-scale application of high-performance liquid rubber in the field of optoelectronic information, filling the gaps in the domestic industry. The 5,000-tonne/year hydrogenated nitrile butyronitrile (HNBR) plant, employing self-developed technology, successfully commenced operations at one go. The product indexes and quality reached the international advanced level, facilitating the batch application of the products. The pilot plant of polyolefin elastomer (POE) successfully developed various product grades for photovoltaic film, resin modification, and foaming. These products found successful applications in photovoltaic film plants, modification plants, and shoe manufacturers. We accelerated the penetration of carbon fiber composites into the market, achieving batch applications in wind power, rail transportation, and other fields. Breakthroughs were made in key technologies of carbon fiber thermoplastic composites for domestic aviation. The world's first 10,000-tonne iron butyl rubber plant successfully realized industrial trial production. All high-performance tires passed quality control tests and were available for sale.



R&D and Achievements in Energy Efficiency Improvement and Emission Reduction Technologies

CCUS Technology. The Company's million-tonne CCUS demonstration project received CSLF certification at the Global Carbon Sequestration Leaders Forum, signifying that our CCUS technology attained international standards and is equipped with the credentials to execute CCUS projects worldwide. The key technology for large-scale carbon dioxide pipeline transmission provided robust support for the commissioning of China's first pipeline, achieving a million-tonne industrial demonstration of the entire CCUS industry chain.

Pollution Prevention and Control Technology. A coupled technology system integrating source control, process interruption, and in-situ remediation was developed specifically for soil pollution prevention and control in the Yangtze River Economic Belt. This groundbreaking system marked the first successful implementation of large-scale petrochemical site management concurrent with production, providing crucial technological support for the sustainable development of petrochemical subsidiaries along the river.



Significant Breakthroughs in Science and Technology Innovation

Throughout the year, we filed for over 10,000 patents with more than 6,000 granted. Five patents, including "Multi-Tube Ethylene Cracking Furnace", received the China Patent Prize. Four projects, such as "Salt-Resistant and High-Temperature Drilling Fluid Technology" and "Biomass Ethanol to Ethylbenzene Technology", were honored with the Gold Medals at the 48th Geneva International Exhibition of Inventions. We maintained the top position in the patent quality ranking of central enterprises for five consecutive years. As one of the first three pilot entities in China, we led the way in completing the assessment of our innovation and intellectual property management capabilities, becoming the first entity in China to receive a "system-level" rating. Progress on the construction of the national green energy and chemical industry intellectual property operation center was steadily advancing.



China Operations

Oil and Gas E&P

Refining Operations

Production & Operation of Chemical Business

Product Marketing Services

New Energy Development and Utilization

Capital & Financial Services

Petroleum Engineering & Technology Services

Refining and Chemical Engineering Services

Key Projects Construction



Oil and Gas E&P

■ In 2023, the newly added proven oil reserves was 155 million tonnes, probable reserves was 525 million tonnes, and possible reserves was 562 million tonnes. The newly added proven natural gas reserves was 281.7 billion cubic meters, probable reserves was 427.3 billion cubic meters, and possible reserves was 1,120.1 billion cubic meters. The annual production of crude oil was 35.441 million tonnes, up by 118,000 tonnes. The production of natural gas was 37.81 billion cubic meters, with an increase of 2.54 billion cubic meters. The equivalent oil and gas production was 65.57 million tonnes, setting a historic high. The newly built crude oil production capacity was 3.326 million tonnes, up 454,000 tonnes. Newly built natural gas production capacity was 8.64 billion cubic meters (including coalbed methane), up 1.24 billion cubic meters.

Oil and Gas Exploration

We intensified risk exploration in deep ground and shale oil and gas blocks, strengthened exploration with integrated evaluation in oil and gas rich zones, actively maintained and expanded mining rights, and achieved 4 major breakthroughs, 9 important breakthroughs, and 18 commercial discoveries, exceeding the annual reserve targets.

Oil Exploration. A major breakthrough was made in the exploration of ultra-deep oil and gas in the new zone in the central part of Shunbei, Tarim Basin, with newly increased possible oil and gas reserves of 25.08 million tonnes and 144.2 billion cubic meters respectively. A major breakthrough was made in the new field of oil exploration in the complex piedmont belt in the northwest margin of the Junggar Basin, with an increase of 30.63 million tonnes of possible reserves. Significant breakthroughs were made in the exploration of oil and gas in the new Jurassic strata in northern Sichuan, with new possible oil reserves of 8.26 million tonnes and gas reserves of 72.1 billion cubic meters. We continued promoting the construction of Na-

tional Demonstration Zone of Shale Oil in Shengli Jiyang, with the discovery of three 100 million-tonne shale oil fields including Xinxing, Xinfeng, and Xinhe. Significant breakthroughs were made in the exploration of shale oil in the Fu'er section of the Subei Basin, and the results of shale oil exploration in Fuxing continued to expand.

Natural Gas Exploration. The integrated research and development of tight gas in the Xujiache formation of Hexing field in western Sichuan achieved significant results, with an additional proven reserves of 133 billion cubic meters. The Daniudi gas field in the Ordos Basin achieved a major breakthrough in the exploration of 2,800-meter deep coalbed methane, with an additional possible reserves of 122.6 billion cubic meters. Significant breakthroughs were made in shale gas exploration of the Permian Dalong formation in Puguang, Sichuan Basin, and the Permian Wujiaping formation in the Hongxing area of western Hubei and eastern Chongqing. The deep coalbed methane in Nanchuan was successfully selected as one of the first national demonstration projects for coalbed methane exploration and development.



Oilfield Development

We fully implemented the annual production and operation plan, closely followed the production capacity limit to organize operations, strengthened production and sales coordination in key regions, and completed the annual crude oil production task. The annual production of crude oil was 35.441 million tonnes, with an increase of 118,000 tonnes, exceeding the "7-year Action Plan" for five consecutive years.

We developed and implemented a three-year plan for the release of undeveloped reserves, strengthened the integration of geology and engineering, and promoted the application of production improvement technologies such as complex structured wells, pressure-driven water injection, volume fracturing, and viscosity reducing chemical flooding. We efficiently promoted the construction of production capacity in Jiyang, Tahe, Zhunxi, and offshore areas, solidly promoted the three-dimensional development test of shale oil, and the effect of the Boxing Fanyeping 1 well group exceeded the design plan. The Niuzhuang large well group, Minfeng large platform and small well group, and multiple well groups in Qintong witnessed initial results, with a new production capacity of 3.326 million tonnes,

an increase of 454,000 tonnes, setting a new high since 2015.

We strengthened the precise description and modeling of oil reservoirs, consolidated the precise management of oil reservoir classification, and stabilized the natural decline rate and comprehensive water content at 10.4% and 90.9% respectively. The water-flooded reservoir received network improvement, subdivided water injection, and flow field adjustment, with a natural decline rate of 10.2%, a decrease of 0.1 percentage points. The implementation of thermal recovery and efficiency improvement technology in heavy oil reservoirs resulted in a stable oil to steam ratio of 0.57. We strengthened nitrogen injection and comprehensive unit management in Tahe fractured and vuggy oil reservoir, realizing a natural decline rate of 15.3%, a decrease of 0.3 percentage points. Chemical flooding expanded its application fields and scale, with an annual oil production of 3.19 million tonnes, up 1.51 million tonnes, reaching new highs in nearly 7 years. We solidly promoted the CCUS industrialization demonstration projects in Shengli and northern Jiangsu, injecting 1.16 million tonnes of carbon dioxide, up 520,000 tonnes, producing 110,000 tonnes of oil, up 39,000 tonnes.

Natural Gas Development

In conventional gas, we followed the principle of pursuing high yield and efficient development with few wells, vigorously optimized development plans, strengthened technological innovation and application, and efficiently promoted large-scale production projects such as the East China Sea ZZ, west Sichuan gas field, and Shunbei second zone. The Xujiache formation, which had been dormant for many years, was built with a production capacity of 1.5 billion cubic meters, unlocking the challenging reserves. The stable production foundation of major gas fields such as Puguang, Yuanba, Daniudi, West Sichuan Shallow Layer, and Dongsheng had been further consolidated. The annual newly built production capacity was 6.09 billion cubic meters, an increase of 1.54 billion cubic meters, with gas production of 27.211 billion cubic meters, up 2.256 billion cubic

meters.

In shale gas, we fully pushed forward the development and adjustment of Fuling shale gas field, steadily carried forward the production capacity construction of new areas such as Dongsheng, Baima, and Dingshan. The Company actively promoted the evaluation and well group testing in the north of Yongchuan deep shale gas, Wulong-Daozhen atmospheric shale gas, Puguang Jurassic and Jingyan-Jianwei Cambrian new layer shale gas. The annual new production capacity was 2.48 billion cubic meters, with gas production of 10.182 billion cubic meters.

In coalbed methane, we continued to focus on adjusting and tapping the potential in the southern part of Yanchuan and rolling production. In 2023, we built a new production capacity of 70 million cubic meters and produced 413 million cubic meters of gas.



Refining Operations

📌 In 2023, the Company processed 258 million tonnes of crude oil, up by 6.3%, and produced 156 million tonnes of refined oil products, increased by 11.3%.

We firmly grasped the new connotation of "green and intelligent" development for production, focused on the development direction of "world-class, high-tech, and integrated" for refining business, seized the favorable opportunity for market recovery, adhered to the coordinated optimization of trade, storage and transportation, and production, and promoted continuous efficiency and profitability in refining.

We closely traced the market demand changes, enhanced the benefits calculation of the entire refining and sales industry chain, flexibly adjusted processing loads, and continuously op-

timized product structure. Following the market, we promoted the transformation of oil to specialty, accelerated the technological research and development of special oil products and specialty products such as biphenyl and isononanoic acid.

We consolidated new energy development. The first integrated hydrogen production and sales "mini-pipeline network" project was completed and put into use. Hydrogen supply centers were established in 11 subsidiaries. New breakthroughs were made in the large-scale production of bio-jet fuel.

Production & Operation of Chemical Business

📌 In 2023, we focused on professional management, structural adjustment, cost and profitability, and market expansion. We also concentrated on high-quality development, increasing the proportion of high value-added products, and successfully completed all targets.

Improving Professional Management

For process management. Based on the characteristics of chemical production facilities, we developed standardized templates for setting process alarms for 40 types of chemical facilities, and effectively improved process stability.

For equipment management. The Company steadily promoted the construction of equipment integrity management system. We further sorted out the KPIs of the Equipment Sub Committee, conducted special analysis around indicator deviations, key equipment failures of various subsidiaries, equipment accidents, etc., and shared the results.



Optimizing Business Operations, Taping Potential and Increasing Profitability

Established Naphtha Reserve Storage. We established a domestic reserve capacity of 50,000 cubic meters in Tianjin Petrochemical Company, and a bonded reserve capacity of 430,000 cubic meters in Yangshan, Zhuhai, and Yangpu, connecting the complex process of "collection and storage - bonded tanks - logistics and distribution - subsidiaries" for imported bonded resources.

Flexible Load Adjustment. We ensured all profitable facilities were fully utilized, with more efforts made on load reduction and operational shutdown for facilities with negative marginal benefit.

Optimization Across Regions. We carried out optimization calculations in the four regions of Shanghai, Tianjin, Nanjing, and Hunan & Hubei, seized the key points of material supply among subsidiaries, and leveraged deep regional optimization. We optimized the mutual supply of raw materials and product sales based on the profitability and overall contributions of sub-

sidaries and their facilities, coordinated raw material procurement, product sales, and logistics, and reduced cross regional allocation costs.

New Production Capacity Put Into Operation. The 1 million-tonne/year ethylene project of Hainan Petrochemical Company and the 600,000-tonne/year caprolactam project of Baling Petrochemical Company were completed and put into operation. The CHPPO plant of Tianjin Petrochemical Company was fully connected throughout the process. The EVA unit of Gulei Petrochemical Company started up smoothly. The 170,000-tonne/year styrene project based thermoplastic elastomer of Hainan Baling Chemical New Material Co., Ltd. was put into operation and achieved product export. The successful operation of the 5000-tonne/year liquid rubber plant of Maoming Petrochemical Company achieved the localization of high-performance liquid rubber for 5G copper clad panels for the first time.

Shutdown Outdated Production Capacity. The 1 # polyester unit of Shanghai Petrochemical Company, the 1 # PTA unit of Yizheng Chemical Fiber Company, and the PTA and PX units of Luoyang Petrochemical Company were shut down and retired.

Producing More High Value-added Products

We actively promoted technological breakthroughs for 83 high-end products. Qilu Petrochemical Company's 5000-tonne/year special rubber plant, Maoming Petrochemical Company's 1000-tonne/year POE plant, and Zhenhai Refining and Chemical Company's 3000-tonne/year poly 1-butene plant achieved stable operation, with orderly market expansion. Shanghai Petrochemical Company implemented the research and development of carbon fiber large fiber bundles to meet

production standards and reduce carbon fiber production costs. The 100-tonne high-strength medium modulus carbon fiber production line was operating stably, with the SCF55 product (T800 level) undergoing customer trials and certification in high-end application fields. Yizheng Chemical Fiber Company accelerated the technological research and industrial scale-up for 4000-tonnes/year of para aramid, developing high-end products such as para aramid for bulletproof helmets, and promoting the construction of high-performance fiber bases.

Coal Chemicals

We adjusted production based on sales and profitability, vigorously promoted the stable and high production of coal mines and chemical plants, adjusted and optimized product structure, reduced costs and expenses, and developed high value-added new products. The production of coal mines and major chemical products reached a historic high, with an increase of 1.7 million tonnes of coal production and a reduction of 147 yuan/tonne in unit production costs of chemical products. For Sinopec Great Wall Energy and Chemical (Ningxia) Co., Ltd., the production capacity of Songxinhuang coal mine increased by 300,000 tonnes/year. The continuous operation of a single gasifier increased by 9 days, achieving the best operating level of a coal water slurry gasifier under the same load condition. The high-quality vinyl acetate project was successfully put into operation and entered the EVA market. The BDO standard transformation project was put into operation, and the production of BDO and polytetrahydrofuran reached a new historic high. The export of chemical products increased by 42%, achieving operating profits for three consecutive years. For

Zhongtian Hechuang Company, its coal mine applied hydraulic fracturing technology for pressure relief mining to alleviate the risk of rockburst. It successfully produced new products such as film material LD160H and injection plastic LD650, and successfully sold weather resistant film products to the Central Asian market, with a total profit ranking among the top chemical companies. For Zhongan United Coal Chemical Co., Ltd., its methanol synthesis unit maintained stable high load operation after changing the catalyst, and the production of methanol and polyolefins continued to reach monthly new highs. It successfully completed industrial trials of biomass co-firing gasification, providing technical support for diversified raw materials.



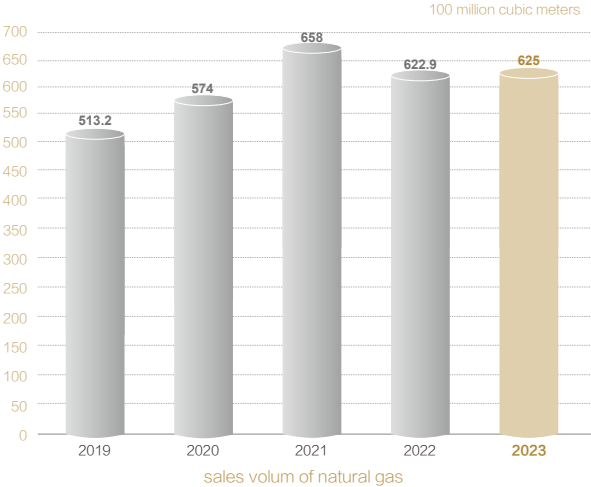
Product Marketing Services

Natural Gas

■ In 2023, our operating volume of natural gas was 62.5 billion cubic meters, an increase of 0.3%, among which, domestic sales reached 57.3 billion cubic meters, up by 0.7%.

The integration of procurement, transmission, storage, and sales led to a significant leap in business quality and efficiency. We adhered to a market-orientated approach and focused on efficiency, fully tapped into the strength of the comprehensive value chain, and effectively enhanced the quality and profitability of natural gas business. We continuously optimized resource structure. We coordinated self-produced resources and incorporated new production capacity into the "resource pool". An outsourcing task force was established to increase domestic third-party outsourcing, and remarkably reduce the comprehensive cost of the "resource pool". We made reasonable arrangement for mid- and long-term shipping schedules, seized windows to supplement spot resources, actively carried out hedging in a prudent manner, and successfully managed the risk of international oil and gas price fluctuations. We achieved highly effective market operation. We made every effort to improve the pipeline gas market and innovated the pricing model by introducing fixed price and linking with long-term contracts to make better match between sales structure and "resource pool" composition, and to continuously improve the efficiency and profitability. We vigorously developed the direct sale business for LNG refueling stations and established an integrated direct sale business model of "Sinopec gas, Sinopec transmission, Sinopec use", thus maximizing the overall benefits for the Company. We fully leveraged our comprehensive advantages, actively developed high-quality terminals, promoted 43 terminal projects and implemented 10 projects throughout the year. Breakthroughs were made in facility operation. We accelerated the transformation from merely operating storage and transmission facilities to carrying out asset management. We actively studied asset optimization approaches, opened the facilities to external customers, innovated the operation of gas storage capacity, launched diversified products such as gas storage capacity leasing, dual buyout, and consignment storage and transportation, and improved the efficiency and profitability of these facilities.

The project construction was proceeded with high quality and efficiency, and the facility layout became increasingly comprehensive. We focused on the presence while taking a long-term view, abided by the principle of matching resources, facilities, and markets, coordinated the optimized planning of new facilities and the pace of construction, and accelerated the build-up of a balanced facility layout. We carefully drew a new blueprint for facility layout. We conducted a mid-term evaluation of the 14th-Five-Year-Plan for development, adjusted the development paths and goals from 2023 to 2025, and optimized facility planning and investment pace. We continuously improved the pipeline planning for the Shandong-Jiangsu-Anhui region, and sped up the feasibility study on the resource base and exporting channels for Shunbei, Hongxing, and Tongnanba blocks. We also advanced the upgrading and renovation of the Jiqing pipeline project and its interconnection with the Zilai Line,



Qingdao high-pressure pipeline network, and Qingdao submarine pipeline, to build a "big cycle" of an interconnected pipeline network. We pressed ahead with the project constructions. By optimizing constructions for LNG projects, Tianjin LNG Phase I won the National Quality Engineering Award. The world's largest and China's first 270,000 cubic meters LNG storage tank in Qingdao was successfully put into operation, with a localization rate of over 95%. Four storage tanks for Tianjin LNG Phase II and Qingdao LNG Phase III were completed and put into operation. The main part of Guangdong Huaying LNG terminal was completed. The LNG projects in Yantai Longkou and Guangxi Phase III were steadily advancing. We strived to implement the interconnection of our own pipelines, completed and put into operation the Zhucheng-Gaomi section of the Shandong East Truck Line, and completed the main part of the East Branch of Anhui Northeast Pipeline. The advantage of the regional pipeline network was further consolidated. We carried out improvement of the branch pipeline project. The pre-commissioning certification was completed for the Dingshan shale gas export pipeline. The Pengzhou Petrochemical gas supply line and the eastern gas source pipeline of the Zhongyuan gas storage were completed and put into operation. The construction of the terminal pipelines such as Hepu-Bobai-Pubei, Xinji-Zanhuang, and Nanling-Fanchang were proceeded as planned. We carried forward with the gas storage projects. 557 thousand cubic meters of cavern was built for the Jintan and Huangchang gas storage facilities throughout the year.



Refined Oil Products and EasyJoy Services

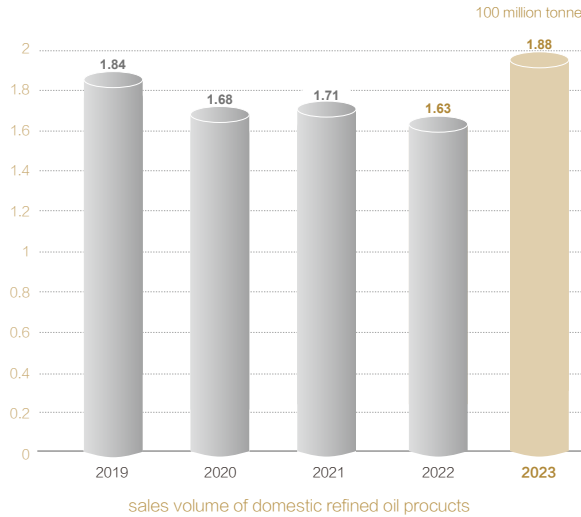
■ In 2023, the total sales volume of oil products and gas reached 245 million tonnes, up by 14.7%. The domestic sales volume of refined oil products was 188 million tonnes, increased by 15.8%, of which the retail volume was 120 million tonnes, up 12.4%. The sales volume of natural gas was 5.6 billion cubic meters, up 33.9%.

Oil and Gas Marketing and Services. We strengthened the ability to coordinate resources, flexibly adjusted the structure of resource allocation, and effectively maintained domestic supply-demand balance. In terms of direct sales and distribution, we standardized business processes and implemented customer classification services, achieving a 22.3% increase. In terms of retails, we aimed at dynamic competition scenario, coordinated all resources for our targeted markets, making a 3% increase in sedimentary funds from marketing of refueling cards. X-Power Series marketing drove the sales of 98# gasoline to exceed 1 million tonnes. We built up break lounges and offered complimentary meals to divers in 13% of our service stations, which contributed 34% of our diesel retail sales total, significantly enhancing profitability. In terms of natural gas, we promoted cooperation with Sinopec Gas Company and oilfields with LNG resources, highlighting the integrated advantages of production, logistics and marketing and further enhancing the competitiveness. We continuously deepened cooperation with strategic customers, with "HQ to HQ" strategic customers covering over 10 industries and over 40 enterprises. We optimized and improved the national unified customer service center marketing platform, and increased customer satisfaction rate to 99%. We continued to work with the law-enforcement bodies to crack down on illegal activities, strengthened the supervision on trade and terminal consumption, and deepened the special crackdown on fuel dispenser cheating in the marketplace.

EasyJoy Service and Marketing. We built up themes and created activities to boost holiday consumption, with sales at the EasyShare Festival exceeding 10 billion yuan. We diversified our services, built more in-house brands, created core model stores, and built a unified enterprise Wechat platform, with the store retail sales increased by 13%. We steadily promoted the "going out" services, entering communities, schools, and military camps. 600 comprehensive car service stores and 9,556 car service projects were built, with new car sales expanded, environmentally friendly chemical products entering the "Ten Billion Club", making the development path of the car ecosystem clearer. We constantly expanded online platforms, attracting over 100 million members and over 66 million monthly active users. The recharge amount of "Sinopec Wallet" was 155.3 billion yuan, increased by 52%, with a total of 154 million users and an online transaction volume exceeding 700 billion yuan.

Marketing Network. The Company steadily promoted the upgrading of oil and gas networks. We newly built 720 new gasoline stations and 158 gas stations, revitalized 240 inefficient stations, upgraded 8,000 gasoline stations, and continuously improved the image stations and stores with 19,000 old stations renovated and 3,600 stations illuminated at night. We optimized the layout of oil depots, promoted the sharing of storage and transportation facilities, and renovated 30 intelligent oil depots, fairly successfully streamlining our networks.

New Energy Business. The charging network developed rapidly, with 3,909 new charging and swapping stations and



39,600 charging terminals built throughout the year. The annual charging and swapping capacity increased by 186%, and a new energy information management platform was established. The national charging network and the first operating platform begun to take shape. The development of hydrogen refueling networks advanced steadily, with 30 new hydrogen refueling stations developed throughout the year, ranking first in the world in terms of the number of refueling stations. We opened up four hydrogen energy corridors, namely Chengdu-Chongqing-Wanzhou, Beijing-Tianjin-Tangshan, Shanghai-Jiaxing-Ningbo and Jinan-Qingdao, with a hydrogen refueling volume of 3,472 tonnes, increased by 100%, and achieved a doubling growth for three consecutive years. The Company steadily sped up the construction of photovoltaic projects, with 1,211 new distributed photovoltaic power generation projects built throughout the year, with a total installed power of 133 megawatts and a photovoltaic power generation capacity of 110 million kW-h, an increase of 138%.

Fuel Oil

Our annual operating volume of fuel oil reached 34.93 million tonnes, up 14%.

Creating a new model of sustained and stable profitability for domestic bonded oil. We coordinated the development of specialized business strategies for low sulfur bunker fuel, MGO and high sulfur bunker fuel, increased the promotion of quality flow meters, built offshore mobile gas stations, and leveraged the advantages of petrochemical resources. We achieved a total production and sales volume of 6.3 million tonnes of low sulfur bunker fuel and 540,000 tonnes of MGO from 19 refineries, with an operating volume of 9.05 million tonnes, accounting for 42% of the domestic market with a leading position. Adhering to the combination of physical and paper trading and reasonable arrangement of structure, the annual low sulfur bunker fuel spot discount remained stable at around 40 US dollars/tonne, achieving a benefit of 520 million yuan, paving a new path that conformed to market laws and continued to maintain stable profitability.



Other Refined Oil Products

In 2023, the total operating volume of self-sold refining products was 38.12 million tonnes, up 5.8%. The operating volume of LPG and petroleum coke remained at a level of over ten million tonnes, and the operating volume of sulfur reached a historic high. We actively promoted the "oil to specialty" technology research and development, the production and sales of high-end customized products such as high olefin LPG, needle coke, negative electrode special coke, low emission anode special coke, and clean and environmentally friendly asphalt reached 1.96 million tonnes, up 15%, with a profit of 940 million yuan. In Jinling Petrochemical Company, needle coke was applied for the first time in the production of 600mm large-size ultra-high power graphite electrodes, officially entering the ranks of high-end products production and applications. The odor-free asphalt project was successfully constructed in Guangzhou and Shanghai, promoting China's main building materials for highway construction to move towards green environmental protection.

The annual sales of lubricating oil and grease reached 1.321 million tonnes, up 4%. We adhered to the construction and improvement of new quality productivity through technological innovation, actively supported the development of strategic new industries, and achieved breakthroughs in key core independent technologies such as hydrogen fuel cell coolant,

The quality of domestic trade business operations achieved new improvements. We steadily promoted resource acquisition, raw material supply, maritime police fuel supply, and inland waterway bunker fuel supply business, achieving the transfer of Jiangsu Water Station in the same year, profitability in the same year, and maintaining a monthly revenue of over a thousand tonnes. We actively cultivated loyal customers for domestic trade ship refueling, such as shipping, scientific research, official business, and shipyards, and added 143 new end customers. We implemented packaged supply of "fuel + lubricants + paint + cables + fresh water + daily necessities" for customers such as the Navigation Bureau, and jointly carried out "fuel plus lubricants" marketing to continuously improve the one-stop service level of ships. In China, we completed the operation of the first distributed methanol on-site hydrogen production equipment, the first demonstration of B5 bio-diesel refueling at a water station, the first container ship to container ship biofuel refueling, and the largest scale ship to ship biofuel refueling.

constant temperature liquid for new energy vehicle battery inverters, and high-temperature synthetic heat transfer grease. We also obtained the first and only technical certification from industry leading enterprises such as Huawei and NGC in China, and achieved supporting applications in multiple data centers and electric vehicle charging piles. Throughout the year, 106 invention patents were authorized and 50 OEM certifications were obtained. The high-speed rail gear oil series products were chosen as the designated oil and matched with the Jakarta-Bandung High-Speed Railway, achieving independent technology overseas application output.



Chemical Products

Ensuring stable supply of chemical products and raw materials. We strengthened resource coordination and management, regional collaboration and linkage, working together in the raw materials and products, and resolutely fulfilling the main responsibility of ensuring market supply and maintaining the stable and healthy development of the industrial chain. The Company refined and formulated the "one enterprise, one system" plan, optimized market layout in advance, ensured the supply of raw materials for multiple new devices inside and outside the system, and achieved stable entry of new production capacity into the market. We improved emergency support capabilities, overcame adverse effects such as operational shutdowns, reduced load operations, and unexpected situations, and took multiple measures to achieve raw material balance and product replenishment. Adhering to market orientation and starting from customer needs, we guided production subsidiaries to dynamically optimize production scheduling, increase production of marketable products, timely connect with downstream customers, and coordinate product delivery arrangements. We conducted special research around key areas such as new materials and fine specialty chemicals, worked on medium and long-term development trends, and improved the efficiency of new product incubation and market development.

Continuously improving customer service levels. Being customer-centric, we optimized and adjusted the marketing model of chemical products, providing downstream customers with "one-on-one, one-stop, packaged and full-process" solutions, continuously improving the service awareness and capability of all staff, and achieving better satisfaction scores for third-party customers than our peers. We established and improved a standardized customer service system, implementing customer life cycle management, focusing on customers' needs, reducing customer costs, and enhancing customer satisfaction. We explored new models of personalized customization and flexible production, deeply developed customer relationships, and strived to provide best services. Demands were collected, analyzed and predicted from the industry chain, guided by customer needs, providing sufficient support for production, sales, research, and supply chain collaboration. We adhered to customer needs as the driving force, reduced customer transaction costs, and improved the convenience, targeting, and effective-

ness of customer service. Based on the customer perspectives, we streamlined the customer service process, optimized customer service standards for multiple types and different scenarios, identified breakpoints and bottlenecks in customer demand transmission and response processes, smoothed the "highway" of customer service, and fully leveraged the comprehensive functions of the customer service standardization system in concept transmission, quality capability improvement, strategic achievement, performance realization, and other aspects. We built a comprehensive basic training system covering product knowledge, business communication, management systems, and information systems, enhanced the professional competence and skills of our counter personnel, created a professional image of integrity, professionalism, good listening, trustworthiness, and customer first, and gradually cultivated a distinctive service culture.

Actively pushing forward the research and development, promotion, and application of new chemical materials. Based on original research and development, customized production, we closely collaborated with production subsidiaries, interacted with scientific research institutions, promoting product quality iteration and technological upgrading, advancing new material research and development, and accelerating industrialization process. We integrated product engineers, expert service systems, and product knowledge bases into the development and application platform of new synthetic materials products, achieving closed-loop management of customer information collection, gateway management, scientific research and development, trial feedback, and quality improvement.

Actively practicing green, low-carbon, and safe development. We integrated green concepts into marketing, targeted low-carbon and environmentally friendly chemical products, accelerated the market layout of photovoltaic, biodegradable, recycling, and automotive light-weighting. We continuously increased the proportion of railway and waterway transportation, vigorously developed diversified transportation such as rail, public rail, and public water, and promoted the coordination of multiple transportation modes. The Company constantly strengthened HSE management in the sales process of chemical products, and enhanced the tracking and control of the entire process of hazardous chemical sales.

Catalysts

We accelerated the transformation and localization of new catalyst products, and achieved industrial application of new catalyst products such as RTC of Anqing Petrochemical Company, cascade pores of Jinling Petrochemical Company, anode iridium for hydrogen electrolysis of Yanshan Petrochemical Company. We completed the domestic substitution of catalysts such as polyolefin for Zhongke Refining and Chemical project, ethylbenzene dehydrogenation of Shanghai SECCO Company, and boiling bed of Zhenhai Refining and Chemical Company. The Company organized the first loading and start-up services of catalysts for projects such as catalytic cracking at Guangdong Petrochemical Company and continuous reforming at

Huizhou Petrochemical Company. Catalysts such as propane dehydrogenation and continuous reforming won orders for the first time from subsidiaries such as Zhejiang Petrochemical Company and Ningbo Zhongjin Petrochemical Company, achieving the first domestic substitution of imported catalysts bundled with processes. The liquid-phase ethylbenzene catalyst was industrially applied for the first time in the PO/SM units of Zhejiang Petrochemical Company. The coal tar hydrogenation catalyst won orders from Shaanxi Future Energy and Chemicals Company and Ningxia Coal Industry Company. We actively made our debuts in the market, obtained 43 orders outside Sinopec Group, with out-house sales revenue increased by 61%.

New Energy Development and Utilization

✎ In 2023, we continued to vigorously advance the development of new energy businesses, guided by the goals of the "14th Five-Year Plan". Efforts were made to continually improve the business framework of "4 Supplies and 2 Integrations", aiming to establish a diverse system for supplying green energy and ensuring the orderly implementation of various initiatives. Progress in the hydrogen energy industry remained steady, with wind and solar power capacity surpassing 1,000 megawatts. Construction of charging and battery swap facilities was completed ahead of schedule to meet the targets set in the "14th Five-Year Plan", while maintaining a leading position in clean heating.



Hydrogen Energy

In August 2023, the Xinjiang Kuqa 20,000-tonne/year green power green hydrogen demonstration project was fully completed and put into operation, marking the world's first and largest project that directly produces green hydrogen from PV power. During the trial operation period, it produced a cumulative 2,359 tonnes of hydrogen. The Ordos 30,000-tonne/year wind-solar green hydrogen integration project commenced construction. The long-distance hydrogen pipeline for the Ulan-qab 100,000-tonne/year wind and solar coupled project that produces green hydrogen from green power was included in

the implementation plan of the "National One Grid". Thirty new hydrogen refueling stations were constructed, bringing the total to 128 stations completed. The construction of our first overseas hydrogen refueling station, the Au Tau Comprehensive Energy Refueling Station in Hong Kong, commenced within the year. The total capacity of hydrogen purification and refueling facilities reached 29,000 m³/h. Research and planning for the national hydrogen corridor demonstration line were underway. Focusing on major scientific and technological research topics on hydrogen energy, efforts were made to advance the work in an orderly manner, resulting in breakthroughs in key technologies.

Wind and Solar Green Power

The new wind and solar green power capacity surpassed 1,000 megawatts. This achievement realized a cumulative installed capacity of 1,700 megawatts, enabling an annual generation of around 2.3 billion kw-h of green power and significantly enhancing our clean energy supply capacity. The Company maintained its leading position in clean heating by actively promoting innovative modes such as "Geothermal+" and "Residual Heat+". We continued to advance the development of geothermal heating business, leveraging

high-quality resources in regions like Beijing-Tianjin-Hebei and the Bohai Bay Basin. The newly constructed geothermal heating capacity exceeded 12 million square meters. By the end of 2023, we had established over 95.9 million square meters of clean heating and cooling capacity, along with a residual heat utilization capacity surpassing 40 million GJ/year. We made strides in the deep geothermal field. Our inaugural geothermal scientific exploration well, Fushan Thermal 1, was successfully drilled in Haikou, marking China's first 5,000-meter-deep, high-temperature geothermal exploration well.

Comprehensive Charging Stations

The development of integrated energy refueling stations gained momentum, with the construction of charging and battery swap facilities surpassing the targets set in the "Fourteenth Five-Year Plan". Nearly 3,500 new charging and battery swap

stations were added, bringing the cumulative total to 6,502. Additionally, 1,100 new gasoline-supporting photovoltaic stations were constructed, totaling 3,552. The sales of E10 ethanol gasoline amounted to 16.856 million tonnes, while the sales of bio-diesel reached approximately 502,000 tonnes.

Capital & Financial Services

✎ In 2023, the capital and financial services sector exerted all efforts to enhance services, ignited reform momentum, and mitigated business risks.

Funding Platform

The funding platform fully leveraged its robust capabilities, providing enhanced financial support for the Company's major strategies, key sectors, and weak areas. This comprehensive support assisted subsidiaries in restructuring their debts, optimizing fund operations, and reducing financing costs, resulting in cumulative cost reductions exceeding 2.63 billion yuan. The

average daily scale of domestic and overseas credit assets reached 108.5 billion yuan and 7.5 billion U.S. dollars respectively, up by 10.5 billion yuan and 1.5 billion U.S. dollars, with lending rates were reduced by 34 BP and 15 BP, while the internal loan scale grew by 17.6%. Profitability of capital operations outperformed industry peers.

Industrial Capital

We fully leveraged the role of industrial capital in fostering synergy, strategically investing in sectors such as hydrogen energy, power batteries, energy storage, new chemical materials, charging or battery swap infrastructure, and wet chemicals. Throughout the year, investments amounted to 30.7 billion yuan, including an 8.5 billion yuan investment in the Ruihong project, aiding the Company's accelerated development of bottleneck

technologies. The equity stake in Yeloworld was successfully transferred to the chemical sales company, marking the realization of a path characterized by "capital first and core business empowered". We hosted the inaugural symposium on the high-quality development of hydrogen energy joint ventures, signaling the establishment of a positive interaction between industry and capital.

Industrial Finance

Industrial finance fully leveraged its role in providing robust support, offering tailored financial service solutions to the core industries and deploying multiple strategies to facilitate their development. The futures brokerage business was upgraded to BBB in industry classification ratings. The insurance services effectively reduced premium expenses for subsidiaries in the core industries. The factoring business witnessed a significant

increase in financing support for small and medium-sized suppliers along the industrial chain. The Company's annual yields ranked third among large annual plans exceeding 500 billion yuan. The leasing services' contribution to the petrochemical industry continued to grow, while the group purchasing network contributed over 20 million yuan to rural revitalization efforts.



Petroleum Engineering & Technology Services

Notable achievements were gained in the R&D and application of "Sinopec Matrix Navigation" rotary steering system. We fostered breakthroughs in 9 core technologies as high build-up rate, high reliability, and precise trajectory control under static thrust mode, with a domestic content rate of 94.5%. The technologies were applied in 118 wells, with a footage of 169,100 meters and a cumulative footage of nearly 200,000 meters. For the first time, our technologies were fully applied in domestic shale oil and gas reservoirs, offshore and shallow sea oil and gas fields, and complex structured wells, facilitating the construction of the Shengli Jiyang shale oil national demonstration zone and the exploration of Sichuan and Chongqing shale gas. As a high-end drilling technology equipment, the system was selected as one of the "2023 Top Ten Iconic E&P Achievements of China's National Oil and Gas Industry" by the National Energy Administration.

Breakthroughs were scored in high-density seismic acquisition technology in shallow waters. We have developed four key technologies and processes, including the efficient stimulation of OBN, node deployment, comprehensive navigation, and OBN data processing. There were also progress in raising the production speed and efficiency, node automation deployment operations, multi-source ship collaborative construction, and rapid synthesis of OBN data, covering all terrains of domestic onshore and offshore oil and gas exploration areas, and driving Sinopec's shallow sea geophysical exploration towards higher density with more data collection.

Matching technologies for deep well drilling became more mature. Overcoming tough difficulties, we formed ultra-deep well speed raising technologies such as abnormal high pressure safe drilling+ultra-high temperature directional drilling in Shunbei block, coordinated collapse and deviation prevention and fast drilling of "enhanced plugging+chemical inhibition" technology, fine pressure control in Sichuan and Chongqing blocks, "foam+air screw" deviation prevention and fast drilling, integrating software with hardware as in "geological modeling+customized bit design+real-time drilling parameter fine optimization", and efficient leak plugging. We finished drilling 277 ultra-deep wells, with an average depth of 6,731.63 meters, an average mechanical drilling speed of 9.31 meters/hour and an average drilling cycle of 97.92 days, well improving the speed and efficiency. The drilling depth of the Yuejin 3-3XC well was 9,432 meters, renewing the record for horizontal wells in Asia. The drilling cycle of Shunbei 6-4X well was 97 days, bringing the cycle of drilling wells deeper than 8,000 meters within 100 days for the first time.

The upgrading of matching technologies for shale oil and gas engineering picked up pace. We generated the package of shale gas drilling technologies as "optimal and fast drilling and completion for slim-hole well, cementing for wells with small annular space, water-based drilling fluid system", low-density anti-collapse oil-based drilling fluid, foam cementing, and shale oil technologies like multi-barrel continuous coring, and fine pressure control in the whole drilling and completion process, effectively ensuring the increase of shale gas reserves and production in Sichuan and Chongqing projects and Shengli proj-

ect. We finished 216 shale gas drilling, with a drilling footage of 1.2772 million meters, an average depth of 5,439.5 meters, a mechanical drilling speed of 8.86 meters/hour, and a drilling cycle of 74.97 days. In the National Demonstration Area of Shale Oil in Jiyang, Shengli Oilfield, we completed drilling of 55 wells, with an average well depth of 5,797.6 meters, a mechanical drilling speed of 12.93 meters/hour, and a drilling cycle of 67.67 days, significantly raising the quality and efficiency of our operation. The Fengye 1-Xie 2 well set a record for Sinopec's longest single core length, while the Shengye 4-3HF well set a record for the shortest drilling cycle of the deep shale gas development for Sinopec.

Downhole operation and the reservoir services were strengthened. We proactively fostered high-end technology for downhole operations, improved the fracturing construction efficiency by 13.1% in key projects of the Northwest, North China, Northeast, Sichuan, and Chongqing. The world's first set of 175 MPa ultra-high pressure testing and fracturing equipment was applied in Qiye Shen-1 well. Fu1 well set the record for the highest test temperature (221°C) in ultra deep wells in Asia. The Niuye 1 experimental wells in the National Demonstration Area of Shale Oil in Jiyang, Shengli Oilfield, adopted a single platform with "dual fracturing units" for the first time, creating a new domestic record for fracturing with electric drive in 11 shale oil sections in single day. The fracturing test of Yangmei 1 well achieved a daily gas output of 104,000 cubic meters, facilitating the Daniudi coal-bed gas field to be a new hub of 100 billion cubic meters. Positive progress was made in the development of difficult-to-utilize reserves in areas as the Shengli mature oilfields and western Sichuan. The Shengli mature oilfields upgraded cooperation model and increased rapidly in reserves and output. Through cooperative development, the Xinchang Hexingchang Xuer gas reservoir in western Sichuan discovered ultra deep integrated gas fields of 100 billion cubic meters.

New headway was scored in drilling fluid technologies. We formed the high-temperature drilling fluid technology for deep and ultra-deep wells in our projects located in Southwest China to ensure the smooth construction of Well Fu 1 at a temperature as high as 221°C. The synthetic drilling fluid technology was applied in 72 wells in the Shale Oil National Demonstration Area, Shengli Oilfield, further securing its stability and adaptability. LDR-502, a synthetic resin fluid loss reducer, was applied in 5



deep and ultra-deep wells with temperatures over 150°C. The fourth section of Shunzhong 1X well was drilled at a depth of 9,316.27 meters, with a drilling fluid density of 1.90 grams/cm³ and a bottom hole temperature of 201°C. During the electrical testing period, the static time of the drilling fluid exceeded 120 hours, and both tests were successful, effectively meeting the requirements for high-temperature stability of the drilling fluid during long-term static testing in deep wells.

More breakthroughs were made in logging and mud logging technologies. *In measurement while drilling*, the azimuth resistivity and azimuth gamma series were applied on a large scale, with a cumulative on-site application in 55 wells. The reservoir drilling rate reached 98%, lasting for 1,069 hours without faults in the ultra deep and ultra-high pressure wells of Yongjin 3-Ping 16, scoring new breakthrough in instrument stability. The on-site tests for neutron density and high-speed data transmission system while drilling were completed, largely improving the accuracy of measurement. *Regarding open hole logging*, the temperature and pressure resistance of imaging logging continued to improve. The 200°C/172 MPa electrical imaging logging technology was successfully applied in four wells in Northwest and Southwest China, with data 100% eligible. The 200°C/206 MPa direct push storage logging instrument was applied in 574 wells with a one-time success rate of 98.6%. *About logging techniques*, the temperature and pressure indicators of the thubit storage logging were improved to 175°C/140 MPa, with a cumulative application in nearly 100 wells and a success rate of 98%, becoming the designated technology for the National Demonstration Area of Shale Oil in Jiyang, Shengli Oilfield. The "Tractor+" platform extended 24 applications in 3 categories, with an annual operation of 657 wells and a traction distance of 999,400 meters, setting multiple domestic records. *On well logging interpretation*, the "triple testing" technology of HTHP nuclear magnetic resonance+pyrolysis+displacement and the comprehensive evaluation technology of complex reservoirs were formed. The interpretation accuracy of complex reservoirs reached 93.6%, and more than 80 wells have been applied in Jiyang, northern Jiangsu and other areas, with an interpretation accuracy of 98.1%. *As for logging technology and equipment*, we realized large-scale applications of carbon isotope analysis technology and laser scanning confocal logging technology, with an accuracy of 90% for geological dessert evaluation. The integrated decision-making and command center of the well site was applied more than 20 wells, using "1 decision-making instrument+4 acquisition instruments" to simultaneously carry out logging of 4 wells in the experimental wells of Niuye 1 area, effectively raising speed and efficiency. The automated rock debris extraction and washing technology was applied in 23 wells, verifying the reliability on site.

Ground engineering technology has significantly improved. All our self-developed continuous sulfur melting processes and devices realized domestic production, breaking down the technical barriers of foreign companies. The standardized design of oil and gas fields, gas storage facilities, and long-distance pipelines has been upgraded to version 3.0. New technologies such as self-developed tungsten inert gas arc automatic welding and PST welding for long-distance pipelines were applied to the construction of the West East Gas Pipeline Section 4, setting a new record for welding of 1,219mm diameter pipelines in China per day (welding 75 intersections per unit per day).

The construction of digital base for petroleum, petrochemical, oil and gas field surface engineering won the first prize in the SOE Digital Scene Innovation Competition of SASAC. The first million-ton and 100 kilometer supercritical CO₂ transmission pipeline in China was completed and put into operation.

IT/IS construction continued to improve. We dovetailed the integrated cloud platform for petroleum engineering (SICP system) with the domestic upstream petroleum engineering business control platform (IPPE system) and various applications in the oilfield, and realized comprehensive sharing of on-site data input and the cloud edge collaborative mode of "on-site data collection and analysis+remote operation command and decision-making", greatly enhancing efficiency. We continuously carried out the integration and optimization of digital seismic progress data, and accelerated the GIS visualization display of production progress. Based on project profit and loss analysis, SICP platform established a real-time display platform covering production, operation, performance, finance and other data in key domestic and international markets, helping to improve the quality and upgrading of refined management for professional projects such as wellbore, geophysical exploration, and engineering construction.

Upgrading in the key petroleum engineering equipment expedited. We invested 3.47 billion yuan, improved and renovated 21 drilling rigs with 10 for wells deeper than 7,000 meters and 11 for wells deeper than 5,000 meters, and upgraded other 54 sets of professional and key equipment. The equipping of electric drilling rigs increased to 63%, that of electric drive devices for drilling rigs increased to 48%, and we owned 185 modern and reinforced drilling rigs. The equipment structure was further optimized, greatly enhancing the equipment support capacity.

New breakthroughs were boosted in the key technologies of oil and gas and new energy equipment. Deep earth drilling bits and tools, known as the "meritorious products" digging as deep as 10,000 meters, helped the "Deep Earth" projects to crack a series of new operation records in China and in Asia. The performance of the drilling and completion tools, and the fracturing equipment was further improved, and the new generation of hybrid drilling bits, high temperature resistant PDM drills, HTHP blowout preventors have become the benchmark of the oilfield service industry. We developed the world's first 10,000 meter well repair rig, filling the domestic technological gap. The world's largest single machine power 8000 electric fracturing equipment with continuous full load and the first domestic 90 MPa liquid driven hydrogen compressor were developed. The 2500 type fully electric one key cementing equipment and the world's strongest 175 MPa large diameter fracturing manifold with pressure capacity were put into use, and 225 tonnes of pressurized operation equipment set a domestic construction record. The 5000 electric fracturing equipment with continuous full load created the records as the world's largest fracturing and doubling the dual unit synchronous fracturing efficiency, contributing to the breakthroughs in shale oil output of Shengli oilfield. The 200,000-cubic-meter high sulphur natural gas compressor facilitated the sustainable increase in the gas recovery of Puguang gas field. We also undertook the task of self-developing the matching equipment for the fracturing ship, realized the commercial sales of underwater wellhead in offshore blocks, and advanced the "unblocking" of high-end marine engineering equipment.

Refining and Chemical Engineering Services

■ In 2023, in domestic market, 1,003 projects covering design, consultancy, EPC, and operation were executed, 747 projects started, and 477 projects completed.

Continued Progress in Engineering Services

We enhanced project execution with high standards, quality, and efficiency, and built a batch of benchmark engineering projects of strategic importance. Shandong LNG Phase III of the world's largest and China's first 270,000-cubic-meter LNG storage tank, was delivered ahead of schedule and put into operation. A number of energy supply projects, including Lianyungang Commercial Storage, have been implemented in an orderly manner. Tianjin Nangang Ethylene Project was improved through integration and operability where modular construction was actively explored, turning into a sample project. Hainan Refining & Chemical Ethylene Project was put on stream. The Caprolactam Project of Baling Petrochemical Company was delivered. The PTA Project of Yizheng Chemical Fiber Company and Phase II of Zhenhai Refining & Chemical Company pressed ahead, contrib-

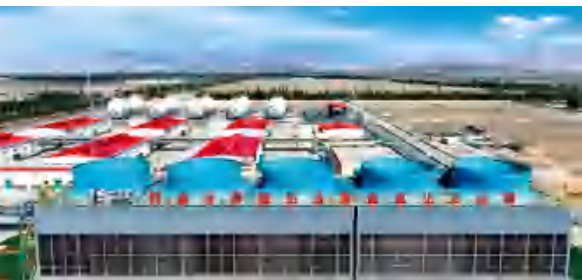
uting to Sinopec's endeavour to build a world-class, high-tech and integrated refining and chemical base.



New Progress in Technological Research

Smooth developments were made in the 24 national-level subjects we undertook, 31 "ten line of technologies", and the 20 major special R&D projects. As regards to the transformation and upgrading of refining and chemical engineering, projects like RTC from Anqing Petrochemical Company, large-scale hydrocracking of Hainan Refining & Chemical Company, 2# enhanced micro-interface for diesel hydro-desulfurization were put into operation, providing technological support for the transformation and upgrading of our refiners. As for chemicals and new materials, the pilot tests for CHPPO of Tianjin Petrochemical Company and CHPBO of Yanshan Petrochemical Company were finished and put on stream, enriching the package of epoxy technologies for Sinopec. The pilot test of synthetic gas for olefin through two-pronged approach was completed in Yangzi Petrochemical Company, and put into operation in Zhenhai Refining & Chemical Company, consolidating our strength in coal chemical business. Regarding new energy, technologies for PV to green hydrogen project in Kuqa, Xinjiang, were further

developed, and the demonstration project of green hydrogen for refining and chemical was put into operation, making China, for the first time, connected all the industrial chain across 10,000-tonne-level green hydrogen and its refining and chemical utilization. In regards to environmental conservation, we developed a complete set of harmless treatment technology for zero landfill of multi-source solid waste and built a pilot plant to provide technical support for fostering a "waste-free Group".



New Stage in Digital Delivery

Our digital delivery continued to improve, and related projects such as Zhongke Refining and Chemical, Gulei Petrochemical, and Phase I of ZRCC Base were successfully accepted. The intelligent factory design and smart site construction for Tianjin Nangang, ZRCC Base, Yangzi Petrochemical, and Yizheng Chemical Fiber, continued to be upgraded. Pilot trials for intelligent operation and maintenance in areas as coal gasification equipment and anti-corrosion of the equipment rolled out. The construction of the refining and chemical engi-

neering domain was comprehensively advanced, and the IT/IS application architecture 2.0 and the design of the full domain APP were completed. Three subsidiaries have passed the AAA level evaluation of the "IT application and industrialization" integrated management system for the Ministry of Industry and Information Technology. Key breakthroughs have been made in standardizing key business processes, deepening the integration of management systems, internal control permissions, institutional processes, and operational management platforms.

Key Projects Construction

■ In 2023, we fully constructed 57 key projects, with overall safety, quality, and progress under control. Two oil and gas field surface engineering projects, 20 refining units, one new energy facility, and two oil and gas storage and transportation facilities were completed and put into operation.

The oil and gas storage and transportation projects. Ground project of the west Sichuan gas field production capacity was completed and put into operation. Projects such as Longkou LNG, Lianyungang commercial storage, and natural gas based helium extraction of Dongsheng gas field were in full wings. The preliminary planning and basic design for projects such as Zhoushan LNG, Dongying commercial storage, and Qinghai Haidong comprehensive energy station were carried out, and on-site construction preparations were pushed ahead in an orderly manner.

Refining engineering. The successful commissioning of the ethylene project in Hainan Refining and Chemical Company, the SBC project of Hainan Baling Chemical New Material Co., Ltd. contributed to the construction of Hainan Free Trade Port. Anqing Petrochemical Company shifted from refining to chemical industry, and Yangzi Petrochemical Company's structural adjustment of refining was successfully put into operation, exploring development paths for refining subsidiaries to achieve transformation and upgrading. The relocation project of Baling Petrochemical Company's caprolactam industry chain was successfully put into operation, and the caprolactam production, research and development base with the world's largest single set production capacity and leading technology was built up. The mechanical completion of projects such as Tianjin Nangang Ethylene and the Catalyst Company's Tianjin Base were successfully achieved. The construction of projects such as Yizheng Chemical Fiber's PTA and Sinopec-SK refining structure adjustment were completed. The projects

of 11 million-tonne/year refining and high-end synthetic new materials of Zhenhai Refining and Chemical Company, maleic anhydride of Qingdao Refining and Chemical Company were implemented as planned. Projects of Luoyang Petrochemical's 1 million-tonne ethylene, Yueyang's 1 million-tonne/year ethylene, Zhenhai Refining and Chemical's 1.5 million-tonne/year ethylene, Maoming Petrochemical's ethylene were fully under construction.

New Energy, New Material, New Economy and Science research auxiliary projects. The successful launch of the Kuqa green hydrogen demonstration project represented a significant milestone in scaling up the industrial application of green hydrogen in China. The Qilu Petrochemical - Shengli Oilfield CCUS project overcame three core technological challenges in CO₂ transportation pipelines, leading the way in large-scale CO₂ pipeline construction across China. In Shanghai, the domestic production line for large-tow carbon fiber was activated, addressing the previous reliance on imports and meeting the high demand for this material. The successful commissioning of the EVOH project of Chongqing SVW Chemical significantly enhanced the Company's influence in the field of green and environmentally friendly high-end materials. Projects such as the Baling Petrochemical epichlorohydrin industrial demonstration plant and the Yangzi Petrochemical slurry polyethylene pilot plant were progressing rapidly. The building of the Shanghai Pudong Research Base and the Sinopec free trade mansion surpassed their annual construction targets ahead of schedule.



International Operations

Overseas Oil and Gas E&P

Overseas Petroleum Engineering Technical Services

Overseas Refining and Chemical Joint Ventures and Cooperation

Overseas Refining and Chemical Engineering Services

International Trade

International Joint Ventures and Cooperation in Domestic China

Our Operations Outside China's Mainland

✎ In 2023, Sinopec acted in accordance with the strategies as accelerating international energy cooperation, contributed to the high quality energy cooperation along the Belt & Road, improved our global footprints, and struck new progress in Sinopec's international operation.

Overseas Oil and Gas E&P

By the end of 2023, Sinopec has developed an international landscape covering both oil and gas E&P, and onshore and offshore as well as conventional and unconventional development. We finished 2D seismic of 872 kilometers and 52 exploration and evaluation wells, and scored multiple exploration breakthroughs and commercial oil and gas discoveries in Egypt, Cameroon, Angola, and Australia, 10.425 million tonnes of oil equivalent in new 2P reserves and 2C resources through exploration, exceeding the annual reserve target. Following the

overall guidance of "making progress while remaining steady" in new project development, we became an equity partner in Qatar's NFE project. In 2023, Sinopec put into operation 497 new wells, with a new equity production capacity of 2.79 million tonnes, overseas equity oil and gas output of 31.87 million tonnes of oil equivalent, including 24.1 million tonnes of crude oil and 9.5 billion cubic meters of natural gas. The low efficient and inefficient assets were further disposed and our asset structure was further improved, with the North Sea Project and Addax Nigeria Project closed.

	2023	2022	2021	2020	2019
Overseas equity oil (10,000 tonnes)	2409.67	2699.57	2829.21	2838.76	3379.41
Overseas equity gas (100 million cubic meters)	94.85	98.39	99.55	102.09	106.75

Overseas Petroleum Engineering Technical Services

We focused on high-quality development, enhanced key markets as the Middle East, Latin America, and Africa, and entered Saudi Aramco's exploration service market for the first

time. As of the end of 2023, we had provided petroleum engineering technical services in 28 countries, with 309 contracts being executed and a contract value of USD 18.6 billion. 67 new contracts were signed with an amount of USD 2.38 billion, and contracts completed with an amount of USD 2.26 billion.

Overseas Refining and Chemical Joint Ventures and Cooperation

By the end of 2023, Sinopec had invested 8 refining and chemical and warehousing and storage projects in 6 countries and regions (including Hong Kong Special Administrative Region), owned an overseas equity refining capacity of 7.5 million tonnes/year, a polyolefin output of 688,500 tonnes/year, a warehousing and storage capacity of 1.613 million cubic meters, a lubricant capacity of 125,000 tonnes/year, and an NBR capacity of 11,900 tonnes/year. There have been 232 Sinopec service stations in Hong Kong, Singapore, Thailand, and Sri Lanka.



Overseas Refining and Chemical Engineering Services

We consolidated and up-scaled major markets like the Middle East, enhanced development in the high-end markets, successfully became shortlisted in Saudi Aramco's FEED and PMC, marking the first time for winning and undertaking overseas PMC project, and actively explored the new energy project development in Oman, the UAE, and Egypt. By the end of

2023, Sinopec had provided refining and chemical engineering services in 14 countries, with 86 contracts under execution and a contract value of USD 7.32 billion. The newly signed contracts for the year reached 54, which recorded USD 3.05 billion contract value, hitting a historic high. 28 contracts were finished, registering a contract value of USD 780 million.

International Trade

In 2023, our international trading volume of oil and gas was 343 million tonnes. The operating volume of crude oil stood at 326 million tonnes, and the crude import was 227 million and the third-party trade volume was 99 million tonnes. The operating volume of LNG was 16.67 million tonnes (equivalent to 23.6 billion cubic meters), with 13.61 million tonnes imported (equivalent to 19.2 billion cubic meters) and 3.06 million tonnes from third-party trade. The operating volume of oil products was 60.72 million tonnes, hitting a record high since 2020, where the import of oil products was 5.81 million tonnes, the export was 24.4 million exported, and the third-party trade volume was 30.51 million tonnes.

In 2023, the overall international operating volume for

chemical products reached 7.88 million tonnes, generating a trading volume of USD 5.21 billion. The overall international operating volume of lubricants was 220,000 tonnes, recording a trading volume of USD 280 million. The overall international operating volume of fuel oil was 15.92 million tonnes, leading to a trading volume of USD 8.42 billion. The overall international operating volume of refining by-products was 1.49 million tonnes, with a trading volume of USD 530 million. The overall international operating volume of catalysts was 26,000 tonnes, creating a trading volume of USD 240 million. The international trade volume of equipment and materials was USD 160 million, and the transaction amount of EPEC International Business Platform yielded USD 12.02 billion.

International Joint Ventures and Cooperation in Domestic China

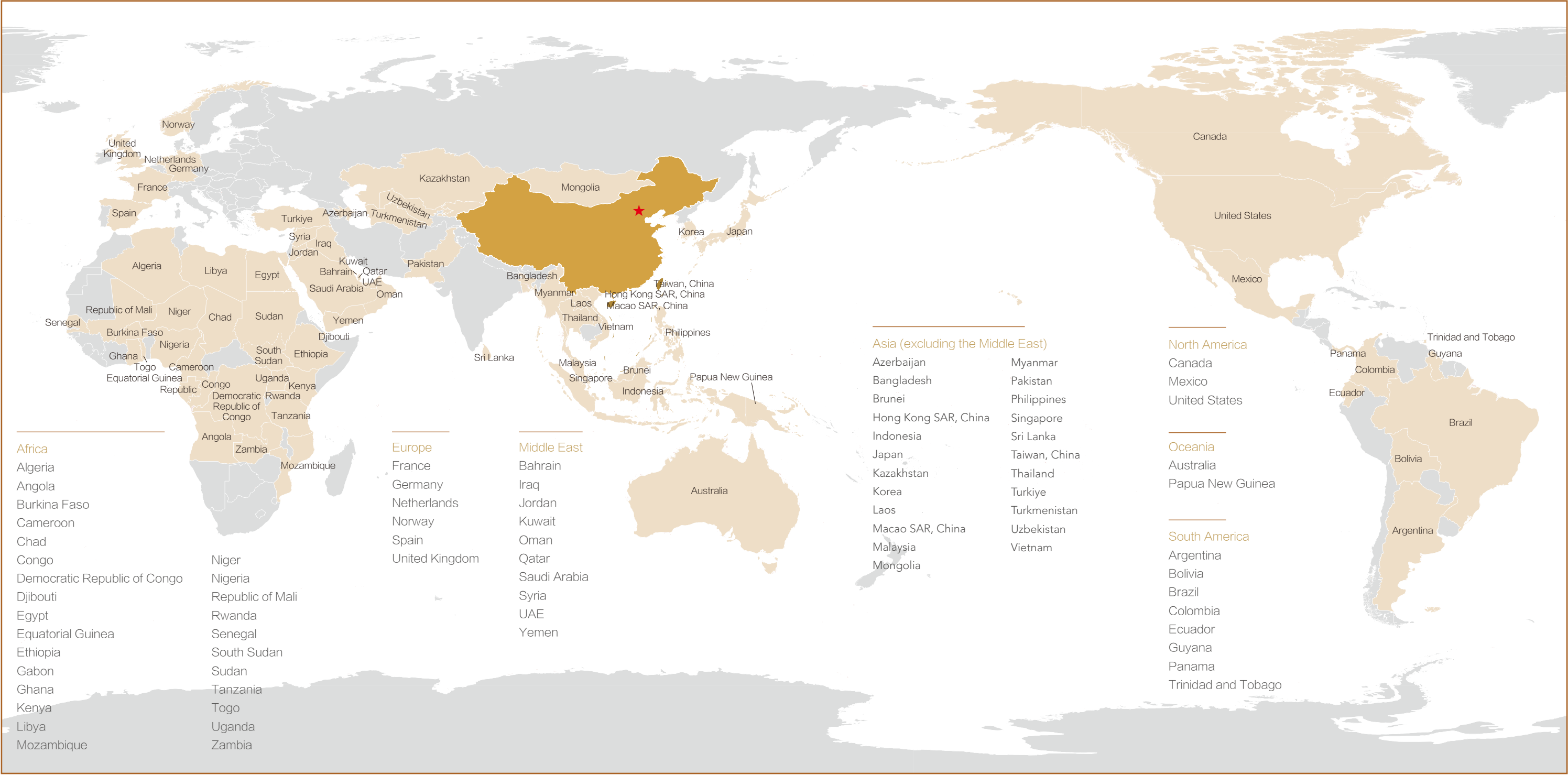
In 2023, Sinopec officially signed the shareholder agreement with Ineos to set up a 50%:50% joint venture. We started building and operating together the Tianjin Nangang Chemical Project with a 1.2 mtpa ethylene cracker.

We proceeded with the domestic oil and gas joint ventures and cooperation as the Cheng Dao Xi E&P PSC project in Shengli oilfield and Sanjiaobei CBM project, made adjustments

in developing the cooperative blocks, set up the project teams for new well operation, and strengthened the integrated and whole-process management over drilling, completion, extraction, and surface construction, thus consolidating the foundation for stabilizing the production. By the end of 2023, the cumulative crude production of those projects amounted to 8.5862 million tonnes, and that for natural gas was 203 million cubic meters.



Our Operations Outside China's Mainland



Corporate Management

Reform Management and Legal Construction
Organizational and Human Resource Management
Digital Transformation
Auditing & Oversight
Corporate Culture Cultivation
Brand Building and Management
Party Building



Reform Management and Legal Construction

■ In 2023, Sinopec deepened the high quality development actions, moved faster in building into a world-class company, unleashed the efficiency in reform and management, secured the foundation for risk prevention, and pushed ahead with the "five-in-one" legal framework, providing strong support in our high quality growth.

Notable progress was made in deepening reform. We accomplished the three-year action plan for deepening reform. Sinopec was evaluated as A by SASAC, and five of the individual indicators topped among all central SOEs. We extended the reach for reform and upgrading, by integrating and setting up the HSE Department, forming the International Trading Company of Sinopec Chemical Commercial Holding Co. Ltd. and Sinopec Chemical Logistics Co. Ltd., and consolidating the development of Sinopec Overseas Investment Company. We earnestly carried out the strategic reorganization, where the integrated development of Sinopec refining subsidiaries in Yueyang, Hunan Province, was realized. We also finished the integration and restructuring of our 38 training institutions, and conducted reform in 15 training and wellness institutions for transformation into the health and wellness service providers.

Concrete achievements were made in accelerating the building of a world-class company. Sinopec was included in the building of world-class demonstration companies listed by SASAC, and our implementation plan was appraised as A+. Based on a "three-pronged" strategic approach, Sinopec clearly improved our capabilities of five major tasks, namely, technological innovation, value creation, governance, resource integration, and brand navigation. We kicked off and deployed value creation campaign, focused on 7 major aspects, i.e., benefits and efficiency, self-innovation, transformative development, integrated improvement, deepening reform, meticulous management, and co-construction and sharing, and facilitated the implementation of 38 crucial tasks. We intensified "grass-roots construction, element groundwork, and basic skill training", raising the standardization of grass-roots management.

The quality and effects for risk and internal control were enhanced. We stuck to the bottom line thinking, strengthened dynamic evaluation and supervision over the annual 24 major risks, and proceeded with the implementation of risk prevention measures. We put wider and faster efforts to withstand major risks, continuously carried forward the establishment and application of the indicating system for major operational risk management, bringing out preliminary monitoring effects through pre-warning system. We took a holistic approach in "managing both business and risks", secured "three lines of defense", and managed risk prevention and response. We boosted the effectiveness of internal control design, and improved the construction of the two-level internal control system. We fostered the dovetailing between the lists of the "major decision-making, appointment and removal of important cadres, investment decisions for major projects" and the utilization of large funds, decisions of the Leading Party Member Committee, items for the Committee to study and discuss in advance, and the guidelines for internal control permissions. Sinopec was appraised as A in the effectiveness spot check for internal system by SASAC. We organized the second round of risk and internal control inspec-

tions for three years in a roll, and completed the inspections of 49 subsidiaries. We also carried out the second job training and professional competition, with a total of 572,000 employees trained, comprehensively improving their prowess.

The construction of the rule of law and compliance system was improved. We revised the compliance management measures, appointed the Chief Compliance Officer of Sinopec Group (Sinopec Corp.), formed a team of compliance managers in our headquarters, and established a joint meeting mechanism. We took the lead in establishing a list of know-hows regarding party rules and national laws that cadres should bear in mind among all the central SOEs, and improved the long-term mechanism for cadres to report on fulfilling the responsibilities over the construction of the rule of law at the end of each year. We updated and released the 2023 version of the list of 2,967 laws and regulations related to the production and operation of our subsidiaries, as well as 252 references to administrative licenses and certificates. We fulfilled the pre-evaluation and review procedures for major contract projects in accordance with the law and regulations, and our legal personnel fully participated in projects like joint ventures, new energy investment, capital markets, and capital finance and issued special review opinions on the legality and compliance of major projects. Effective results were achieved in the special governance of contracts, and the proportion of backdated contracts of our subsidiaries was reduced to 0.12%. We continuously integrated and simplified mechanisms, with the number of the mechanisms of our headquarters down from 787 at the beginning of 2023 to 760. We completed the comprehensive evaluation of the compliance, operability, and standardization of the current safety production management system. We organized the mid-term supervisory inspection on the legal construction during the "14th Five-Year Plan" period for all subsidiaries and the evaluation on the effectiveness of compliance management, with 79 subsidiaries winning A and above.

Protection for key areas through the rule of law and compliance was strengthened. We adhered to the overseas legal compliance risk investigation, joint investigation and governance, closely followed major international political and economic dynamics, filed legal risk alerts, and studied responses. We strengthened export controls, economic sanctions, overseas anti-corruption and compliance management against commercial bribery, and properly responded to inquiries from the SEC. We enhanced the legal protection of intellectual property rights and made substantial progress in major technology secret protection cases. The collection of "accounts receivable and inventory" through legal means was intensified, with a total of 791 million yuan of accounts receivable and various types of debt collected in 2023. We prevented and controlled the legal risks in environmental protection, and multiple environmental public interest litigation cases against us were resolved. We defended

rights and cleaned up counterfeit registered subsidiaries of Sinopec in accordance with the law, effectively safeguarding our brand reputation. We improved the credit monitoring mechanism of affiliated subsidiaries, and properly handled cases of collective labor disputes.

Headway was made in "cutting inventory and increments"

Organizational and Human Resource Management

Senior management and cadre team building. We concentrated on the strategic deployment and real needs in high quality development, and forged the qualified and professional cadre team for Sinopec with broad shoulders, maintaining over 93% of "good" performance in cadre selection and appointment for 3 consecutive years. We always put young cadre selection as the driving and dynamic project, and deeply implemented the phased leadership training plan, with newly-appointed leaders around 45 years old in 2023 accounting for 54.9%. We continued to integrate Party leadership into corporate governance, consolidate and deepen the leadership system of the Chairman (Executive Director, Branch Representative) assuming Party Member Committee Secretary at the same time by expanding such practice to our subsidiaries and overseas offices where conditions were ripe, and new progress emerged in such leadership system in our joint ventures. We deepened the classification guidance for the construction of the board of directors, conducted an evaluation of 182 directors selected by the senior management team for the first time, established an external director convener system in our subsidiaries among the "Science and Technology Reform Demonstration Companies" and "Double-Hundred Companies" listed by SASAC, and steadily drove the modernization of the management system and capabilities. We restructured the term system and contractual management of "1+3+2" system, expanded the scope of contract signing from the management level to the whole leadership team, and all mid-level and senior management team members signed the "job appointment agreement, annual business performance responsibility report, and term business performance responsibility report". When the Leading Party Member Group for Inspection Work conducted its inspection and the specific inspection on talent selection was carried out, we well cooperated and rectified related problems, promptly dealt with the issues raised over complaints transferred from the Group, and held the confirmed cases accountable. We organized and facilitated the "one report and two evaluations" work (one report is a special report on the annual cadre selection and appointment work, and two evaluations are evaluations of the cadre selection and appointment work as well as the selected cadres), provided written feedback on the evaluation results to the party committees of each subsidiary and guidance for further improvement for the first time, and in terms of the subsidiaries' evaluation on "the general work on the selection of cadres" and "enhancing the comprehensive management and the regular supervision for cadres", the shares of "good" stood at 95.02% and 95.44% respectively, up by 5 years in a roll, hitting a new historical high. We completed the collective filling and reporting of the personal matters of the cadres administered by Sinopec's Leading

for legal dispute cases. We continued to increase the handling and supervision of dispute cases. All 8 major cases supervised by the SASAC were eliminated, the amount of money involved in dispute cases fell to the lowest level in 10 years, tangibly reducing the risks of legal disputes facing our company.

Party Member Group, and the consistency rate of key information reached 99.24%. We kicked off the screening and rectification of problems like "revolving door" and "evasive resignation", and intensified the special crackdown on "obtaining overseas identity illegally". We revised and distributed *The Measures for Supervision, Inspection and Accountability of the Selection and Appointment of Cadres for Sinopec*, earnestly carried out special inspections on the selection of personnel for inspections over the Leading Party Member Group, completed high-quality special inspections on the selection of personnel in 18 subsidiaries, and guided the special inspection team to complete the selection and inspection in 4 subsidiaries. We explored the establishment of a director evaluation system, developed and launched a data management system for the board of directors and external board members, and conducted an assessment and evaluation of 182 directors selected (appointed) by the Leading Party Member Group for the first time.

Talent team building and development in training. We focused on building a strong team of high-level talents, established and selected chief engineering and technical experts, and selected more experts from research institutions, and professional, technical, and production subsidiaries, deepened the construction of the chief scientist studio, held the first Sinopec Expert Forum, set up the Sinopec Consulting Center, vigorously introduced high-level overseas talents, registered and established the company's first "talent enclave" in Tianjin, and a group of Sinopec outstanding talents have been awarded titles as the "National Excellent Engineer". We highlighted the development of young talents by deepening our cooperation with Imperial College for joint cultivation of young scientists, made prudent progress in introducing and dispatching of post-doctoral talents, kicked off the "Baigeqianfan" program for young talent training, organized the 3rd Young Elite Scientist Competition, and selected outstanding young talents into the "Future Scientists" program for further training. We focused on strengthening the frontline and ensuring production, the chief technician was evaluated for the first time, and a skilled talent innovation achievement release activity and an employee innovation achievement exhibition were held. We, for the first time, assessed and reviewed chief technician, organized the innovation achievement release for skill talents and employee innovation exhibitions, and evaluated and named the first batch of Sinopec Skilled Talent Innovation Studio, in order to secure the frontline and production. In 2023, we held 9 national-level competitions and 4 local-level competitions within Sinopec, continuously consolidating the talent growth in our frontline. For strategic reserves and securing employment, the number of college graduates enrolled by Sinopec has exceeded 11,000



for 5 consecutive years, and nearly 10,000 college graduates were introduced in 2023. As one of the first pilot companies, Sinopec participated in the special pilot of the training reform in Masters and PhD in Engineering. We strengthened the overall guidance and top-level design of education and training, compiled the *Outline of Sinopec's Education and Training System*, and revised the *Regulations on Employee Education and Training Management of Sinopec* and the *Measures for Online Training Management of Sinopec*. We optimized the training of various key talents, and organized 54 key talent training projects where 5,139 employees were trained. For the management personnel, we continuously improved a progressive and systematic training system with 8 levels, and systematically enhanced their comprehensive quality and performance. For professional and technical talents, we organized special seminars on building the new energy system and the new integrated refining and chemical industrial chain, as well as expert training courses, to improve the professional capabilities and qualities of various experts. For skilled talents, we conscientiously implemented Sinopec's requirement of strengthening the "grass-roots construction, element groundwork, and basic skill training", guided our subsidiaries to intensify the basic skill training. For international talents, we carried out specialized training on international market integration, overseas refining and chemical integration, and international cooperation in geothermal technology, held business training courses for local backbone employees, and continued to organize training for the strategic talents reserved for international businesses. We vigorously pushed the digital transformation of training, and improved the functions of Sinopec i-Academy, registering a total online learning duration of over 50 million hours.

Labor and remuneration evaluation organization. We properly handled the relationship between strictly controlling staffing and meeting development needs, precisely allocated the staffing resources, and improved the efficiency of staffing management. We dynamically adjusted the total employment of Sinopec during the 14th Five Year Plan period, and actively supported the recruitment of key projects and key subsidiaries. We rolled out incentives for optimizing human resource allocation, and steadily optimized the human resource allocation and resettlement in the transformation and development of Sinopec Hubei Fertilizer Company and Sinopec Nanyang Energy Chemical Company. Pilot trials were made in recruiting new apprentices and introducing mature staff for our subsidiaries,



and the team building of frontline employees was enhanced. We developed and publicized 23 labor quota standards, and facilitated the formation of a comprehensive and scientifically applicable labor system for securing production. We organized and guided our subsidiaries to self-evaluate their market-based employment mechanism construction. The remuneration management system was systematically improved, with 10 systems and regulations as the *Management Measures for Performance Assessment of Cadres Managed by the Leading Party Member Group* and the *Labor Cost Management Measures* revised and published, and furthered implemented. We conducted high-quality assessment and implementation for external evaluation, and cooperated with the SASAC to evaluate the performance of the Chairman and the President of Sinopec. In 2022, Sinopec won the 2nd place among A-level central SOEs, achieving the historical best. We well completed the performance evaluations for 173 subsidiaries (departments) and the annual and term evaluations for over 1,260 cadres managed by the Leading Party Member Group, strengthened the linkage between salary, performance evaluation, and job contributions, and reasonably widened the income gap among the cadres. The mechanism for total salary determination was improved, the total amount of salary was effectively managed, the mechanism for determining the total amount of salary through "performance linkage and efficiency adjustment" was optimized, and benchmarking salary against performance was carried out, thus stimulating our subsidiaries to raise their quality and profits. We put forward a sound innovation incentive and guarantee mechanism, focused on technological breakthroughs, ensured the completion of the listed tasks, consolidated policy "special zones", and implemented 22 policy measures touching 5 aspects of technological innovation incentives. Mid to long term stimulus was rendered to 3 subsidiaries including Sinopec Oilfield Equipment Corp. We strengthened the construction of internal assessment and distribution mechanisms, promoted contract-based management for all employees, deepened the reform of internal salary systems in our subsidiaries, and set up and improved internal salary systems in 7 subsidiaries. We also enhanced the management of overseas assessment and allocation, established a performance evaluation mechanism for international operation, improved the dynamic adjustment of the dispatched employees' salaries with changes in exchange rates and local commodity prices, and comprehensively implemented tax burden balance.

Digital Transformation

■ In 2023, the Company accelerated the digital and intelligent transformation of traditional business, continuously deepened the integration of digital technology and the real economy, developed new quality productive forces, and firmly followed the path of new industrialization.

Playing a Leading Role in Industry Transformation

The Company undertook over 10 national pilot demonstration projects and key research tasks. It became the "leader" in the industrial software chain in the petrochemical industry, establishing five innovation consortia, including the basic physical property database and process simulation software. It also developed domestic real-time optimization software for ethylene production units. The "Industrial Internet + Safety Production" pilot tasks were completed, shifting the safety management from post-accident supervision to proactive warning. Under the "Industrial Internet + Equipment" project, the Company piloted

functions including key unit condition monitoring in 10 subsidiaries, and achieved the first application of Internet identification analytic technology in seven areas, such as equipment and part life management. The preliminary design of the artificial intelligence infrastructure project was completed. And research on industry-wide modeling was conducted. The Company piloted applications such as intelligent warehousing, intelligent inspection, dynamic leakage monitoring, and unmanned tank cleaning robots of the "5G Infrastructure Construction and Application" project. The "Beidou Intelligent Oilfield Construction and Comprehensive Application Demonstration" project was completed, creating 22 typical application scenarios of "petrochemical + Beidou" in five subsidiaries, including Shengli Oilfield.

Promoting Digitization of Business Management

The digital and intelligent upgrade of the financial management system increased the automation rate of reports by 10%. Five categories of 87 analysis and decision-making models, including treasury operation management and risk management were built. Financial sharing system was fully promoted among overseas subsidiaries. 74 core functions of the legal compliance management system went online. The "e-Sign" electronic signing platform was implemented in 148 subsidiaries, improving the signing efficiency fourfold. The integration model of business review and big data and the integrity risk monitoring model were applied online, enhancing intelligent audit supervision. In the assessment of the special action for the digitization upgrade of state-owned assets, the Company came out top among central enterprises. Six models, includ-

ing integrated investment control, full-process procurement supervision, and intelligent monitoring of abnormal trade, won awards in the intelligent supervision business model innovation activities organized by the State-owned Assets Supervision and Administration Commission of the State Council.



Promoting the Digitization of Production and Operations

The headquarters' intelligent operation center strengthened data aggregation, deepened model application, which improved cross-sector operation analysis and optimized planning. The building of intelligent "field-factory-station-institute" was continuously promoted, with three intelligent oil and gas fields 1.0 going online and the blueprint design for intelligent oil and gas fields 2.0 completed. Six intelligent factories 2.0 went online, achieving "unmanned" substitution for some business processes such as testing and measurement, integrating over 100 sets of system data, effectively eliminating data silos, and completing the preliminary design of intelligent factories 3.0 for Zhenhai Refining & Chemical Co. and Zhongke Refining &

Chemical Co. The information systems for new fuel cards and charging and swapping stations were fully promoted. And a cross-border retail management platform was established. The application of alarm notification push in refining and chemical subsidiaries increased the timely disposal rate of alarms by more than 10%, forming a set of solutions including major hazard source early warning models, JSA risk knowledge base for direct operations, proactive safety monitoring models for dangerous chemical vehicles, and automation substitution for some high-risk operations. The integrated logistics platform went online and was operated in 11 enterprises, including Chemical Commercial Company, achieving full closed-loop logistics business and transparent execution, and saving costs of 120 million yuan annually through resources optimization.

Promoting the Construction of Digital Trade and Services Systems

The Company continuously improved and upgraded platforms such as Chememall, EPEC, itrip, and industry-finance digital intelligence, completing the intelligent upgrade of the customer service system, and promoting the development of new business formats and the new economy of the Company. Chememall optimized organizational and marketing business processes, supporting the reform of Chemical Commercial

Strengthening the Foundation for Digital and Intelligent Development

The scale of cloud resources reached 570,000 CPU cores and 81PB storage, supporting the cloud-based operation of the entire Group's information systems. The performance of domestic convergence centers' networks was optimized, improving the performance and reliability of network links between subsidiaries and headquarter. An integrated IT operation and maintenance service system was established to achieve online management of unified infrastructure and information systems. The transformation of systems such as new OA, digital archives, legal compliance, communication, and e-Mail was completed, realizing the full deployment of domestically-produced office

Honors Achieved in Digital Transformation

Sinopec became the first company in the petrochemical industry to be rated as the highest level (Level 5) in data management capabilities, and its data application cases won the first prize of the Industrial Internet Big Data Innovation Application at the 2nd China Big Data Contest. Hainan Refining & Chemical and three other companies were awarded the title of Intelligent Manufacturing Demonstration Factory for the year 2023, with a total of 10 companies being recognized as National Intelligent

Company, with a total transaction volume of 71.58 million tonnes. EPEC strengthened procurement process control, service expansion, market development, and profitability improvement, with a cumulative transaction volume exceeding 3 trillion yuan. Itrip expanded platform resources, with over 2.1 million orders and serving 1.798 million people throughout the year. Industry-finance digital intelligence platform improved the unified payment cross-platform service capabilities and expanded on-line financial services, realizing the online operation of 36 funds and 20 Internet insurance products.

software and the "Sinopec Window" browser. The Sinopec Intelligent Cloud platform was upgraded to enhance its capabilities in enabling and empowering data. The Company conducted research on "cloud-edge collaboration", verifying key scenarios, and formulating implementation plans for cloud-edge collaboration in refining and chemical enterprises. A sound data governance system was established. The Sinopec Data Resource Catalog was published, forming a set of data classification and grading standards with Sinopec characteristics. Data resource sharing and application were strengthened, with the Group's data service platform accessing 490 data source systems, depositing over 80,000 data models, providing more than 7,100 data services, and making over 2.25 billion calls.

Manufacturing Demonstrations. China-SK Petrochemical and five other companies were included in the national 5G factory list. Sinopec Oilfield Service Corporation and 15 other companies won first, second, and third prizes in the inaugural State-owned Enterprise Digital Scene Innovation Professional Competition organized by the State-owned Assets Supervision and Administration Commission of the State Council. Tianjin Petrochemical and 6 other companies won the second prize and the Excellence Award in the national finals of the 6th "Blossom Cup" 5G Application Contest.

Auditing & Oversight

In 2023, focused on the Company's overall development, based on economic supervision, and focused on their main responsibilities, the Company's auditing organizations at all levels fully played the role of "economic guardians" and pushed for high-quality audit coverage without blind spots, providing strong support for the Company's high-quality development. Throughout the year, a total of 1,188 audit projects were conducted, including 240 economic responsibility audits, 263 fixed asset investment audits, 33 financial fund audits, 104 internal

control audit evaluations, 26 equity investment project audits, 12 final account audits for information projects, and 1 management efficiency audit. 509 special audits or audit investigations were conducted, including financial derivative business, risk management for new business of financial subsidiaries, safety and environmental investment management, fund risk management, and overseas projects management, effectively enhancing the effectiveness of auditing oversight.

Corporate Culture Cultivation

Guided by the socialist core values, inheriting the spirit of petroleum industry and promoting the traditions of petrochemical sectors, the Company focused on establishing cultural foundations, enhancing employee identification, strengthening the demonstration effect, and improving the overall civilization quality. It aimed to cultivate a corporate culture with distinct characteristics of the times and China Petrochemical Corporation, providing strong ideological support, powerful spiritual strength, and favorable cultural conditions for accelerating the construction of a world-leading clean energy and chemical company.



Core Values

Corporate Spirit: Loving China, Revitalizing Petrochemical Industry

Corporate Mission: Powering a Better Life

Corporate Vision: Building a World-leading Clean Energy and Chemical Company

Corporate Values: People First, Responsibility, Integrity, Meticulousness, Innovation, and Win-win

Corporate Way of Doing Things: Strict, Meticulous and Practical

Conducting a systematic evaluation of the Company's corporate culture. Through data research, on-site investigations and interviews, and questionnaire surveys on the corporate culture of the Group and its subsidiaries, the Company focused on analyzing the corporate culture concept and management, identifying problems, and proposing improvement directions, providing a basis for revising the outline of corporate culture construction and the next steps in corporate culture construction.

Revising and improving the outline of corporate culture construction of the Company. The Company revised and improved the "China Petrochemical Corporation Corporate Culture Con-

struction Outline (2024 Edition)" issued in 2016. The new version of the "outline" includes five key elements: corporate spirit, corporate mission, corporate vision, corporate core values, and corporate way of doing things.

Building pilot demonstration projects for corporate culture construction in the Company. Zhenhai Refining & Chemical Co., as a pilot subsidiary of the Group, was awarded the title of "National Best Practice Enterprise for Corporate Culture", accumulating valuable experience for benchmarking first-class corporate culture and the corporate culture construction practices of other subsidiaries.

Continuing to cultivate influential corporate culture education bases. The Company has three national industrial heritage sites, three national scientist spirit education bases, five central enterprise industrial culture heritage bases, and three central enterprise patriotism education bases.

Continuously carrying out the selection and promotion of major exemplary cases. The Company's Aromatic Hydrocarbon Development Team was awarded the title of "Model Enterprise of Central Enterprises"; Shanghai Petrochemical's "Starry Sky" Volunteer Service Team was awarded the title of "National Best Volunteer Service Organization".



Brand Building and Management



■ In 2023, in line with the strategic deployment of "accelerating the construction of world-class enterprises" by the Party Central Committee and the requirements of the State-owned Assets Supervision and Administration Commission of the State Council for brand leadership action, the Company focused on building a first-class brand image, systematically promoted relevant work, continuously boosted brand value, and achieved increasingly significant international communication effects. The Company's brand construction capability ranked first among central enterprises for three consecutive years. For six consecutive years, it has received the highest grade of 'good' in the assessment of the central enterprises' targeted assistance. It achieved a brand value of 358.621 billion yuan, ranking first in the Chinese energy and chemical industry for seven consecutive years, and obtaining the first batch of "Brand Construction Leader" title. The brand value of its business brands significantly increased, with the brand value of "Easy Joy" at 20.697 billion yuan, "EPEC" at 10.012 billion yuan, "Great Wall Lubricants" at 8.438 billion yuan, "Donghai Asphalt" at 4.208 billion yuan, and "Sinopec Oilfield Equipment" at 0.664 billion yuan.

Taking strong brand leadership actions. The Company formulated and issued the "Sinopec Brand Leadership Action Implementation Plan", proposing 20 measures and 35 specific tasks, and listing a work plan to strengthen the implementation and control process. More than 100 subsidiaries formulated their own brand leadership action implementation plans, making full efforts to gradually integrate brand into the process of reform and development. The Company held a brand leadership action promotion meeting and organized a specialized training course on brand leadership action for 182 middle-level cadres, comprehensively deploying and promoting brand building work.

Strengthening systematic brand management. The Company improved the construction plan of the brand management organization system. It undertook research tasks on brand accumulation assessment by the State-owned Assets Supervision and Administration Commission of the State Council and research on brand value-added and brand value ranking. It promoted the incorporation of brand courses into the Company's key talent training programs, increasing the coverage of brand courses in various training projects.

Continuously enhancing the effectiveness of value communication. Guided by brand concepts, the Company analyzed

the background of brand communication and formulated a three-step global brand communication strategy of "going out, getting closer, and going in", establishing a unified corporate brand image in a global context. It prepared with all efforts to participate in the China Brand Expo, showcasing the brand image comprehensively and with high quality. The Company's exhibition hall became one of the boutique exhibition halls with a large number of participants, high attention, and overwhelming social response.

Continuously exploring the integration of brand and business. In terms of the parent brand construction, the Company conducted in-depth work on the second batch of brand pilot projects, exploring the integration of brand and business, and promoting the transition of brand construction work from "pilot" to "demonstration". In terms of sub-brand construction, breakthroughs were made in the cultivation of high-end brands in the new energy and new materials fields. The authorization system for the "Ecorigin" degradable materials brand were improved, promoting the registration and brand building of the "G (Green) Resin" and "Antibacterial Resin" trademarks, exploring the brand of solutions for the upstream sector's "green and efficient development of oil and gas", and helping enhance brand premium capabilities.

Party Building



■ In 2023, with the strong driving force of remembering the Party's instructions and advancing with gratitude, and taking the theme education of studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as an important starting point, the Company focused on its new mission and tasks in the new journey, carried forward the spirit of self-revolution of the Party, comprehensively strengthened the Party's leadership and building, and systematically promoted strict governance of the Party, providing a strong guarantee for writing a new chapter in China's modernized petrochemical industry.

Leading Party Member Group Building

Strengthening the building of the Leading Party Member Group. The Leading Party Member Group led the learning, publicity, and implementation of the spirit of the 20th National Congress of the Communist Party of China, deeply studied and implemented General Secretary Xi Jinping's important instructions during his inspection of Shengli Oilfield and Jiujiang Petrochemical, earnestly implemented the "first topic" mechanism, and fully promoted the transformation and implementation of learning outcomes, acquired a deep understanding of the decisive significance of establishing Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and establishing the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and upheld Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and upheld the Central Committee's authority and its centralized, unified leadership with practical results. It carried out high-quality theme education on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, organized reading classes, gave special party lectures, conducted research on assigned topics, conducted in-depth self-examination of problems, and formulated special rectification work plans, and earnestly handled practical projects. We fully accepted the first round of political inspection by the 20th Central Committee, solving problems together with the 13th Central Inspection Team, resolutely implemented General Secretary Xi Jinping's requirements for "integration" at four aspects, refined and specified the feedback from the central inspection, formulated targeted rectification measures, and efficiently promoted rectification and implementation, and made every effort to do a good job in the "second half" of the work. The Leading Party Member Group took the lead in implementing the main responsibility for strict governance of the Party, timely studied and decided

on major matters related to Party building, conducted special studies on the implementation of the main responsibility for strict governance of the Party. Leading Party Member Group members conscientiously fulfilled their "dual responsibilities", strictly disciplining themselves, being responsible, and strictly managing their subordinates, and promoting the deepening of strict governance of the Party.

Strengthening Party leadership in improving corporate governance. The Company adhered to the principle of "two adherence", integrated the strengthening of Party leadership with the improvement of corporate governance, dynamically optimized the list of major issues, the list of "three major and one major" decision-making matters, and the internal control authority guide to be discussed and decided by the Leading Party Member Group, and synchronously embedded them into the headquarters decision-making information system, further clarified the interface between governance entities and their responsibilities. Guiding directions, managing the overall situation, and ensuring implementation, strengthening substantive checks, in 2023, the Leading Party Member Group reviewed and submitted to the Board of Directors the mid-term evaluation of the Company's "14th Five-Year Plan" and three-year rolling plan, as well as the implementation plan for deepening reform and improvement actions, which were all reviewed and approved by and effectively implemented. The Company strengthened classified guidance to subsidiaries, deepened the linkage mechanism of "list-system", conducted joint review of decision-making documents, comprehensively promoted the effective connection of the list of major issues to be discussed and decided by the Party committee of subsidiaries and the list of "three major and one major" decision-making matters, and established a work mechanism for multi-department coordination from top to bottom, continuously synergized and improved important decision-making systems, and ensured the standardized and effective operation of the Party committee's authority in corporate governance.

Work on Party-Masses Relations

Carrying out the theme education on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Under the precise guidance of the 44th Central Guidance Group and the 20th Inspection Guidance Group, the leading Party member group of the Company firmly grasped the main themes and overall requirements of the theme education. We deeply studied and implemented the series of important speeches and instructions by General Secretary Xi Jinping on theme education, especially taking his important instructions during his visits to the Shengli Oilfield and Jiujiang Petrochemical as the freshest, most vivid, and most direct teaching materials for the theme education. We shouldered the responsibility, strengthened overall organizational leadership, established a special team for coordination, and established a mechanism of "overall plan, monthly arrangement, and weekly scheduling". We provided sufficient and strong supervision forces, promoted theoretical learning, investigation and research, development promotion, review and rectification, and establishment of regulations and systems. We achieved significant results in soul-building through learning, enhancing wisdom through learning, correcting ethos through learning, and promoting work through learning. The two batches of theme education work in the Company were highly recognized by the central government. At the summary meeting on studying and implementing the theme education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company's practices and achievements in theme education were specifically praised. The Company's experiences and practices were published in the Central Theme Education Briefing 10 times and the 3rd Central Liaison Group's Exchange and Guidance Information 5 times, ranking among the top of central enterprises. The overall satisfaction rate of the Company's two batches of thematic education reached 99.5%. Jiujiang Petrochemical made a speech at the symposium "Remembering General Secretary Xi Jinping's Instructions and Being the Vanguard for a Major Country and Prosperous Enterprise" held by the State-owned Assets Supervision and Administration Commission of the State Council.

Enhancing political responsibility for governing the Party at all levels. Following the "three unchanging", "four strengthening", and "five not investigating" principles, we organized the annual assessment of party building for 2022, conducted comprehensive reporting, result feedback, and utilization of the assessment, and guided the party committees of subsidiaries to continuously expand the breadth and depth of strict governance of the Party. We organized the party secretary's performance evaluation focusing on the "four focuses", "three orientations", and "three key points". The secretaries of the party committees of 26 subsidiaries made on-site reports collectively. The party secretaries of headquarters departments (institutions), business units, and all directly affiliated units participated in the meeting in person, amplifying the effect of the reports. We strengthened the operation of the Party Building Leading Group and its office, continuously improved the mechanism of quarterly meetings on party building work, held two meetings of the leading group and three meetings on party building work, and better played the overall coordinating role of the party building in the entire system. At the national conference of ministers of organization



departments, the Company made a speech as the only representative of central enterprises.

Strengthening classified guidance for Party building work in various fields. The Company implemented the important requirement of "paying more attention to consolidating the foundation" put forward by General Secretary Xi Jinping, and carried out precise guidance in light of the Party building in different sectors and fields, as well as standardized and strengthened the Party building in mixed-ownership enterprises. We implemented the "Implementation Plan for Standardizing and Strengthening Party Building Management in PCITC", studied and formulated the "Measures to Further Standardize the Setting Up and Operation of Grassroots Party Branches in Refining and Chemical Subsidiaries", formulated and issued the "Measures for Strengthening the Construction of Grassroots Party Organizations on the Frontline in SSC", and "Measures for Further Enhancing the Quality of Grassroots Party Building in Oil Products Sales Enterprises". We also strengthened the publicity and interpretation of "Several Opinions on the Deep Integration of Party Building and Scientific and Technological Innovation in Research Institutes" to deepen the understanding of the spirit, promote implementation, and to further enhance party building and innovation.

Enhancing the political and organizational functions of party Organizations. We improved the working mechanism of reminding and supervising the renewal of grass-roots party organizations, dynamically analyzing the process, and guiding the standardization of the setting up of grass-roots party organizations, and fully realized the principle of "building and replacing" as much as possible. For the first time, the Company carried out the selection of "Model Party Groups" in the headquarters departments to continuously improve the level of standardization and normative construction. Seminars for party branch secretaries of the Company's grass-roots demonstration sites were held continuously, and basic skills training and examinations for party branch secretaries at the grass-roots level were organized on a regular basis, with a total of 127 directly-affiliated enterprises and 3,351 people taking part in the training and examinations. We implemented a multilevel Party education and training system comprising model training for the Company, centralized training for directly-affiliated units, and daily training for grassroots units. Sinopec held the Second Forum on Party Building Innovation in State-owned Enterprises, and carried out a review of the functions of the Party Building Platform of Sinopec to continuously optimise its functions and improve its services. It also conducted a 'review' of the headquarters' development of work style, deployed a theme Party day for work style development, and took multiple measures to improve the

headquarters' style of work.

Deepening the work of the united front, masses and Youth League. Adhering to the Party's mass line, the Company continued to deepen the work of the united front, labor unions, and Youth League. The Company's Leading Party Member Group conducted special studies on the United Front work, deployed key tasks, and continued to improve the pattern of the United Front work. The United Front theme education included "Strengthening the Soul, Uniting and Striving for a New Journey" and "Learning and Implementing the 20th National Congress, Uniting and Striving for a New Journey". The Company guided the standardized operation of 14 workshops for the advice and counseling of people representing people outside the Party, formulated and issued the "Management Measures for the 'Concentric Circles' Cloud Workshop of Sinopec". The results of suggestions and advice from outside the Party were selected as the compilation of excellent research reports by central enterprises' United Front Workers of the State Council's State-owned Assets Supervision and Administration Commission (SASAC) for two consecutive years. Sinopec organized training for United Front Work of, and provided on-site teaching at Shaoshan Cadre College to strengthen ideological and political leadership. It carried out a thematic research on networking, with the leading cadres of the Party members bonding with 1,551 people outside the Party. Sinopec deepened publicity and education on the theme of "Chinese Dream - Beauty of Labour", and recommended two groups to be awarded the National May Day Labour Title and 10 people to be awarded the National May Day Labour Medal. It organized staff cultural performances to celebrate the 40th anniversary of the founding of Sinopec, and staff art, calligraphy and photography exhibitions to tell the story of Sinopec in the form of thematic literature and art. The Company continued to promote five national leading competitions, participated in the National Energy, Chemistry

Ideological Work

Theoretical training is the "soul". We coordinated the theme education with the in-depth study and understanding of General Secretary Xi Jinping's important instructions during his visits to the Shengli Oilfield and Jiujiang Petrochemical, innovated the "four-step" learning model, guided subsidiaries to learn from the original sources, connect with reality, engage in in-depth discussions, and gain practical experience, so as to continuously deepen and solidify theoretical training. We strictly implemented the "first topic" mechanism, continuously strengthened and improved the theoretical learning center group of the subsidiaries' party committees, regularly issued learning arrangements, reports, and references, provided on-site guidance, observation, and feedback in some subsidiaries, and promoted the improvement of the quality and effectiveness of theoretical learning. We made full use of internal and external media resources, published seven articles with the names of the leading Party member group or the main leaders of the leading Party member group in media such as People's Daily and Qiushi, and set special columns on platforms such as Sinopec Newspaper, vigorously reporting the learning achievements, distinctive practices, outstanding results, and typical experiences of party organizations at all levels and all party members in carrying out

and Geology System Petrol Station Operator Skills Competition, held a meeting to promote the construction of employee innovation studios, and, as the only invited representative of a central enterprise, made an exchange of experience at the "14th Five-Year Plan" Labour and Skills Competition Promotion Meeting of the National Federation of Trade Unions. The Company organized an assessment of the quality of staff congresses of directly-affiliated subsidiaries, studied and issued the Implementation Measures for Factory Affairs Disclosure of Sinopec Directly-affiliated Subsidiaries, carried out the construction of the "Workers' Bookstore", and carried out warmth-sending activities on a regular basis to make good use of the help and assistance funds, so as to effectively strengthen the sense of gain, happiness and security among the employees and the public. The second Youth League Congress was held, and the members of the leading Party member group had a collective talk with the members of the second Youth League Committee. The theme education of the Youth League members and youth was carried out, and the relevant experiences and practices were published and exchanged in the newsletters of the Central Committee of the Communist Youth League of China and the Youth League Working Committee of the Central Enterprises. The results of the Youth Spirituality Enhancement Project were displayed and reported and the Youth Speech Meeting was held. The Results of the Youth Spirituality Enhancement Project of Sinopec was compiled and printed. The Eighth Young People Foreign Language Competition and the 3rd Youth Science and Technology Elite Competition were held. The Company selected and recommended Shengli Oilfield Petroleum Engineering Yellow River Drilling 70183SL Drilling Team to win the China Youth May 4th Medal. The leading Party member group of Sinopec, as one of the three leading Party groups of Central Enterprises was invited to make a keynote speech on the 'Youth Question of the Era' forum organized by the Party Committee of SASAC.

theme education. We urged the party committees of each subsidiary to regularly study ideological work, analyze risks in the ideological field, consolidate the "self-inspection of subsidiaries + online inspections + headquarters spot checks" mechanism, actively respond to the "high-temperature and high-pressure" external public opinion environment using the "three-point method" of public opinion control, firmly grasp the leadership of ideological work, and create a healthy and positive atmosphere for the construction of professional ethics.

Strengthening the "foundation" of ideological work. Closely following important company meetings, major reforms, and key tasks, the Company continued to carry out the "hundreds, thousands, and millions" series of lectures, regularly published articles interpreting the situation and policies, issued 160,000 copies of "clear paper" to grassroots teams, educated and guided cadres and employees to understand the situation and clarify goals, and strived to be at the forefront through practical actions. We implemented the project to enhance the ideological work, conducted a series of special training, summarized and extracted grassroots practical cases, published the "Guidance Manual for Ideological Work in Sinopec in the New Era", leveraged the advantages of the "Sinopec account" platform, strengthened online surveys and EAP service system construction, and ensured that the mainstream of employees' thinking remained healthy and positive.

Anti-Corruption

Highlighting the overall situation and emphasizing political supervision. Focusing on "the greatness of the country", the Company carried out special supervision and research on the implementation of the decision-making and deployment of the 20th CPC National Congress and the spirit of the important instructions of General Secretary Xi Jinping, and focused on the key tasks of safeguarding energy security, integrating development and safety, and enhancing the quality and efficiency of scientific research, etc., and formed a number of supervisory achievements that had a positive impact. Focusing on central inspection and rectification, the Company formulated an inspection and rectification supervision programme and a working account, took the initiative to supervise and follow up on responsibilities, and supervised and promoted real, practical and in-place reforms. Focusing on the "key minority", the Company carried out full-coverage supervision of the democratic life meetings of the leadership teams of subsidiaries and headquarters departments (agencies), and built "clips" and "drawings" for the management of leadership personnel of the leading Party member group. It also conducted comprehensive research and judgement on the political ecological situation of subsidiaries, and the effectiveness of supervision was continuously enhanced.

Highlighting key cases and cracking down on corruption. We always insisted on punishing corruption with a "zero tolerance" attitude, focusing on key cases such as the Central Committee's inspection concerns, leadership personnel directly under leading Party member group management, and the adoption of retention measures, and continued to intensify investigative efforts, releasing strong signals of strictness to the end and forming a strong deterrent effect. We continued to deepen the special rectification of the issue of "over-reliance on enterprises", resolutely cracked down on new types of corruption and hidden corruption such as "shadow companies", "shadow shareholders", and "resignation escape", continuously purifying the political ecology of enterprises. We continued to promote education and reform through cases, conduct the "strictly abide by discipline and promote integrity" anti-corruption and integrity education month activities, hold warning education conferences, publicize typical cases, produce warning education videos, compile records of disciplinary and legal violations, and educate employees through real-life examples.

Highlighting regular and long-term efforts and cracking down on the "four forms of misconduct". We carried out special

governance activities targeting violations of the CPC Central Committee's eight-point decision on improving Party and government conduct, and focused on the problem of excessive extravagance and luxury. Through special inspections, secret investigations, public exposure, and reminders, we focused on rectifying persistent problems such as irregularities in dining and drinking, the improper use of official vehicles, and the improper acceptance and giving of gifts and money. We increased the efforts in publicizing typical cases to send a clear signal that violations will be more and more strictly dealt with. We deepened the rectification of formalism and bureaucratism, identified typical manifestations of formalism and bureaucratism in the field of safety and environmental protection, conducted comprehensive investigations, and strictly held those responsible accountable. We sternly investigated and dealt with acts of inaction, slow action, and disorderly action, and strictly handled phenomena such as deception and perfunctory behavior. For the past five years, we have continuously reduced the burden on the grassroots level, organized and carried out special research and supervision on reducing the burden on the grassroots level through the implementation of 30 specific measures.

Highlighting coordination and ensuring the quality and effectiveness of "great supervision". We conducted research to improve the quality and effectiveness of "great supervision", systematically summarized the laws and practices of "great supervision", and issued the "Implementation Opinions on Advancing Coordination and Deepening the Expansion of the Pattern of Great Supervision". We deepened the implementation of the office meeting mechanism of the supervisory committee, strengthened the overall operation of key work involving the entire system, and coordinated and oversaw inspections of projects such as the Xinjiang Kuqa Green Hydrogen Project, the Baling Petrochemical CPL Project, and the Tianjin Nangang Ethylene Project. We held on-site inspections of key engineering projects to promote the construction of high-quality projects through high-quality supervision. We explored the implementation of "project-based supervision", adhered to the linkage between divisions, departments, and subsidiaries, and promoted the resolution and prevention of problems such as the weakening and low effectiveness of daily supervision. We used information technology to empower "great supervision", established and put into use the intelligent supervision system for key areas (Phase I), formulated online supervision methods for key areas, and promoted the construction and application of information technology for various types of supervision.

Leading Party Member Group Inspection

■ In 2023, as a follow-up of the central inspection and rectification, we deepened the political inspection, strengthened the rectification, the foundation of the inspection work, and the role of the inspection, which provided a strong guarantee for the promotion of the overall strict governance of the Party, hence promoting all-round high-quality development. The Company was asked to share best practices twice among central SOEs at the State Council State-owned Assets Supervision and Administration Commission's conferences.

Central inspection and rectification. Consolidating and deepening of the inspection by the 19th CPC central commis-

sion, we comprehensively sorted out the central inspection and rectification work over the past 4 years, further looked for short-

comings, improved the long-term mechanism of rectification, and deepened the formulation of enhancement measures for safety production and the enhancement of the proportion of high-end chemical products. The Company set up two groups respectively on party building and production & operation to assess the rectification measures. Further focusing on rectification in the area of increasing oil and gas resources, we took concrete steps. We made solid preparation for the 20th central inspection. We ensured good services, access to information, individual interviews, coordination, grassroots research arrangements and other work. In response to the central inspection team's concern about the "big business disease" phenomenon and work safety, we completed a special report on preventing and combating the "big business disease" and was published in two consecutive issues of the Bulletin of the Central Policy Research Office. The report on strengthening political supervision in the work safety in central SOEs submitted to the Central Policy Research Office won compliments from the government leaders. We made every effort to promote the rectification of the 20th central inspection. After the feedback meeting of the central inspection, the Leading Party Member Group held a special meeting to study the important speech of General Secretary Xi Jinping on inspection and rectification, and deployed the rectification work. Meanwhile, in-depth study of General Secretary Xi Jinping's instructions given at Jiujiang Petrochemical Company was held and a comprehensive search for political standpoint, thinking methods, capability-building, work practice and other aspects of the outstanding problems was carried out. Consequently, the rectification programme and the "three lists" were formulated, and the simultaneous development of the selection and employment of personnel and internal inspection work kicked off. We held a mobilization and deployment meeting for the implementation of the central inspection and rectification in 2023 and promoted learning, rectification and implementation.

Inspection of high quality and high efficiency. We thoroughly prepared the Leading Party Member Group inspection work five-year plan. In line with the five-year plan for inspection work of the CPC central committee, the Leading Party Member Group Inspection Work Plan (2023-2027) was formulated to serve major national strategies, accelerate the construction of a world-leading enterprises, and fulfil SINOPEC's "three core responsibilities". Focusing on ensuring energy security, safe development and building a strong headquarters, we carried out

inspection at 26 units (departments). Inspection was also carried out focusing on deficiencies in the role of the Party Group Office and other five Party Group departments. In rotation, inspection was carried out for 25 refining and chemical affiliates to check their implementation of General Secretary Xi Jinping's instruction at Jiujiang Petrochemical Company and practice to for the transformation and upgrading of refining and chemical business, breakthroughs in key technologies and other constraints on the high-quality development.

Increasing pressure on inspection and rectification, and improving the system to strengthen rectification. We formulated "Opinions on Further Strengthening Inspection Rectification and Application of Achievements" and other documents, which regulate the functions and tasks of the main bodies responsible for the whole process of rectification. We released the rectification work practice manual, classification sorting rectification responsibilities, key nodes steps, work text template, rectification work flow chart, operation table. Ensuring the inspection team will keep track of the inspected affiliate, and setting up a special post for rectification within the team, we established a regular contact mechanism and provided real-time guidance and supervision of rectification and implementation. Synchronized functioning of the Party Inspection Office and Discipline Inspection and Supervision Commission was strengthened. In conjunction with the implementation of the General Secretary's important instructions on financial work, we conducted on-site research on the implementation of the rectification work of Sinopec Capital, and promoted the deepening of the implementation of rectification tasks, which achieved good results.

Improving the quality and effectiveness of inspection. We put in place a "service + inspection + evaluation" mechanism, selected inspection experts to join the inspection team, and carried out special inspection of affiliates' party committee inspection work. Training courses for party committee inspection team leaders and deputy team leaders of direct affiliates were held, focusing on key and difficult issues, and carried out seminars to promote mutual learning and appreciation. We organized the thematic research at 17 affiliates in central and western China, targeting constraints on the quality of the inspection, and putting forward recommendations. We compiled a batch of excellent subject results of the upstream affiliates and deepen the comprehensive application of research results.



Social Responsibility

Employee Health and Safety

Green and Low Carbon

Social Welfare



Employee Health and Safety

Work Safety

Promoting the implementation and effectiveness of the annual action plan for strengthening safety management. The Company established a leadership group, led by the Company's Chairman and Secretary of the Leading Party Member Group, and five working groups, led by Secretaries of the Leading Party Member Group in charge of business, and strengthened the implementation plan. We refined 128 intrinsic safety improvement measures and 53 specific measures for tackling key issues, clarified responsibilities, organized meetings to promote safety management, and launched the work of each working group, laying a solid foundation for effective action. We established a weekly inspection, monthly supervision, and quarterly summary work mechanism, and held monthly meetings of the HSE Committee and the Office of the Annual Action Working Group to resolve difficult and key issues, effectively promoting the implementation of various measures. We comprehensively completed the tasks, implemented action measures, and widely carried out five-minute safety education at all levels of the enterprise. We carried out special rectification work for hazardous chemicals, completed over 13,000 risk control and hidden danger management measures, and effectively strengthened the process safety control for abnormal working conditions. The effectiveness of the annual strengthening of safety management became more apparent.

Continuously strengthening the implementation of safety responsibilities. We persisted in starting from addressing ideological and cognitive issues and raised the safety responsibility awareness of cadres and employees at all levels. We carried out special activities such as "Work Safety Month" and "Occupational Disease Prevention and Control Law Promotion Week" and organized three sessions of safety lectures and 17 sessions of HSE special training courses. We compiled and distributed compilations of typical accidents to promote the awareness of responsibility for "never feeling at ease" to be engraved in mind and put into practice. We optimized the operation of the Company's professional sub-committees and clarified the division of responsibilities for element management in headquarters departments. We organized the preparation and implementation of responsibility lists and work task lists for all employees in terms of safe production. The "two lists" covered 168,000 positions and 589,000 employees, achieving the integration and unity of HSE responsibilities and job responsibilities. We promoted the grid management of grassroots safety management, establishing over 8,500 grassroots grids, and continuously strengthening the implementation of grassroots safety responsibilities. We provided basic training for safety management personnel at all levels, organized 13 demonstration training sessions for workshop directors and team leaders, and conducted competitions for grassroots safety officers in four areas, with a total of 238,000 participants, achieving the goal of promoting learning through competition and applying learned knowledge.

Continuously promoting risk control and hazard management. We carried out special rectification of safety risks in hazardous chemicals, old facilities, facilities with "illness" in operation, high-risk sub-sectors, small and medium-sized oil



depots, dual prevention platforms, marine platforms, onshore oil production, and environmental facilities. We conducted in-depth assessments, including 13 major risks and 26 major hazards in the Company's key supervision list. Among them, 12 risks were downgraded or reduced, and 24 hazards were addressed, achieving the annual work target. We conducted 2023 special inspections action and rectification of major accident hazards, identified 83 major accident hazards, rectified and cleared 59 of them, exceeded the annual plan by 5. The remaining 24 were determined from five aspects and included in the Company's key safety hazards for 2024. In refining and chemical subsidiaries, we implemented the classification and hierarchical push alarm system for key parameters of production facilities and equipment, providing timely reminders to technical and management personnel 24/7, strengthening abnormal disposal, control, and source governance, effectively reducing operational errors and the probability of production safety accidents.

Strengthening public safety management. The Company enhanced oil and gas security and anti-terrorism prevention work. We promoted the attainment of key targets, with nearly 25,000 key targets achieving self-assessment compliance, and more than 22,000 targets obtaining recognition certificates after being inspected and accepted by corresponding levels of public security agencies. We successfully completed the safety and environmental protection tasks for major events such as the NPC, CPPCC and the Hangzhou Asian Games, receiving high praise from relevant national departments. We strengthened the supervision of the transportation safety of hazardous chemicals, implemented extended supervision on carriers, revised and supplemented regulations on the reporting of hazardous chemical transportation accidents and accountability, conducted special inspections on transportation safety, and organized key subsidiaries to implement safety assurance plans for the transportation of hazardous chemicals during the "two special periods and two crucial periods". We promoted the deployment and application of the risk monitoring and early warning system for hazardous chemical transportation, dynamically connecting more than 700 carriers and nearly 13,000 vehicles, and achieved four 100% targets, realizing online monitoring of carriers and their vehicles. We completed the restructuring of the Company's civil air defense functions, fulfilled the safety management responsibilities for civil air defense projects and important economic targets, and organized the "Shield Casting-23" training exercise and the construction site meeting for the protection of important economic targets in the petroleum and chemical industry, providing practical samples and full support for the comprehensive promotion of the protection of national important economic targets

in the petroleum and chemical industry.

Continuously strengthening emergency response capability. We enhanced the emergency response capabilities of all staff, supervised subsidiaries to enhance their emergency plan improvement and regular emergency drills. Throughout the year, we organized emergency drills at all levels, with a total of 580,000 participants. For large-scale refined oil depot fire scenarios, we organized company-level drills, achieving good results. We orderly promoted the construction of professional firefighting teams, issued the "Implementation Opinions on Further Strengthening the Construction of Professional Firefighting Teams in Sinopec", and published labor staffing standards and coordinated the preparation of firefighting equipment renewal plans, comprehensively strengthening team building. We organized 16 firefighting teams to participate in the 3rd National

Overseas Security

■ In 2023, starting from the complicated international situation and our earnest demand in developing overseas business, we stringently prevented major risks, moved faster in implementing the prevention measures against full-cycle risks of the overseas projects, and remained steadfast in zero occurrence in systemic risk. Guided by the general requirements of "putting people and lives as the utmost", and "never conducting business in places with security risks", we consistently enhanced overseas security management within the new situation.

The long-term mechanism for preventing and defusing overseas project risks has been built. We followed the systematic mindset, enhanced measures as source control, risk screening, monitoring and pre-warning, consultation and appraisal, and supervision and guidance, and facilitated the implementation of the "five-in-one" long-term prevention mechanism for overseas projects. Centering on risks as political environment, overseas security, and overseas investment, we orderly pushed forward country-specific database construction, research on risk indicator system and identification and evaluation standards, and the construction of risk prevention and control system for overseas investment. With focus on the system and mechanism, supervision model, and risk response, we secured the fence against the international operational risks, raised the integration and prevention for full-cycle risks of overseas projects, and intensified our efforts in withstanding

and defusing major risks.

Efforts in overseas security management will remain unchanged with the new situation. In the face of the increasing uncertainties, instabilities, and unpredictability over the international security landscape, we closely followed the situation, strengthened security prevention, improved security plans, carried forward emergency drills, special training, and "Beidou+" solutions, raised the civil defense, physical defense, and technical defense in overseas projects, effectively responded to emergencies as the 4.15 Sudan civil war, the 7.26 Niger coup, and the 8.30 Gabon coup, organized the safe evacuation of 75 on-site employees in Sudan and 5 on-site employees in Niger, and dispatched Chinese doctors to conduct medical patrols at project sites in Saudi Arabia and other three countries, fully ensuring the life, health, and security of our overseas employees.

Employee Health

Further strengthening the foundation of occupational disease prevention and control. We formulated the Measures for the Management of Occupational Health, setting up a supporting framework, and comprehensively undertaking the requirements of the Occupational Disease Prevention and Control Law to ensure compliance. We conducted a survey on the occupational health work of affiliates, basically mapping out the extent of occupational disease hazards in workplaces and the situation of affected persons. Four professional training programs were held to enhance the skill and capacity of occupational health management personnel.

Strengthening the control of occupational disease and labour protection. We implemented "list management", supervised and promoted the management of affiliates with excessive noise and dust levels, and provided technical support for projects that were difficult to manage. We provided special guidance to sales enterprises to strengthen occupational pro-

tection. We promoted the provision of flame-retardant uniform, strengthened the incoming inspection of PPE, and continuously improved the overall on-spec rate.

Promoting collective health management. We improved the employee health management network, the functions of health inspection and health counselling at medical points, enriching the physical examination items for different categories of people, strengthening the screening of high health risks, and putting in place tailored health management. We promoted the training of first-aid knowledge for the whole staff, and AEDs were used to save 4 employees.

Continuously promoting the construction of good health program. We improved the health environment, deepening health management and services, and significantly improving the working environment and labour conditions of employees. Twenty-six directly-affiliated enterprises and 47 secondary units have been awarded provincial and municipal-level titles for employee health, and Sinopec has been awarded the "National Model Enterprise in Employee Health Management".



■ In 2023, the Company built the first "Waste-free Group" in China with high standards, preventing pollution and strengthening green and low carbon development, making every effort to promote energy saving and carbon reduction, and completed the first phase of the Green Enterprise Campaign, providing strong support for the Company's high quality development.

For the 13th consecutive year, the Company has been awarded the title of "China's Low Carbon Role Model", 5 affiliates were awarded the title of "Leader in Energy Efficiency for Key Energy-consuming Products in the Petroleum and Chemical Industry", 9 affiliates were awarded the title of "Leader for Water Efficiency" and 8 affiliates were awarded the title of "Green Factory in the Petrochemical Industry".

Green and Low Carbon

Carbon Peak & Carbon Neutrality

Promoting carbon neutrality in an orderly manner. We formulated and implemented the annual work plan for carbon neutrality actions, strengthened the supervision and assessment, completed the construction of 114 carbon-neutral demonstration projects, such as the carbon-neutral well site of Lian38 in Jiangsu Oilfield, and the carbon neutrality campaign of Sinopec Oil Products Company South China Branch, etc. We pushed forward the orderly implementation of the CCUS project in Jiangsu, and put into operation the CO₂ transmission pipeline of China's first one-million-tonne CCUS demonstration project in China.

Carrying out special action to improve carbon data quality. To implement the national "dual carbon" strategy and the requirement by national conference on carbon data quality held by the Office of the National Leading Group for "Dual Carbon" Work, we carried out special action to improve carbon data quality, further raising awareness of carbon data quality management, and effectively improving carbon data quality management at affiliates.

Implementing greenhouse gas emission reduction. The refining and chemical affiliates continued to carry out the recycling of high-concentration carbon dioxide emitted from hydrogen production, ammonia facilities, and oilfield subsidiaries carried out carbon dioxide flooding in an orderly manner, with 1.749 million tonnes of carbon dioxide recovered in 2023, and 847,000 tonnes of carbon dioxide injected for flooding. We continued with the pilot methane monitoring and assessment, promoting the recycling of methane in the exploration and development of oil and gas fields in Northwest China, North China and Southwest China, so as to achieve the full recovery of methane, and recovering 874 million cubic meters of methane. We actively participated in the pilot and national carbon trading to ensure timely completion and compliance work, with a carbon trading volume of 9.92 million tonnes in 2023 and a trading value of about 590 million yuan.

integrates green development with the "three bases" and the construction of grassroots environmental protection responsibility system, continuously standardize on-site environmental protection management, enhance the green awareness of the entire staff, create a strong green cultural atmosphere, and promote the concept of green development to take root. In 2023, the Company's grassroots green development construction was widely promoted, with the completion rate exceeding the annual plan by 15 percent.

Green Enterprise Campaign

Continuously promoting the green enterprise campaign. To meet the requirements of the State, with the goal of continuously improving the quality of green enterprises and compliance with the laws and regulations, the Company further improved the green enterprise review and evaluation index system. By the end of 2023, all 113 affiliates had completed the construction and review of green enterprises campaign, and 63 affiliates were rated as A-grade green enterprises.

Promoting grassroots green development. The Company



Energy Management

Promoting "Energy Efficiency Improvement" and Energy Consumption Structural Adjustment. By 2023, the Company had implemented 500 "Energy Efficiency Improvement" projects, saving 860,000 tonnes of coal equivalent. In production affiliates, the Company promoted energy saving and efficiency improvement through integration of injection, extraction and transmission, optimization of energy system, utilization of waste heat and cold energy, and improvement of energy efficiency of equipment. We accelerated the construction of photovoltaic power generation projects in the marketing segment, paced up the development of new energy sources, promoted the application of self-use power grid and the transformation of electric equipment, carried out the construction of biomass blending demonstration projects, steadily increased the volume of "green power" transactions, and realized the cleanliness of energy consumption. The comprehensive energy consumption per 10,000 yuan of output dropped by 2.2%, meeting the annual target.

In-depth benchmarking work. We actively participated in the energy efficiency improvement activities. A number of affiliates were evaluated as "front-runner" benchmark enterprises in energy efficiency in crude oil processing, ethylene production, paraxylene production and coal-to-olefin, and a number of enterprises were evaluated as "front-runner" benchmark enterprises in water efficiency in crude oil processing, ethylene production, coal-to-olefin and coal-to-methanol.

Continuously increasing the control of water resources. We strengthened the management of source water network, continued to promote the comprehensive utilization of unconventional water resources such as recycled water, rainwater, mine water

and brackish water, and continuously improved the level of water resources utilization of sewage (waste). In 2023, the amount of industrial water withdrawals decreased by 1.2%, and unconventional water replacement of fresh water reached more than 55 million cubic meters, an increase of 0.6 million cubic meters. The reuse rate of sewage water increased by 1.95 percentage points.

Increasing R&D and promotion of green and low-carbon technologies. The Company's "ultra-high-power electric fracturing equipment application technology" was listed into the national green technologies for promotion and the recommended scientific and technological innovation achievements of central enterprises. "amine desulfurization system energy saving and long-term steady operation technology" and "intelligent management and control platform for hydrogen staged utilization and integration optimization in refining and chemical enterprises" were selected to be promoted and applied in national petrochemical and chemical industries. "Circulating water treatment technology based on high wastewater reuse ratio", "cooling tower water-saving mist elimination technology" and "technology for zero discharge and resource utilization of high salt wastewater for coal chemical facilities" were selected in the catalogue of industrial water-saving technologies and equipments by the State. In E&P affiliates, the focus is on promoting key technologies for energy optimization and control, and short-flow processing technologies for extraction fluids, etc. In refining and chemical affiliates, the focus is on promoting optimization of energy systems, efficiency improvement of heating furnaces, gas turbine flux modification, high-efficiency jetted mass transfer tower, integrated optimization of hydrogen resource management and management and reuse of recycled water system for sewage.

Environmental Protection

Comprehensively strengthening the management of environmental protection in accordance with the law. We continuously carried out the monthly inspection of environmental protection in accordance with the law, and strengthened the supervision and guidance on major environmental protection

issues. We carried out special environmental protection inspections and environmental compliance verification of construction projects, invited China General Environmental Monitoring Station to carry out quality assessment of automatic monitoring facilities of 10 refining and chemical enterprises such as Yan-

shan Petrochemical Company, organized technical support by Sinopec General Environmental Monitoring Station to carry out supervisory monitoring inspections of 30 enterprises, and carried out on-site verification of sewage discharge permits of four enterprises such as Anqing Petrochemical Company.

Implementation of green and low-carbon strengthening action. Focusing on the week links relating to volatile organic compounds and river water, we launched the "2023 green and low carbon development action programme". For affiliates in key areas, we strengthened the supervision and inspection of VOCs comprehensive treatment, and continuously improved the level of VOCs treatment and odour control in the production area.

Fighting pollution. Zhongtian Hechuang and Ningxia Energy & Chemical Corp. carried out the transformation of high brine treatment devices and miscellaneous salt separation, accelerated the standard treatment of temporary storage of high brine, point-to-point treatment of miscellaneous salt, and comprehensive utilization of gasification waste residue. Shengli Oilfield cooperated with the Yellow River Delta Wetland and Important Bird Habitat and Wetland Heritage Bidding, set up 18 points to carry out ecological monitoring of vegetation, birds, aquatic organisms, etc., and promoted the creation of Yellow River Mouth National Park. The Yellow River Basin "Waste Clearing Action" was carried out in depth, and the treatment of land-fill solid waste was completed in 2023, with a cumulative total of 904,000 tonnes cleared.

New progress in the pilot of "Waste-free Group". The pilot work was evaluated by the Ministry of Ecology and Environment, and the "Revised List of Evaluation Indicators for the Creation of Waste-free Enterprises by Sinopec (Trial)" was issued to establish the creation model of "1 enterprise, 1 case, 1 table and 1 list", creating 12 "waste-free enterprise", with a solid

waste comprehensive utilization rate of 95%, achieving economic benefit of 163 million yuan, formed 49 typical cases. In 2023, we built a new regional hazardous waste disposal centre. We also made breakthrough in policy innovation pilots, completing 14 "white list", "peer-to-peer" and intra-group facility sharing, small and micro-enterprise hazardous waste collection and other policy exploration pilots, and prepared the second batch of pilot lists in line with the needs of affiliates. Assisting the construction of the national "1+N" resource recycling system for central enterprises, we initiated the construction of waste plastics recycling system, and cooperated with Beijing Municipality to promote the construction of Yanshan Petrochemical's waste plastics recycling. The "Waste-free Group" information platform was built to for information supervision of the whole life cycle.

Further strengthening environmental risk control and emergency management. We conducted the revision and preparation of "Technical Requirements for Environmental Risk Prevention and Control over Water in Petrochemical Enterprises", "Design Standards for Petrochemical Rainwater Monitoring and Accidental Drainage Storage", and "Guidelines for Preparation of Emergency Response Plans for Environmental Emergencies in Enterprises". During the rainy season and flood season, some water-related enterprises carried out special inspections on risk prevention and control of water bodies, and 10 affiliates carried out online assessment of response for environmental emergencies. Shengli Oilfield and Sinopec Natural Gas Company (Tianjin LNG Port Operation Centre) participated in the 2023 Shandong Maritime Rescue Emergency Response Exercise and the 2023 National Maritime Oil Spill Emergency Response Exercise, respectively. We improved the regional sharing mechanism of environmental emergency supplies, and set up the EPEC Emergency Zone for emergency supplies.



Greening Management

Carrying out voluntary tree-planting activities. Through various forms of work, such as planting trees in the community and in the desert, greening the Yangtze River shoreline, ecological protection of the Yellow River, employees' adoption of greening, and voluntary service, we actively increased participation in voluntary tree-planting. In 2023, we planted 2,019,000 trees (in equivalent terms), and the rate of voluntary participation in tree planting remained at more than 90% for many years in a row, equivalent to the reduction of 242,300 tonnes of emissions. The area of new and renovated green space reached 1.178 million square meters, and the green coverage rate of built-up areas reached 32.9%.

Carrying out land greening actions. Affiliates along the Yangtze River continued to carry out activities such as "building the most beautiful Yangtze River shoreline" and "protecting the Mother River" for many years, and completed a cumulative total of 428,700 square meters of greening along the shoreline. We have assisted in the greening of the land in the "Three Norths"

region and vegetation restoration, laying about 4,100 hectares of grass for sand prevention and sand control, built 58 km of forests protecting the desert road, and planted more than 4 million drought-enduring plants.

Expanding the "Internet + Compulsory Tree Planting for All" activity. The "SINOPEC Saihanba Ecological Demonstration Forest" project, which was set up by the China Greening Foundation on the official platform of Compulsory Tree Planting for All, was completed in 2023, with a total of 1,905 mu (1,270,000 square meters) of ecological afforestation built, 254,300 trees planted, 11.8 km of forest roads constructed, and 25.5 km of fencing set up. We launched a program to help Tibet plant trees and has received more than 7.6 million yuan in donation from about 172,000 people, and constructed 402 mu (268,000 square meters) of woodland. By the end of 2023, the Company had a cumulative total of 450,200 people participating in the fund-raising activities, raising funds amounting to 18.25 million yuan.



Social Welfare

■ In 2023, the Company implemented a total of 281 donations with an expenditure of 463 million yuan. Among them, 346.77 million yuan was donated to underdeveloped regions, 50.60 million yuan to disaster-stricken regions, 58.77 million yuan to public welfare relief and public welfare undertakings, and 6.83 million yuan to regions outside the country.

Helping High-quality Revitalisation of the Countryside. We resolutely implemented the spirit of General Secretary Xi Jinping's important instructions on the work of rural revitalisation, continuously increased the input of funds for helping, ensured that 252 million yuan of funds for the eight designated counties were in place in a timely manner. The Company added Youyang County of Chongqing into its list of designated areas according to the central government's instruction, making the list increased to nine. 82 subsidiaries actively cooperated with local governments to speed up the progress and invested a to-

tal of 94.4 million yuan. The first batch of 37 affiliates continued to carry out education support projects, investing 38.2 million yuan, and successfully built a number of 'schools at the doorsteps' which were known far and wide, reassured by parents and loved by children. On the basis of the first batch, the second batch of educational support work was launched, with 28 new affiliates helping 22 schools, increasing the total number to 59 schools and 65 recipient units, thus building a 'four-in-one' pattern of home, school, society and businesses, a unique education support model of the Company.



Actively Responding to Natural Disasters. After the earthquakes in Gansu and Qinghai, the Company donated 30 million yuan to the Red Cross in the affected areas to support earthquake relief and provide livelihood protection for the affected people. In the face of the severe drought in Gansu, the Company donated 18.42 million yuan to the Civil Affairs Bureau of Jinchang City immediately for agricultural irrigation and emergency water supply in the affected areas. After the heavy rain in Hebei, Hebei Petroleum opened a green channel for emergency supply, deployed refined oil products, food, drinking water and other emergency supplies worth 1.62 million yuan to the affected areas, and provided quilts worth 500,000 yuan for the affected people to fend off the cold winter; deployed more than 20 people to form a working group for flood control of the Baiyangdian dykes, and actively implemented the 24-hour flood control tasks of Suguo Zhuang, Dongxin Zhuang, Xixin Zhuang, and Zhuge Zhuang of Xiong'an New Area. After the rainstorm in Beijing, Beijing Petroleum started the emergency plan, urgently deployed small distribution fleet to go deep into Fangshan and Mentougou districts, which were seriously affected by the



disaster, to provide 24-hour oil services for the disaster relief and people's evacuation vehicles, and supplied more than 500 tonnes of fuels. According to the demand of post-disaster reconstruction and resumption of production in key areas, 10 tanker trucks were arranged to be in charge of guaranteeing the supply of petrol stations in the disaster-stricken areas, which demonstrated the Company's pillar role.

High-quality Construction of "Drivers' Homes" and "Love Stations". In 2023, 512 new "Drivers' Homes" and 618 new "Love Stations" were constructed, and by the end of 2023, a total of 6,033 fully functional "Love Stations" and 4,098 "Driver's Homes" had been built on the main roads of 31 provinces and cities nationwide. In the selection of "the most beautiful trade union service stations for outdoor workers" and "homes for drivers with warm-hearted service" organized by the All-China Federation of Trade Unions and the Ministry of Transport in 2023, the Company's 52 "love stations" and 17 "Drivers' Homes" were awarded the titles, demonstrating the Company's image.

"SINOPEC Lifeline Express." In 2023, SINOPEC Lifeline Express travelled to Bazhou in Xinjiang, Jincheng in Shanxi and Shaoguan in Guangdong to provide free sight restoration surgeries for 3,483 poor cataract patients, and organized eye care activities for young people. At the same time, it also organized and carried out eye care popularization activities for young people. We donated and completed two cataract treatment centers in Linyi, Shandong Province and Huangshi, Hubei Province, donating a train hospital for the local people. At the annual commendation ceremony of China Lifeline Express Foundation in 2023, the Company was awarded the "Special Award for Brightness Merit", the highest honour for the 18th time.

Ensuring supply of products to Hangzhou Asian Games. The Company gave full play to its role as the main channel for refined products, establishing a "headquarters-region-provincial" three-in-one coordinated supply system to ensure energy supply for the Asian Games. Zhejiang Petroleum sent 64 young volunteers to the stations around the Asian Games venues to provide multilingual services for foreign guests.

"A better road home". From 7 January to 15 February 2023, the Company provided free services at 166 gas stations in Guangdong, Guangxi and Jiangxi. The "1+10+X" services added up to nearly 20, including 10 free basic services such as first aid kit, hot water, basic vehicle maintenance, safety and epidemic prevention, as well as a number of additional services such as changing engine oil and car repair. A total of 10.3 million drivers were serviced with 2,000 gift packages delivered to motor cyclists, and 9480 volunteers involved. In addition, the "Spring Bud" program was incorporated and we handed out 3,000 bags of gifts to kids of those truck drivers and cyclists.

Increasing influence of the social welfare brand. We continued to work with China Children and Teenagers' Fund for the "Spring Bud" program, and developed training courses for girls including mandarin classes, winning recognition and support from All China Women's Federation. We sponsored the establishment of Yan'an Spirit Foundation, supported China's youth contest for carbon neutrality innovation and entrepreneurship, and helped build science and technology museums. We participated in the "1+1" aid program by China Legal Aid Foundation for the 12th consecutive year, which benefited 80,000 people in central and western China's less developed regions.

Increasing overseas public welfare recognition. We effectively fulfilled the dual responsibility of business and social aspects in Hong Kong, and implemented the 'Best for You' Hong Kong Youth and Children Development Funding Scheme for three consecutive years, and set up the 'Cleaner Energy, Better Life' Scholarship at the Hong Kong Polytechnic University, widely praised by the HKSAR government, the community and the recipient families. Actively participating in the Belt and Road

Initiative cooperation and co-construction, we provided financial support for the construction of a museum in the Mangistau region of Kazakhstan to promote cultural exchanges between the two countries. We provided clean drinking water to 16,000 residents in the far north and southwest regions of Cameroon, and donated medical equipment for obstetrics, gynaecology and neonatology, making positive contributions to local health-care.



Major Events

January	February	March	April	May	June	July	August	September	October	November	December
January 1 SINOPEC's 30,700 stations started to offer GB VIB gasoline. January 4 SINOPEC released the top 10 core technologies and top 10 featured products developed in the area of oilfield service over the past ten years. January 12-13 SINOPEC Work Conference and HSE Work Conference were held in Beijing, at which it was announced that in 2023, SINOPEC would have a themed "Year of Improving Production Safety", and released the "SINOPEC White Paper on Green and Low Carbon Development (2022)".	February 16 SINOPEC announced the commencement of construction of the Ordos Wind-Solar Integrated Green Hydrogen and Chemical Demonstration Project, the world's largest green hydrogen project coupling with coal chemical facilities. February 20 China Association for Science and Technology (CAST) released a series of "Science and Innovation China" lists for 2022, and five research results of SINOPEC were selected. February 21 the 1 million tonne/year ethylene steam cracker of Hainan Refining & Chemical Co., was successfully put into operation.	March 16 SASAC of the State Council announced the "List of Model Enterprises for Building World Class Companies and Model Enterprises with Specialised Expertise", in which Sinopec Catalyst Company, Lubricant Company and Matrix Company were selected.	April 7 SINOPEC held a mobilization and deployment meeting on the theme of education for learning and implementing Xi Jinping's Socialist Thought with Chinese Characteristics for a New Era. On the same day, the mobilization meeting of the 13th Central Inspection Group for inspecting the Leading Party Member Group of China Petrochemical Corporation was held. April 10 SINOPEC announced that the "Demonstration Project of Hydrogen Transmission Pipeline from Ulanqab to Beijing-Tianjin-Hebei Region" was included in the national network construction plan for oil and natural gas. April 12 SINOPEC and Qatar Energy signed a shareholder agreement for the North Field Expansion Project (NFE).	May 11 SINOPEC was awarded the title of "Brand Building Leader" for the first time, and the company's brand value reached 358.621 billion yuan, ranking first in the energy and chemical industry for seven consecutive years. May 22 SINOPEC signed a cooperation agreement with the Ministry of Power and Energy of Sri Lanka on the import, storage, distribution and sale of refined oil products, marking SINOPEC's formal entry into the Sri Lankan refined oil products retail market. May 31 the Central Leading Group for Rural Work announced that SINOPEC was rated as "excellent" for the sixth consecutive year for targeted support work done in 2022.	June 26 SINOPEC was awarded Grade A by SASAC of the State Council in the assessment of key tasks of the three-year reform action of central SOEs for the year of 2022. June 28 SINOPEC Overseas Investment Holding Company Limited was inaugurated in Beijing. June 30 Anqing Petrochemical's 3 million tonne/year heavy oil catalytic cracking plant was successfully commissioned in one run. It is the largest heavy oil catalytic cracking unit in China.	July 11 the CO2 pipeline for Qilu-Shengli one million-tonne/year CCUS project was put into operation. July 13 Jingmen Petrochemical delivered kerosene for rocket use for the first time, marking SINOPEC's entry into the aerospace kerosene field. July 15 SASAC of the State Council announced the list of Grade A enterprises in the 2022 annual business performance appraisal, and SINOPEC was among 49 enterprises on the list. July 24 SINOPEC held a conference to celebrate its 40th anniversary and the mid-2023 work conference.	August 2 SINOPEC and INEOS signed a cooperation agreement to establish a 50%-50% joint venture company to operate SINOPEC's 1.2 million tonne/year Tianjin Nangang Ethylene Project, which was under construction. August 3 SINOPEC Beidou Operation Service Centre Inspection and Testing Laboratory was officially accredited by China National Accreditation Service for Conformity Assessment (CNAS). August 22 the construction of the 270,000 m3 storage tank at Qingdao LNG Receiving Terminal of SINOPEC Natural Gas Company was completed. The tank, independently developed by SINOPEC, was the largest and first completed ultra-large LNG storage tank in China. August 30 SINOPEC Xinjiang Kuqa Green Hydrogen Demonstration Project, the world's first and largest project that directly produces green hydrogen from PV power, was completed and put into operation. August 31 SINOPEC's 260,000 tonne/year polycarbonate (PC) project was put into commercial operation in Tianjin Nangang Industrial Zone.	September 6 SINOPEC and the government of Inner Mongolia Autonomous Region signed a framework agreement to jointly establish a joint venture company for oil and gas exploration and development. September 11 SINOPEC held a meeting to summarize the first batch and deploy the second batch of thematic education on learning and implementing Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. September 15-17 SINOPEC successfully hosted the World Geothermal Congress. Chinese Vice Premier Zhang Guoqing attended the opening session and delivered a speech. The number of exhibitors, exhibition area and display categories all set a record. September 23 the cumulative gas production of Fuling shale gas field exceeded 60 billion cubic meters since its commissioning.	October 10 General Secretary Xi Jinping while on a trip in Jiujiang City, Jiangxi Province, visited SINOPEC Jiujiang Company, where he listened to the report about the transformation and upgrading of the enterprise to build a green and intelligent factory, and the promotion of energy saving, pollution reduction and carbon reduction in the control centre and inspection and metrology centre lab, and expressed his affirmation of the enterprise's practice of carrying out scientific testing and strict emission standards. October 11 the Leading Party Member Group of SINOPEC held a meeting to study and implement the spirit of General Secretary Xi Jinping's important speeches and instructions during his visit to Jiujiang Company. October 16 SINOPEC organized a corporate conference to study and implement the spirit of General Secretary Xi Jinping's visit to Jiujiang Company. October 23 SINOPEC and Saudi Aramco signed a Memorandum of Understanding (MOU) on the cooperation of YASREF Plus project. October 30-31 The Second Congress of the Communist Youth League of China Petrochemical Corporation was held in Beijing.	November 3 the world's first plant to produce epoxybutane by CHP process was successfully started up at Yanshan Petrochemical, producing on-spec high-purity epoxybutane products. November 4 SINOPEC held the 6th CIE Forum and Signing Ceremony in Shanghai. November 10 BYC held a start-up ceremony for the Phase 2.8 expansion project. November 17 Maoming Petrochemical commenced the refining transformation and upgrading and ethylene improvement project. On the same day, SINOPEC's first super charging and battery-changing station, Anhui Petroleum Dazhong Comprehensive Energy Station, was put into operation in Hefei. November 24 the construction of Zhenhai 1.5 million tonne/year ethylene and downstream high-end new material industry cluster project officially started. November 28 SINOPEC's first pilot plant of medical grade PGA was completed in Yangzi Petrochemical.	December 1 SINOPEC and Chongqing Municipal Government signed a comprehensive agreement to deepen strategic cooperation. December 2 SINOPEC was awarded one of the top ten 'China ESG Role Models'. December 15 the Baling Petrochemical relocation and upgrading of its 600,000 tonne/year caprolactam successfully started up. December 18 a 6.2-magnitude earthquake hit Jishishan County, Linxia Prefecture, Gansu Province. SINOPEC Rural Revitalization Office immediately raised 2 million yuan for the earthquake relief of Dongxiang Autonomous County. On 21st, another donation of 30 million yuan was made to the earthquake-stricken areas in Gansu and Qinghai to support the rescue and reconstruction. December 19 SINOPEC released the top ten oil and gas exploration results for 2023. December 31 the cumulative oil and gas production of Shunbei oil and gas field, the 'Deep Earth No. 1' project, exceeded 10 million tonnes of oil equivalent, and the number for 2023 reached 3.01 million tonnes, marking the completion of a 3 million-tonne/year production base.

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