



2012

Communication on Progress  
of Sustainable Development



Sinopec Corp.

# INTRODUCTION

This Communication on Progress (COP) is the 7<sup>th</sup> annual sustainable development report published by China Petroleum & Chemical Corporation (hereinafter referred to as "Sinopec Corp." or "the company"). It describes the annual sustainability progress of the company and its subsidiaries to the stakeholders in 2012. For information about the policy, rules and regulations of sustainable development of the company, please refer to the previous sustainable development reports of the company published on the company's website [www.sinopec.com](http://www.sinopec.com).

## 1 Report description

This COP covers the period from January 1 to December 31, 2012 and the information contained herein comes from the official documents and statistical reports of the company. This COP is published along with the annual report of the company, and the annual report will prevail if there is any inconsistency between this COP and the annual report.

## 2 References

This COP has been prepared by reference to the Shanghai Stock Exchange Guidelines for Preparation of Corporate Social Responsibility Report and the Chinese Corporate Social Responsibility Reporting Guidebook published by the Chinese Academy of Social Sciences (CASS-CSR2.0) and GRI Sustainability Reporting Guide.

## 3 Reporting system

- **Annual information disclosure-Sustainable Development Reports**



- **Information disclosure publication**



Environmental Protection Report (2012)



Make Every Drop Count—Sinopec CSR Theory and Practice (2012)

- **Routine information disclosure**

CSR website portal: [http://www.sinopec.com/environment\\_society/](http://www.sinopec.com/environment_society/)



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### Dear friends:

The year 2012 marked the beginning of Sinopec Corp's journey towards creating a world-class energy and chemicals company. Despite daunting operational challenges, Sinopec Corp. achieved outstanding results in its businesses and made noteworthy progress in sustainability. I, on behalf of the Board of Directors, would like to extend my sincere appreciation for your continued support and understanding.

In 2012, in keeping with Sinopec Corp's commitment to develop its business, contribute to the nation, and increase shareholder value, as well as to benefit its employees and society at large, we implemented a strategy focused on resources, marketing, integration, international operations, differentiation and low-carbon operations. We achieved excellent results in all of our lines of business. The Company's total operating revenues for the year were RMB2,786 billion, representing an increase of 11.2% from 2011. However, in accordance with International Financial Reporting Standards, profits attributable to shareholders declined by 12.8% in 2012 to RMB63.9 billion. Based on China Accounting Standards for Business Enterprises, our net profits were RMB63.5 billion, a decline of 11.4% for the year. In 2012 the Company paid RMB293 billion in taxes and fees to the central and local governments and distributed RMB26 billion in dividends to shareholders. Total assets at year-end amounted to RMB1,247.3 billion. Along with the growth of its business, the Company supported social and economic development, propelled growth in related industries and provided consumers with energy security and high-quality products and services. For the year, Sinopec Corp. supplied 173 million tons of refined oil products and 54.35 million tons of chemical products to consumers.

In 2012, Sinopec Corp. endeavoured to turn the concept of sustainability into action in a bid to become a world leader in this arena. The Company facilitated business sustainability by further improving corporate governance, establishing a Social Responsibility Management Committee under the Board of Directors and planning for future social responsibility efforts. Furthermore, Sinopec Corp. joined the United Nations Global Compact LEAD Program as well as the UN Caring for Climate Initiative. During the Rio+20 UN Conference on Sustainable Development, Sinopec Corp. made 10 voluntary commitments, including the development of a sustainability strategy, and actively sought to turn its commitments into practice. On November 29, 2012, Sinopec Corp. became the first industrial company in China to publish a white paper on environmental protection and drew attention to the objectives and main tasks of the 12th Five-Year environmental protection program.

In 2012, Sinopec Corp. quickened the pace of its green initiatives and devoted more attention to return on investment. We also increased the dividend payout ratio and intensified our investor relations activities. We placed greater focus on customer satisfaction, launching a customer service improvement program to provide better service, and on safety and low-carbon development. Among these efforts, Sinopec Corp. gave top priority to health, safety and environmental requirements, and it adopted energy-saving and emission-reduction schemes and clean production programs to develop clean fuel and renewable energy. Our per-unit overall energy consumption and pollutant emissions decreased for the year despite the constant growth in our production operations.

The Company increased its emphasis on technological development, and it made great advances in technological innovation and breakthroughs in strategic and applied technology. The Company won first prize for technological advancement nationally. The Company also redoubled its efforts in human resources by providing better career development opportunities and implementing a basic remuneration system and career development program. Our employees enjoy a continuing growth in their income and the policy of taking vacations with regular salaries. We sought to give back more to society through expansion of our charitable



Fu Chengyu, Chairman

programs and through our contributions to the economic and social development of the local communities where we operate, with the aim of benefiting all parties.

In 2012, the company's social responsibility and business sustainability practices gained widespread support and recognition. We won the Leader Award for Outstanding Corporate Social Responsibility Report, the UN Global Compact China Best Case Award and the Most Influential Listed Company Overseas award. I was also honoured to receive the Best Endorser of the Environment and Development award from the United Nations Environment Program and the Petroleum Executive of the Year award from the Energy Intelligence Group. These accolades are both personal encouragements to me and recognition of Sinopec Corp. overall.

In 2013, ecological awareness will be an important part of our nation's drive towards modernization, as our government has already announced its objective to build a more beautiful China. As a world-class integrated energy and chemicals company, Sinopec Corp. will be mindful of all relevant problems, challenges and risks while we reform and develop our business. We will pay closer attention to the quality and benefits of business development as we continue improving our competitiveness. We will remain focused on ensuring sufficient energy supplies and on promoting economic development, and we will proactively address the challenges of climate change. It is our goal to become a practitioner, advocate and forerunner of sustainability as we join hands with you to build a more beautiful homeland.

We look forward to your help and support as we grow together in the future.

A handwritten signature in black ink, appearing to be 'Fu Chengyu', written in a cursive style.

Fu Chengyu  
Chairman

22 March, 2013



# SINOPEC CORP. IN 2012

In January, Sinopec Corp. joined Global Compact LEAD

In May, Sinopec Corp. joined Caring for Climate Initiative

In November 2012, Sinopec Corp. came out top in the 2012 Blue Paper on Chinese Corporate Social Responsibility Practices.

In March, Sinopec Corp. topped the list of 100 most socially responsible companies of 2012 in China published by Fortune magazine (Chinese version) in the category of oil and gas industry.

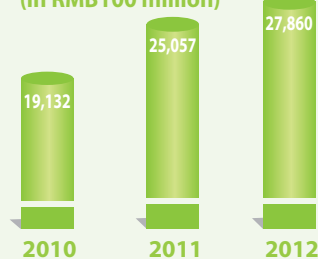
In June 2012, Mr. Fu Chengyu received the "Best Practitioner in Environment and Development" award from UNEP.

Sinopec Corp.'s progress in operation and social responsibility in recent years.

Total assets (in RMB100 million)



Revenue (in RMB100 million)



Net profits (in RMB100 million)



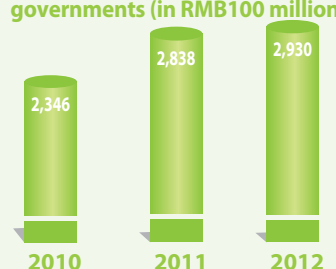
Dividends (in RMB100 million)



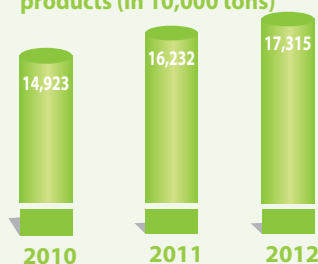
Proportion of shareholder dividend to current-year realized profits of parent company (%)



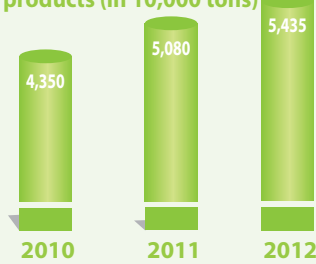
Taxes paid to central and local governments (in RMB100 million)



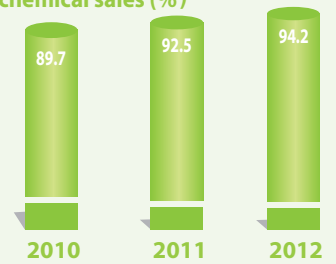
Sales volume of refined oil products (in 10,000 tons)



Sales volume of major chemical products (in 10,000 tons)



Customer satisfaction in terms of chemical sales (%)



Number of patent applications



Number of patents granted



	2010	2011	2012
Collective contract coverage (%)	100	100	100
Social insurance coverage (%)	100	100	100
Annuity coverage (%)	100	100	100

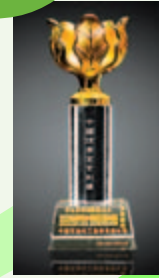
In November 2012, Mr. Fu Chengyu was named the leader of 2012 in global oil industry by Energy Intelligence Group, the first Chinese entrepreneur ever received such recognition over the past fifteen years.



In November 2012, Sinopec Corp. was recognized as the most influential listed Chinese company abroad in 2012 by China Securities.



In November 2012, Mr. Fu Chengyu was named the most influential leader of the year by China Securities.



In November 2012, Sinopec Corp.'s six-dimension approaches to better CSR performance and IT-driven compliance program were recognized as the Chinese best practices under the UN Global Compact.

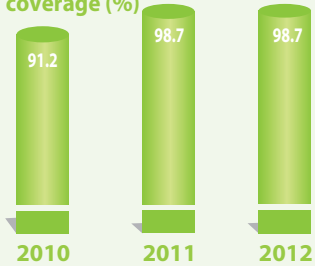
Sinopec Corp. was named the safe place to work by the organizing committee of China's Occupational Safety Month campaign.

In December 2012, Sinopec Corp. was named a leader in Golden Bee Honor Roll 2012 in the category of corporate social responsibility reporting.



Sinopec Corp. was voted the innovator of 2012 in energy saving and emission reduction on the energy channel of [www.chinanews.com](http://www.chinanews.com)

**Employee health examination coverage (%)**



**Charitable donations throughout the year (in RMB100 million)**



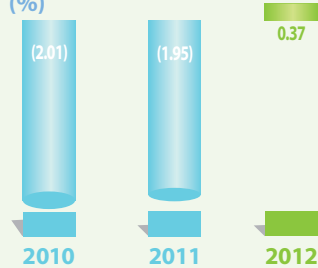
**Contributions to poverty relief program (in RMB10,000)**



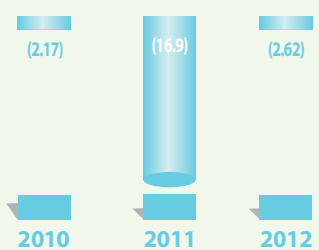
**Number of beneficiaries under the Health Express Program**



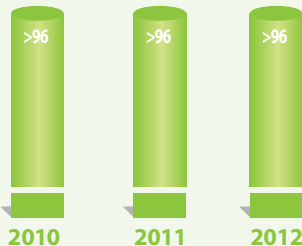
**Industrial water consumption (%)**



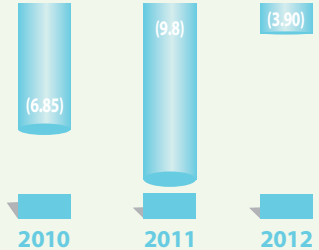
**COD in waste water (%)**



**Compliance rate of effluent discharge (%)**



**Decline rate of SO<sub>2</sub> emission (%)**



	2010	2011	2012
Cases of occupational disease	13	8	13
Accident mortality rate per 1,000 employees (‰)	0.0048	0.0110	0.0048
Number of reported accidents	12	11	3
Fatality	3	7	3
Number of employee signatories to Integrity Pledge (in 10,000 persons)	-	7.40	5.26
Financial aid to Qinghai and Tibet (in RMB10,000)	2,583	3,187	4,185
Aid-to-Tibet programs implemented	5	9	11
Water savings (in 10,000 tons)	2,100	1,990	(360)

# 1



## SUSTAINABILITY PRACTICES





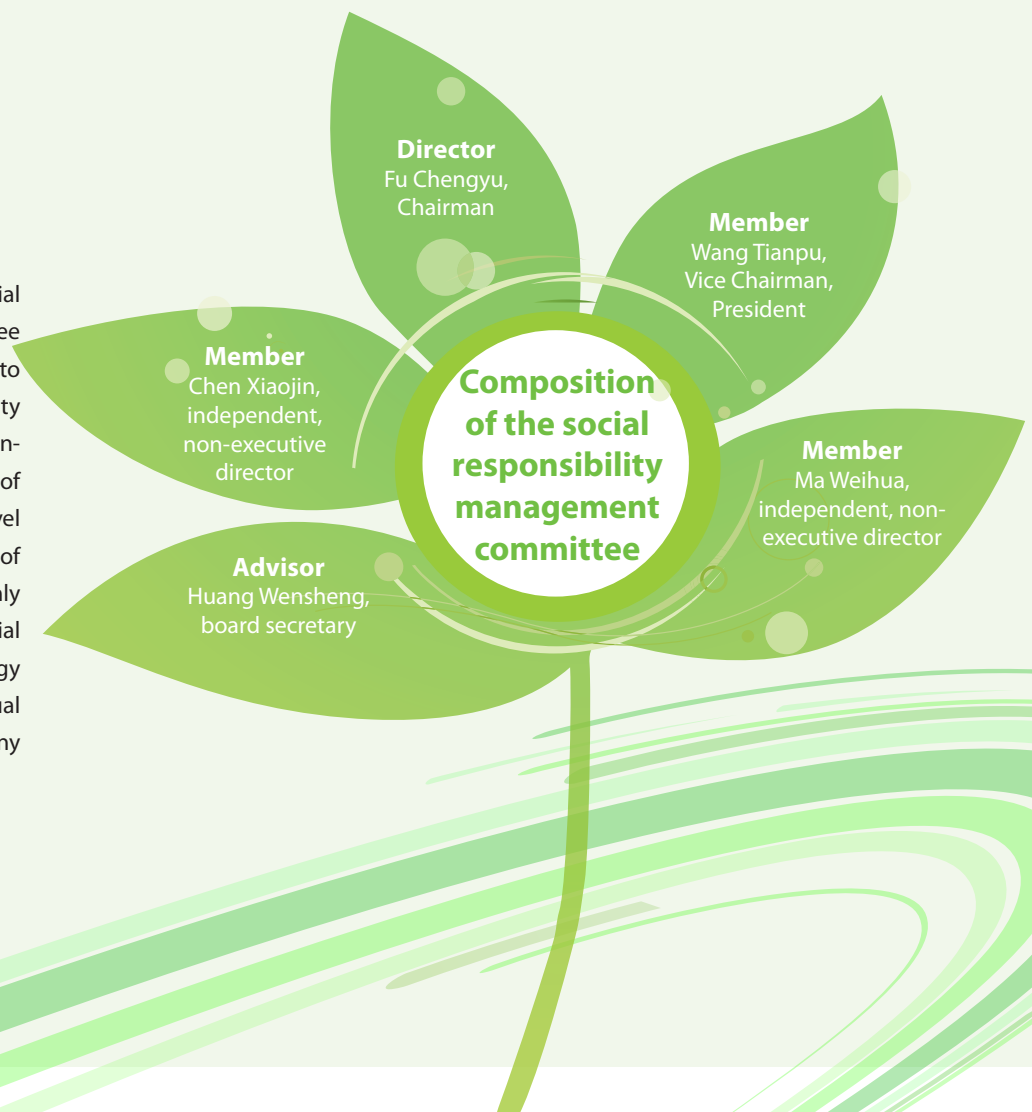
"Both the ambitious goal of the Chinese government to build a well-off society and the consensus of the international community require the Chinese members of the Global Compact who have proactive commitments to sustainability to lead the whole world to explore the road to sustainability through innovation and cooperation, and make contributions to the harmonious development of the wider society and mankind and to the low-carbon lifestyle."

—A speech delivered by Chairman Fu Chengyu at the annual conference of Global Compact China Network

Geared towards becoming a world-class energy and petrochemical company, Sinopec Corp. has been committed to develop the enterprise, contribute to the country, reward our shareholders, serve the society and benefit our staff proactively implementing the strategies for resources, marketing, integration and international, differentiation and low-carbon development. Integrating social responsibility commitments into corporate culture, development strategy and business operation and management in a socially responsible manner and inspiring more Chinese companies to implement the Global Compact represent the sustainability practices unique to Sinopec Corp..

## 1.1 Establishment of social responsibility management committee

In 2012, Sinopec Corp. established social responsibility management committee under its board of directors in order to further integrate social responsibility into its business strategy and decision-making process, make a unified plan of social responsibility at the corporate level and uphold the benefits and interests of all stakeholders. The committee is mainly responsible for developing the social responsibility policy, governance, strategy and planning and examining the annual social responsibility plan of the company and its implementation.



## 1.2 10 Voluntary commitments

In June 2012, a group from the company led by Chairman Fu Chengyu attended the Rio +20 Corporate Sustainability Forum held by the UN Global Compact, calling upon business community, governments, all walks of life and stakeholders to work together to proactively respond to the global climate change and strive for a low-carbon economy. During the summit, Sinopec Corp. made 10 voluntary commitments in response to the UN call.

### 10 voluntary commitments and the progress

Commitment	Action	Specific measures
Sustainability strategy and policy	<ul style="list-style-type: none"> <li>To be a highly responsible and respectable, world-class energy and chemical company.</li> <li>Low-carbon strategy</li> </ul>	See "Sustainability practices" (page 7)
Climate change	<ul style="list-style-type: none"> <li>Adopt low-carbon, new technologies and implement high-profile, go-green projects</li> <li>Formulate low-carbon business development plan, conduct carbon inventorying activities, establish GHG emission measurement, monitoring and evaluation system and define the GHG emission targets accordingly.</li> </ul>	See "Green workplace" (page 11), "Provision of clean products" (page 13)
Chemical and wastes	<ul style="list-style-type: none"> <li>Proper disposal of hazardous wastes</li> <li>Reduce the quantity of solid wastes, decontaminate and recycle the solid wastes.</li> </ul>	See "Clean production" (page 12)
Technology and innovation	<ul style="list-style-type: none"> <li>Trial application of methane recovery technology at Shengli Oilfield, Zhongyuan Oilfield and Huabei Oilfield.</li> <li>Develop flue gas denitration catalyst and auxiliary process.</li> <li>Develop integrated refinery vent gas treatment technology.</li> <li>Develop CO<sub>2</sub> capture and storage and EOR technologies.</li> </ul>	See "Clean production" (page 12), "Provision of Clean Products" (page 13) and "Development of sustainable energy sources" (page 14)
Measurable sustainability achievements	<ul style="list-style-type: none"> <li>Reduction in industrial water consumption.</li> <li>Reduction in COD content in effluent discharge.</li> <li>Reduction in SO<sub>2</sub> emission</li> <li>GHG -emission monitoring.</li> </ul>	See "Sinopec Corp. in 2012" (page 5)
Water resource	<ul style="list-style-type: none"> <li>A company-wide water saving and emission reduction campaign implemented.</li> <li>Control industrial water consumption.</li> <li>Adopt the technology of cascaded use of steam stripping purified water and contaminated water recycling.</li> </ul>	See "Sinopec Corp. in 2012" (page 5)
Sustainable energy	<ul style="list-style-type: none"> <li>Improve the quality of gasoline and diesel.</li> <li>Proactively develop bio-energy and other renewable energy sources.</li> <li>Develop electric vehicle recharging business.</li> <li>Optimize oil and gas resource.</li> </ul>	See "Development of sustainable energy resources" (page 14)
Sustainable management	<ul style="list-style-type: none"> <li>Social responsibility management committee established</li> </ul>	See "Sustainability practices" (page 7)
Sustainable production and consumption	<ul style="list-style-type: none"> <li>Engage in clean production</li> <li>The development of recycling economy</li> </ul>	See "Clean Production" (page 12)
Publication and communication of sustainability practices	<ul style="list-style-type: none"> <li>White Paper on Environmental Protection published.</li> <li>Sustainability Report published.</li> </ul>	See "Introduction"

"As a leading company of the UN Global Compact, Sinopec Corp. has been leading the world over the past years in terms of implementation of 10 principles of Global Compact and pursuing business sustainability. At the Rio+20 Summit this year, Sinopec Corp. advocated sustainable development and joined over 680 global companies and NGOs to make voluntary commitments, winning the international respect."

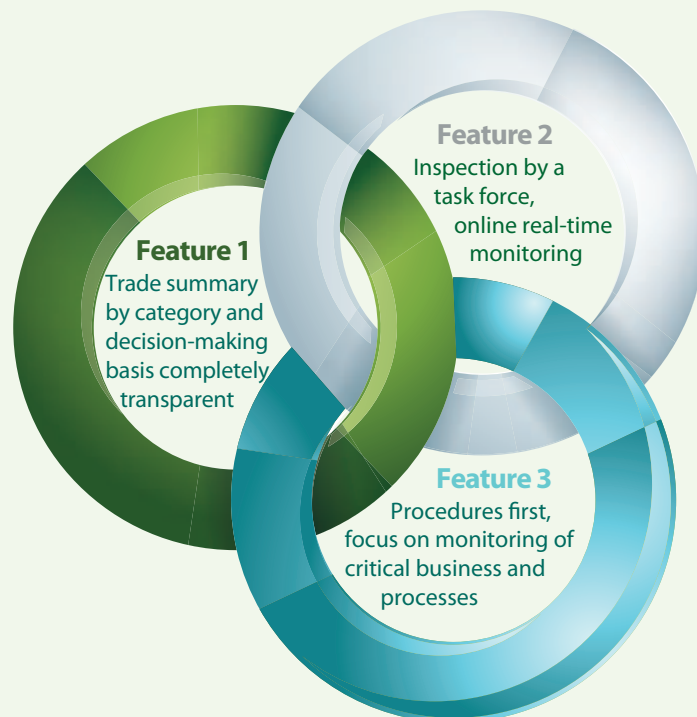
—Georg Kell, Executive Director of UN Global Compact

### 1.3 Anti-corruption

As one of the largest companies in China, Sinopec Corp. is a law-abiding organization, and always in compliance with regulations and integrity, proactively building an integrity culture and anti-corruption legal system. By integrating the corporate motto of “integrity, self-discipline and dedication” into its operations and the behaviors of employees, the company has made substantial progress towards becoming a world-class energy and chemical company.

In 2012, the company improved its anti-corruption system, with the second five-year plan (2013-2017) being prepared in this regard. The company examined and supervised 30 key value projects throughout the year through 10 inspection teams to ensure these projects are carried out with integrity. The company explored the ways to identify and eliminate risks of corruption by preparing and trying out a handbook for corruption prevention at its subsidiaries. The company launched an anti-corruption and self-improvement initiative, and held training sessions for disciplinary inspection and supervision as well as training seminars on business transparency, operation and performance supervision, international operation supervision, malpractice reporting and case handling, involving 886 trainees. The company held 4823 training sessions on anti-corruption and revised the inspection procedures. Four inspection teams were designated to inspect 133 managers of 24 subsidiaries throughout the year, making 75 suggestions to the subsidiaries and 28 suggestions to the headquarters of Sinopec Corp. in a way that helped the company keep on the right track.

Sinopec Corp. is the first Chinese company who has ever built a key business information sharing system which including online procurement to prevent corruptions and standardized business management, ensure legal and regulatory compliance to create a corruption-free working environment. In November 2012, the IT-driven compliance program was collected in the Global Compact casebook of Chinese best practices. And the transparent procurement program was recognized as a best example of management improvement by the State-owned Assets Supervision and Administration Commission (SASAC).



Features of Sinopec Corp.'s online procurement information system



## 2



## CONSTRUCTION OF ECOLOGICAL CIVILIZATION

### Stakeholder concerns

- Energy saving and emission reduction, clean production.
- Development of environment friendly products.
- Development of environment friendly energy.
- GHG emission reduction.

### Response and actions of the company

- Publish Environmental Protection Report as part of the efforts to promote green operation.
- Engage in clean production and advocate a recycling economy.
- Provide clean oil products and upgrade oil products.
- Develop sustainable energy sources.

### Commitment of the company

- Implementation of green and low-carbon strategy.



## 2.1 Promote Green Business

“At Sinopec Corp., we are doing and will continue to do whatever we can to ensure the environment is effectively protected.”

—A speech delivered by Chairman Fu Chengyu at the press conference for Sinopec’s Environment Protection Report

In 2012, Sinopec continued with its Green Workplace program by preparing the 12<sup>th</sup> five-year plan for environmental protection, publishing Environmental Protection Report, holding energy-saving technology workshops and carbon asset management training seminars and proceeding with its nationwide energy conservation road-show.

On November 29, 2012, Sinopec published Its inaugural Environmental Protection Report, the first of its kind ever published by a Chinese industrial enterprise. The Report represents the solemn commitment of Sinopec to going green and helping build an environment-friendly and resource-efficient society.

Today, Sinopec has published its Environmental Protection Report expressly defining its responsibility for environmental protection, indicating that Sinopec has been indeed acting upon the sustainability goals defined in the Global Compact as a world’s forerunner. I sincerely hope Sinopec will continue its role as a pioneer of Global Compact and drive more companies to go green and pursue business sustainability.

—Georg Kell,  
Executive Director of UN Global Compact



From left to right: Georg Kell, Executive Director of UN Global Compact;  
Fu Chengyu, Chairman Sinopec Corp.  
Li Ganjie, Vice Minister of Environmental Protection  
Wang Tianpu, Vice Chairman, President Sinopec Corp.

Sinopec is the first Chinese industrial enterprise to publish an environmental protection report, setting a good example of environmental stewardship for Chinese industrial enterprises.

—Li Ganjie, Vice Minister of Environmental Protection of China

## 2.2 Clean production

In 2012, Sinopec Corp. continued with its clean production program and managed to reduce emissions by sweetening and denitrifying boiler flue gas. The company intensified its efforts to eliminate oilfield effluent and adopted a system of graded posting and post-evaluation of hazard elimination projects, institutionalized the hazard identification and elimination efforts, started a flare gas recovery program and increased the level of resource utilization. The company made every effort to strive for clean production and recycling economy through technical innovation and intensified the effort to develop and adopt eco-friendly technologies, in a bid to technically enable energy saving and emission reduction.



Oil wells erected in picturesque settings (pilot production plant #2, Sinopec Jiangsu Oilfield Company)



The refinery of Sinopec Cangzhou Company, located on a once-to-be alkali flat

### Show case: A garden-like sewage treatment farm

Sinopec Yangzi Petrochemical Company Limited, embarked on a go-green road by increasing its input in occupational safety and environmental protection. The treated sewage at the company has reached the quality of purified water; and the oxidation ponds reduced the COD content in sewage by over 30% by means of spontaneous decomposition of organic substance through aquatic plants, which drawing water birds to look for food. The camphor trees and green grass on the campus constitute a garden-like setting.



White cloud and blue sky: Green trees and clear water

**"You have set a good example of sewage treatment for other companies to follow."**

—Li Lei, Deputy director general of Pollution Control Department  
Ministry of Environmental Protection

### Show case: Offshore emergency response drill

On June 26, 2012, an offshore emergency response drill was held around Cheng in Shengli Oilfield, Shandong Province, involving 22 ships, 2 helicopters and over 500 people and focusing on drilling platform firefighting and spilled oil recovery. This drill demonstrated the overall capability of the company to respond to emergencies.



## 2.3 Provision of clean products

From lead-free to Euro V gasoline, Sinopec Corp. has been committed to upgrading the quality of its refined oil products using its proprietary technology, providing higher-quality, environment-friendly products to its customers. In 2012, the company launched a series of clean gasoline and diesel products and had successfully completed the Beijing V refined oil product replacement in Beijing. Meanwhile, the company started to provide the China IV refined oil products in Shanghai, Guangdong and Jiangsu province.

Leaded gasoline was abandoned in 1997.

Gasoline's quality met the China II in 2003.

In 2010, the quality of specific gasoline fully met the China III, and that in Shanghai, Guangzhou, Shenzhen and Jiangsu Province reached the China IV in succession.

Gasoline and diesel products of China V have been produced and supplied in Beijing since 2012.

Upgrading quality of oil products specification.

### Show case: Cleaner gas for cars, cleaner air for cities

As Beijing IV being upgraded to Beijing V, gasoline's sulfur content reduced from 50ppm to 10ppm, thus bringing the level of cleanliness of vehicle fuel in Beijing to the world's most stringent level. The upgraded gasoline and diesel products can effectively reduce the pollution caused by car emissions by eliminating 432 tons of sulfur dioxide emissions a year or 1.18 tons a day in Beijing, given the fact that 5.4 million tons of gasoline and diesel was consumed a year in Beijing.



Sinopec Corp. began to supply Beijing V refined oil products to the market in Beijing since June 1, 2012.

### Show case: LNG bus refueling stations put into operation in Beijing

In March 2012, Sinopec Corp. signed an agreement with Beijing Municipal Government to jointly promote the adoption of LNG-fueled buses and refuel clean-energy vehicles. On September 30, the first group of LNG bus refueling stations was put into operation by Sinopec Corp. in Beijing. Nitrogen dioxide and carbon dioxide emission from LNG-fueled buses are 98% and 30% lower than those from oil-fueled buses, reducing carbon emissions per kilometer of mileage per bus by 80g on average and other emissions by 11.6g. Retrofitting 15,000 oil-fueled buses into LNG-fueled vehicles in Beijing is equivalent to retrofitting 750,000 cars, which will be instrumental in reducing nitrogen oxides and carbon dioxide emissions and improving the air quality in Beijing.



Sinopec Corp. LNG bus refueling stations were put into operation in Beijing.

## 2.4 R&D of sustainable energy sources

In 2012, Sinopec Corp. proactively developed sustainable energy sources, sourced more unconventional oil and gas and biomass resources and developed large-sized MTO, synthetic gas-to-ethylene glycol, synthetic natural gas, cellulose-to-alcohol and microalgae biodiesel technologies. The company built the first industrial-scale cellulose-to-alcohol plant in China using corncob residue cellulose, which has undergone continuous operation and test. The company implemented a large-scaled ethanol project for clean utilization of coal, expedited the process of unconventional resource evaluation and exploration and steadily developed for fuel blending, bio diesel and biochemical engineering.

### Biomass energy mix

**Bio-fuel alcohol** The company participated in ethanol projects sponsored by Henan Tianguan, Anhui Fengyuan, COFCO Guangxi and Shandong Longli, actively implemented the cassava-to-ethanol projects in Dongxiang of Jiangxi Province and Yangpu of Hainan Province, cellulose-to-ethanol projects in Jiangsu province and Heilongjiang province and sugarcane ethanol project in Brazil. The company is the largest ethanol blended gasoline distributor in China. By the end of 2012, the company had sold about 60.85 million tons of ethanol blended gasoline, accounting for 50% of the China's total.

**Bio-diesel** The company completed industrial application of proprietary SRCA-I bio-diesel production technology, and is now conducting a pilot test of a 2,000 t/a SRCA-II plant and building a 100,000 t/a bio-diesel new-generation pilot plant in Zhenjiang of Jiangsu Province. The company is currently developing packaged technology of microalgae biodiesel.

**Bio-jet fuel** The company worked with China Eastern Airlines and Airbus on application of bio-jet fuel and development of bio-jet fuel production technology. The company has built a 10,000 t/a bio-jet fuel pilot plant using waste grease as raw material, producing ASTM D7566-compliant bio-jet fuel.

### Show Case: Sinopec Corp. is the first company to own proprietary bio aviation kerosene production technology

Bio-jet fuel is produced using renewable resources as raw materials and can effectively reduce carbon dioxide emissions in the whole lifecycle compared with the conventional jet kerosene. Sinopec Corp. started developing bio-jet fuel in 2009, and on February 28, 2012, Civil Aviation Administration of China officially accepted the company's application for determination of airworthiness of #1 bio-jet fuel, thus making Sinopec Corp. the first company in the country to own proprietary production technology and the mass-production capabilities of bio-jet fuel.

"Sinopec Corp. demonstrated the Chinese efforts to reduce carbon dioxide emissions by becoming the first Chinese company to produce proprietary bio-jet fuel products and file an application for determination of airworthiness of bio-jet fuel."

—Li Jian,  
Deputy director general of CAAC



Drilling of the first well under the first phase of Sichuan Fuling shale oil (gas) pilot project kicks off.

### Show case: Building the top-class shale gas pilot project in China.

Sinopec Corp. has been working on development of shale gas. In 2012, Sinopec Corp. established China's first shale gas production pilot plant in Fuling of Sichuan Province. In light of the complicated geological conditions of shale gas reservoir, the company managed to bring oily sewage and fracturing flow-back residual acid treatment process to the most stringent Chinese standard for industrial wastewater discharge through intensified technology development and cooperation, thus ensuring clean development of shale gas.



## 2.5 Biodiversity conservation

The second decade of this century is the UN decade of biodiversity, and biodiversity conservation has become a global action. Regarding biodiversity conservation as an important part of its go-green initiative, the company endeavors to protect biotic resource whenever and wherever it can.

### Show case: Shengli Geophysical Prospecting Co., Ltd cherishes every single life

While conducting 3D seismic prospecting activities, Sinopec Corp. Shengli Geophysical Prospecting Co., Ltd takes every measure to avoid disturbing living creatures, including rabbits, foxes and snakes. Moreover, injured animals are taken good care of until they recover and are released into the nature.



A picturesque oilfield, a home to birds.



Egrets around oil wells.



The operators set free a Mongolian gazelle



Jiangsu Oilfield after a snow



Taking good care of a fox



A female spotted deer and its baby in Sinopec Shanghai Petrochemical Eco-Park



Workers salvaged and took care of injured saker (an animal species protected under the national animal preservation program with Class-two priority)

# 3 PEOPLE ORIENTATION



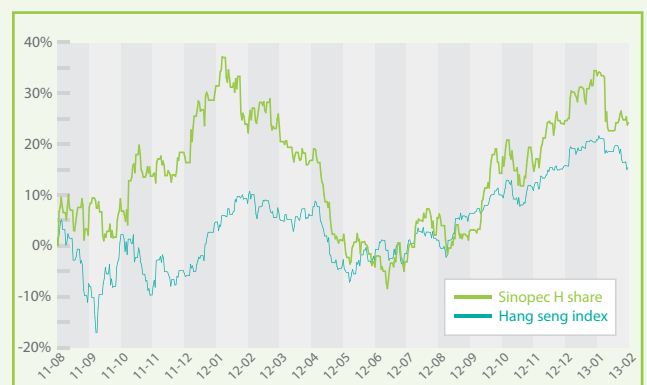
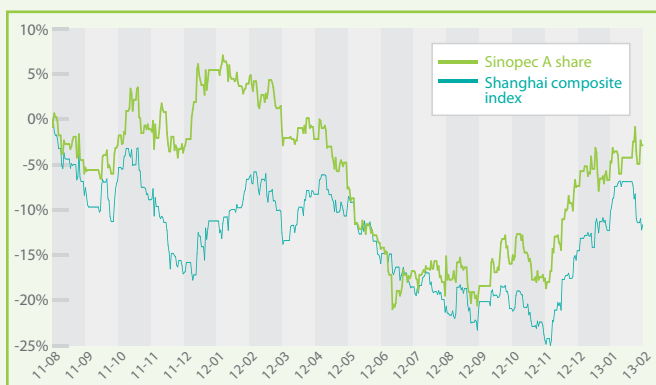
## 3.1 Focus on the return to investors

<b>Stakeholder concern</b>	<ul style="list-style-type: none"> <li>Stable returns on investment</li> <li>Effective and efficient communication</li> </ul>
<b>Response and action of the company</b>	<ul style="list-style-type: none"> <li>Implement a consistent profit distribution policy.</li> <li>Take into account the investors' benefits while making decisions.</li> <li>Fair and transparent disclosure;</li> <li>Improve investor relations.</li> </ul>
<b>Commitment of the company</b>	<ul style="list-style-type: none"> <li>Focus on outstanding performance</li> <li>Ensure transparency of dividend policy and decisions</li> </ul>

### 3.1.1 Uphold the investors' interests

In 2012, the company paid more attention to investor's benefits and returns to ensure transparent business operations. The company revised its Articles of Association to explicitly ensure the continuity and consistency of its dividend policy and put cash dividends ahead of other types of profit distribution.

Indicator	Currency	2010	2011	2012
Revenue	In RMB100 million	19,132	25,057	27,860
Profits before taxation	In RMB100 million	1,022	1,026	901
Net profits attributable to shareholders of the company	In RMB100 million	707	717	635
Total assets	In RMB100 million	9,854	11,301	12,473
Total liabilities	In RMB100 million	5,327	6,205	6,967
Equity attributable to shareholders of the company	In RMB100 million	4,211	4,744	5,134
Net cash flow generated from operating activities	In RMB100 million	1,713	1,512	1,435
Actual cash dividend	RMB/share	0.21	0.23	0.30



Sinopec Corp. A and H share price performance.

### 3.1.2 Updated information disclosure policy

In 2012, the company updated its information disclosure policy to include information disclosure related to bond repayment and transaction of the company. In the meantime, the company opened new channels for disclosure of non-financial information to improve the communication with stakeholders, such as a CSR column on the company's website, press conferences, appointment of third-party supervisors and inviting the media and public to Sinopec Corp.'s premises.



### 3.1.3 Investor relations

The company always cares about investor relations and the interests of shareholders. In addition to the headquarters, the company has investor relations representatives in the US and Hong Kong respectively for easy communication with investors. The company has smooth communication with investors by means of road show, reverse road show, participation in capital market conferences, reception of visiting investors and investor hotline, all for the purpose of keeping the company transparent to investors.

In 2012, the company received 160 investor visits and held 309 one-to-one or group meetings through two global road shows and 19 capital market conferences. The company invited some institutional investors for a site visit in Zhenhai refinery and Yanshan Petrochemical.



Chairman Fu Chengyu together with shareholders, A picture of the first extraordinary general meeting, in 2012

## 3.2 Improved quality of customer service

**Stakeholder concern**

- Product quality
- Reliable supply
- Satisfactory services

**Response and action of the company**

- Committed to providing high-quality oil products.
- Constantly improve the quality assurance system to ensure all oil products delivered are 100% compliant with quality requirements.
- Further improve the fueling card services and self service stations and establish EasyJoy online store.
- Start the customer procurement program as part of the efforts to better serve customers.

**Commitment of the company**

- Continue to exert rigorous control over quantity, quality and price to implement our commitment of "making every drop count".
- Implement customer value increment program for mutually beneficial cooperation between seller and buyer.
- Endeavor to improve the customer satisfaction through all-around supervision and evaluation and continuous improvement efforts.

### 3.2.1 Provide high-quality products

In 2012, in the face of fluctuation of international crude oil price at the high level, tightened control over the price of refined oil at home, operating deficit of refineries, quality upgrading of motor gasoline and diesel oil and the mounting cost pressure brought about by the requirement that gasoline used in Beijing should reach Chinese standard V in the first place, Sinopec Corp. kept its refineries and petrochemical plants running at full load in order to ensure steady supply of refined oil products, supplying high-quality oil products. Meanwhile, by strictly abiding by the "always higher quality" policy, the company improved its quality management policy and endeavored to achieve the objective of customer satisfaction, delivering on its six commitments to customer service and professional excellence with practical actions.

In 2012, Sinopec Corp. signed a pledge to commit itself to strict controlling the product quality, improving the quality of its gasoline and diesel, causing all of its refineries to examine the quality control process end to end in order to ensure the product quality is under control. The company made every effort to build up the ISO9000 quality management system and ensure the quality of purchased oil products. While enforcing the 20 compulsory quality indicators for oil products, we added 8 more quality indicators for quality control (e.g., content of unwashed colloid and evaporation index) in 2011 and three more in 2012 (e.g., chlorine content) in order to exert greater control over the quality of oil products.

### Show case: Donghai asphalt contributes to high-speed railway projects in China

Donghai asphalt, a Sinopec Corp. emulsified asphalt product, is well-received in the market for high quality, was successfully applied in many high-speed railway construction projects including Harbin-Dalian Railway, Beijing-Shanghai Railway, Shanghai-Ningbo Intercity Railway, Beijing-Shijiazhuang Railway, Tianjin-Qinhuangdao Railway, Hefei-Bengbu Railway and Hangzhou-Changsha Railway after being widely used in many high-value projects including expressways, urban roads, airport runways, high-profile stadiums (main stadium of Beijing Olympics and access roads to World Expo Shanghai). With over 65% of availability target achieved nationwide, Sinopec Corp. was recognized by the Ministry of Railway and construction contractors. These emulsified asphalt and mortar products earned the company the second prize for technological advancement from the Ministry of Railway.



Sinopec Corp. Donghai brand emulsified asphalt for high-speed railway is used in Harbin-Dalian Express Railway, the world's first express railway in frigid zone.



### 3.2.2 Provide consumer-friendly services

In 2012, Sinopec Corp. launched a customer service improvement initiative, leveraged its nationwide service network, built a multifunctional service platform and made refueling cards and self-service refueling stations more available and accessible to customers; By visiting customers on a regular basis, providing technical services, opening and maintaining customer service hotline and web-enabled portal and conducting customer satisfaction surveys. Sinopec Corp. serves customers in manufacturing, transportation, building, mining, power, agriculture and fishing, hospitality and catering service sectors.

#### Key performance indicators

##### Oil products sales service

Number of service stations	31,000, year-on-year increase of over 700
Oil products retail sales	Over 100 million tonnes
Number of directly-distributed customers	103,000
Daily customer visit to service stations	20 million

##### Chemicals sales service

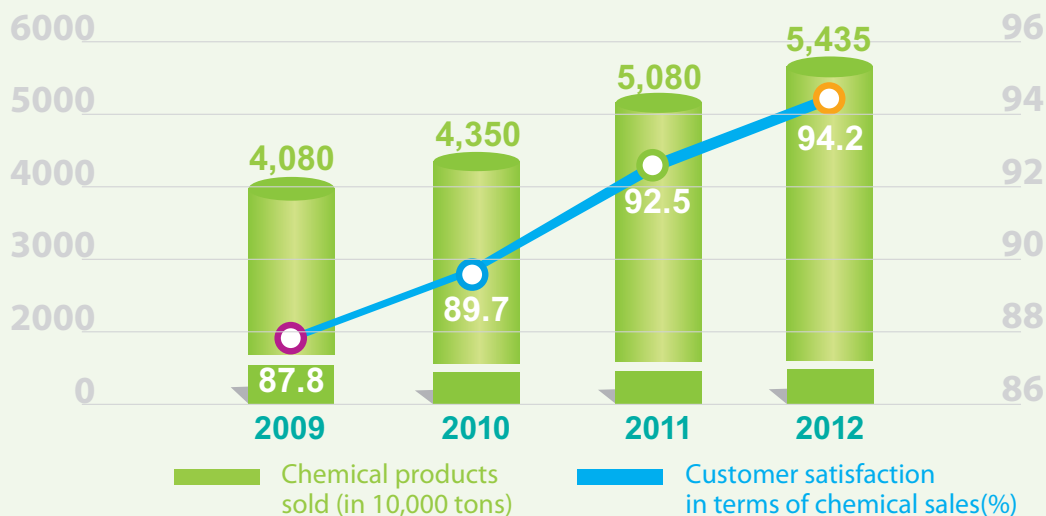
Customers worldwide	5,322
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##### Natural gas sales service

Natural gas sold	10.059 billion m <sup>3</sup>
Key customers served	98

##### Lubricant sales service

Lubricant sold	1.59 million tons
End users	500,000



Chemical products sold and customer satisfaction in terms of chemical sales

### Show case: Build a single point of service for car owners

In 2012, the company continued to improve the functions and facilities of service stations, adding more self-service payment terminals, ATMs, cafeterias and car service centers at the stations in an effort to build a single point of service for car owners. In which car owners can make credit-card payments, pay for utility bills, have their cars washed and maintained and procure automobile insurance, etc.



A homelike service station in wintertime: a worker is taking a tin of hot drink for a customer at Baichun Yao service station in Yanqing county of Beijing

### Show case: Sufficient and timely supply to farmers

As a major supplier of refined oil products in China, Sinopec Corp. is responsible for fueling farm machines in over 90% of wheat-producing areas across the country. In 2012, the company delivered nearly 4 million tons of diesel to farmers during the harvest seasons.

In **Henan Province**, 500 distribution teams of volunteers from the company delivered 1500 tons of refined oil products to local farmers with 2500 truckloads.

In **Anhui Province**, 1% discount for farm machine operators by fueling cards of the company, and RMB0.1 discount per liter of agricultural diesel oil in extensive agricultural areas.

In **Hebei Province**, the company opened a farmer-friendly channel at 320 gas stations and distributed 50,000 packaged gifts to wheat harvesters.

In **Jiangsu Province**, the company issued loyalty cards to users in collaboration with the provincial bureau of agricultural machinery, with which holders are entitled to RMB600 discount per card.

In **Hubei Province**, the company provided free lounges at service stations wherever possible, served nearly 3,000 visits of farm machine operators.



"Sinopec Corp. has made great effort in meeting the oil products demand of farmers over the past years, which I deeply appreciate. I expect Sinopec Corp. to continue this effort".

—Hui Liangyu, Vice Premier of State Council  
addressing inauguration ceremony of machine harvest in wheat-producing areas on May 31, 2012.

## Show case: Value-added services to customers through customer procurement program

In 2012, chemical sales division of Sinopec Corp. implemented customer procurement program in order to facilitate value-added procurement activities of its customers and improve the customer satisfaction and loyalty.



### Easy procurement:

The company set up 26 service points across the country to facilitate the procurement process for customers. With improved IT infrastructure, customers can submit procurement plans, place orders and check their accounts through CRM system by simply clicking the mouse. As a result, the physical distribution management was improved, physical distribution efficiency raised and the delivery cycle shortened.

### High-quality procurement:

Bearing in mind the commitment to doing business with integrity, the company exerted rigorous control over the whole process of procurement and distribution by disqualifying any illegible suppliers, procuring right resources, transporting purchased materials and measuring the delivered goods accurately and reliably.

### Value-added procurement:

The company constantly reduced the purchasing costs of customers by visiting customers on a regular basis, providing technical service, handling customer complaints and distributing homemade products in place of imported ones. The company developed much-needed products and provided technical guidance, customized products in collaboration with customers as substitute for imported products, and helped customers improve the quality of product and profitability. The company adopted electronic acceptance bill, eliminated the need for transport, review and inquiry of bills, made funds immediately available and quickened the cash flow for customers, which helped alleviate the financial pressure on customers.

## Show case: Aviation-grade lubrication services

Upholding its business motto of customer focus, Sinopec Great Wall Lubricant regards the product quality as the lifeline of its brand and provides customers with high-quality products and services using its superior space craft lubricant technology. In 2012, Great Wall Lubricant provided over 500,000 end-users including over 300 corporate clients with 1.59 million tons of lubricant products and related services, provided lubrication protection for Shenzhou-9 manned spaceship launch and China's polar exploration program, provided OEM filling oil for more than two thirds of car makers in China and established strategic partnership with 19 key customers including China Chang'an Automobile Company Ltd, China Shipping, China Coal and South Cement Company Ltd.



### 3.3 Better career opportunities

<b>Stakeholder concern</b>	<ul style="list-style-type: none"> <li>• A safe and healthy working environment</li> <li>• Plenty of career opportunities</li> <li>• Better wellbeing</li> </ul>
<b>Response and action of the company</b>	<ul style="list-style-type: none"> <li>• Review KPI for HSE and conduct occupational health stewardship program.</li> <li>• Build development for career paths, business management, technical expertise and operating techniques respectively.</li> <li>• More employee training programs.</li> <li>• Refine the remuneration policy.</li> </ul>
<b>Commitment of the company</b>	<ul style="list-style-type: none"> <li>• Improve the working environment.</li> <li>• Effectively enable employees to achieve their ambitions.</li> <li>• Constantly improve the capabilities and competency of employees.</li> <li>• Establish and improve the mechanism of employee's remuneration and normal increment.</li> <li>• Implement the assistance program to employees.</li> </ul>

#### 3.3.1 Provide a safe and healthy workplace

Sinopec Corp. endeavors to create a safe and healthy workplace for employees, and train employees to act in a mentally and physical healthy manner and ensure employees work safely and decently, while striving to become a world-class company.

In 2012, Sinopec Corp. issued the Guideline for HSE Performance Appraisal (interim) to calculate the work-related fatalities, lost-time accident rate and reportable accident rate using OSHA statistical indicators in order to further improve end-to-end safety control. A safety officer accountability system was implemented across all refineries, with 461 frontline safety officers nominated in place. The company explored new ways to train employees in occupational safety, identified the safest workplaces and established and put into operation a center for safety education at Shengli Oilfield. In 2012, both the coverage of employee health checkup and workplace occupational hazard monitoring rate remained 95% or higher. No single case of acute occupational poisoning involving three or more employees was reported, and the incidence of occupational disease throughout the company was kept below 0.002%. As a result, Sinopec Corp. was recognized as the company where employees could work safely and happily by the organizing committee of the Nationwide Occupational Safety Month campaign.



A patrol inspector wearing ear protector is working.



A HSE inspector is checking the safety-belts for high-rise operation

## The measures for occupational safety and health

Measure	Progress in 2012
<b>1 Improve occupational health management policy and criteria</b>	Sinopec Corp. Contractor Occupational Health Policy formulated.
<b>2 Measures taken at the very beginning</b>	Construction contractors are required to identify and to eliminate safety and health hazards at any stage of design, construction and commissioning; greater efforts were made to eliminate safety and health hazards, with RMB70 million invested in the occupational health hazard elimination program in 2012.
<b>3 Personal protection equipment</b>	Managed the labor protection funding and PPE utilization according to the well-established policy. RMB2.17 billion was appropriated as labor protection funding in 2012, a rise of RMB430 million over 2011.
<b>4 Occupational health monitoring</b>	Employees are required to undergo health checkup before, during and after employment with the company, with over 98.7% of employees benefiting from health checkup.
<b>5 Education and training</b>	Sinopec Corp. Occupational Health Training Handbook prepared.
<b>6 Counseling</b>	Employee counseling programs such as sunshine mindset, stress management and employee assistance program (EAP) were implemented, health record established and ad-hoc lectures given to help employees to achieve work-life balance.

### Show case: Build a permanent classroom for employees safety education

Safety culture is the soul of all safety efforts. Shengli Oilfield built a center for safety training as a window to the safety culture of the oilfield, a classroom for employee safety training and a tool to study and prevent industrial accidents. Using real-life examples, easily understandable language and various tools, the center provides a venue where employees learn the importance of work safety and stay safety conscious.

### Show case: Suzhou Oil Products Company works to ensure employees are mentally healthy

In 2012, Suzhou Oil Product Company provided counseling services to employees to ensure employees work decently and happily. Employee birthday dinner is held once every month to make employees more emotionally attached to the organization; and gala is organized on occasion of every festival to facilitate the communication among employees.

"I have been working here for five or six years, and I feel respected and comfortable while at work."

—Zhang Lei, an employee of Sinopec Corp.

### 3.3.2 Career path

In 2012, Sinopec Corp. enhanced its efforts to build a talented team in each discipline and further pave the career path so that all employees have the ample career opportunities to measure themselves. The company intensified the efforts to appoint senior managers based on competition. Nine sales companies recruited chief accountants throughout Sinopec Corp. on a competitive basis and leadership of business divisions, specialized companies and regional branches of Sinopec Corp. Petroleum Engineering Company were appointed through competition, thus further motivating the management team. A multi-category performance assessment system was established, professional title review system refined and skills contests conducted, with more efforts made to qualify the skills of the frontline workers and bringing a large number of technical professionals and skilled operators onto a higher platform for development. Cross-cultural management achieved good results, as foreign employees feel more emotionally attached to the organization.



A contestant is taking measurements meticulously.



Coworkers are extending congratulations to award-winners.

#### Show case: Skills contests

In 2012, Sinopec Corp. held seven operational skills contests in seven disciplines including geophysical exploration and eight professional skills contests in eight types of work including oil production, involving four business sections of oilfield, refinery and chemical, oil products distribution, and engineering & construction. The company held an operational skills contest for the frontline managers and engineering technicians for the first time, as well as professional skills contests that covered the largest number of types of work in the history of Sinopec Corp., with over 80,000 employees involved in on-the-job training and in-house recruitment program. These contests offered a valuable opportunity for employees to show themselves, learn from each other, and improve themselves altogether, meanwhile identifying a group of talented employees and improving the overall capabilities of the frontline workers. The contests were welcomed by the frontline workers and accepted by the organizations where they work.

"I joined Sinopec Beijing Oil Products Company after graduating from university in 2001, and worked at the tank farm, retail management office, and editorial board of Sinopec Corp. Beijing newsletter, Car Owner newspaper, customer service center, news office, resource procurement office, business operation office and fuel oil center of the company in succession. Now, I'm working as the head of investment management office of the company. During the past 12 years of work for Sinopec Corp, I have been grown-up from a new graduate into a veteran. I have deeply experienced the unremitting efforts made by Sinopec Corp. to help employees grow personally and professionally, to which I feel deeply grateful. There is nothing I can do in return, except working harder for Sinopec Corp."

—Wang Zhiquan, an employee of Sinopec Corp.



### 3.3.3 Emphasis on employee's remuneration

At Sinopec Corp., greater emphasis has been placed on employee's remuneration to provide them with peace of mind. In 2012, the basic remuneration system was implemented in conjunction with the career path building program, so employees especially the frontline workers saw steady growth in income and a more reasonable allocation relation. The paid vacation policy was further implemented, and the supplementary medical insurance scheme substantially refined.

Indicator	2010	2011	2012
Coverage of social insurance(%)	100	100	100
Coverage of social insurance(%)	100	100	100

### 3.3.4 More employee training programs

Sinopec Corp. endeavors to grow side by side with all employees by offering more employee training programs. In 2012, the company involved 2,300 employees in training programs, including senior managers, high-level technical specialists, skilled workers and international talents. Meanwhile, the company adopted e-training system wherever and whenever it can and provided employees with rich and accessible training resources, offering a total of 2.4 million hours of e-learning to employees. All of its subsidiaries conducted company-wide training sessions at various levels and in different disciplines, taking into account their operational needs.

#### Show case: Training of foreign employees

On November 11, 2012, Sinopec Corp. held its third training seminar for foreign employees, which comprised five modules of team building, classroom lecture, site visit, attendee forum and cultural observation. Foreign employees were engaged as part-time instructors to lecture on cross-cultural communication and management.



Trainees are discussing about the advanced management and operational practices at the operation hall of the central control room in the natural gas purification plant.

## 3.4 Stakeholder engagement

<b>Stakeholder concern</b>	<ul style="list-style-type: none"> <li>• Fulfill social responsibility.</li> <li>• Mutual benefit.</li> </ul>
<b>Response and action of the company</b>	<ul style="list-style-type: none"> <li>• Anti-corruption contract signed with suppliers and Overseas Contractor HSE Policy and Contractor Occupational Health Policy formulated to encourage suppliers to act responsibly.</li> <li>• Help suppliers grow.</li> </ul>
<b>Commitment of the company</b>	<ul style="list-style-type: none"> <li>• Establish strategic partnership with suppliers.</li> </ul>

### 3.4.1 Encourage suppliers to act responsibly

Sinopec Corp. does business with integrity, while proactively encouraging suppliers and contractors to act responsibly. The company signed Business Ethics Compliance Agreement with all suppliers to keep them in line and create a fair business environment.

The company formulated and adopted Contractor Occupational Health Policy, requiring all domestic contractors to abide by the Chinese laws and regulations on occupational health and to establish and maintain comprehensive occupational health management system. The company formulated and adopted contractor occupational health policy and performance appraisal yardsticks, examine the occupational health performance of contractors every year, and supervise, examine, appraise and publicize the treatment of acute occupational poisoning accidents on the construction site and the contractor's premises.

The company formulated and adopted Sinopec Overseas Contractor HSE Policy, defining the HSE responsibilities of contractors in terms of contractor qualification, project bidding, contract execution and performance, with a view to making contractors more capable of HSE management.

### 3.4.2 Grow together with suppliers

Sinopec Corp. regards suppliers as business partners and therefore helps suppliers grow using its cutting-edge technology and advanced management practice.

Shenyang Blower Works Group has been growing these years, thanks to the generous support from Sinopec. With the help of Sinopec, we have been improving our management performance, building a competent team and enhancing the overall competitiveness of the whole company.

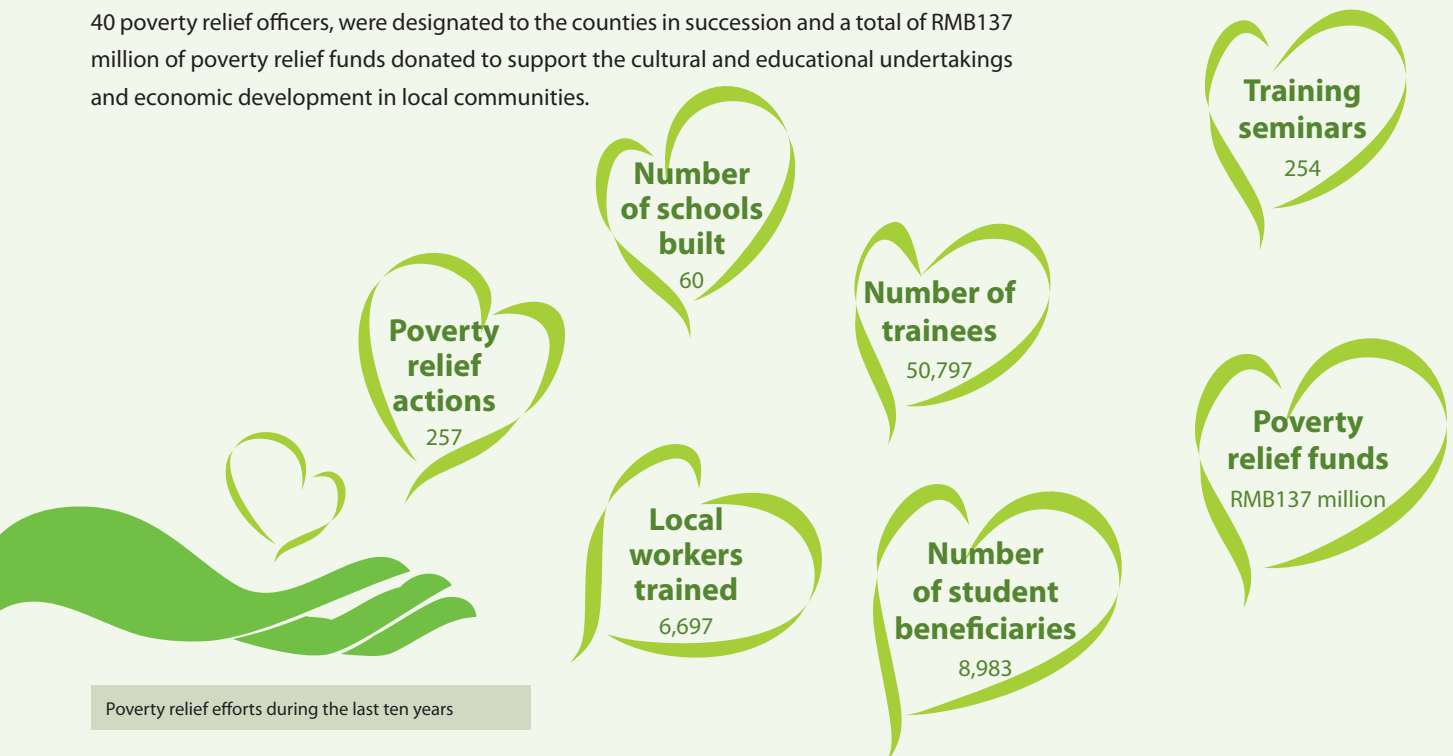
—Su Yongqiang, Chairman of Shenyang Blower Works Group Corporation

## 3.5 Commitment to a better community

<b>Stakeholder concerns</b>	<ul style="list-style-type: none"> <li>Drive economic development of local communities.</li> <li>Conduct philanthropic activities</li> </ul>
<b>Response and actions of the company</b>	<ul style="list-style-type: none"> <li>Has been providing financial assistance to poverty-stricken areas and Qinghai and Tibet over the past years.</li> <li>Sponsored the Lifeline Express program.</li> <li>Formed over 8000 volunteer groups, comprising 25,000 volunteer employees.</li> </ul>
<b>Commitment of the company</b>	<ul style="list-style-type: none"> <li>Give back to community</li> </ul>

### 3.5.1 Financial assistance to poverty-stricken areas for ten years

The year 2012 marks the 10th anniversary of Sinopec Corp.'s poverty relief efforts. Over the past decade, Sinopec Corp. had made poverty relief efforts in Yingshang and Yuexi counties of Anhui Province and Luxi and Fenghuang counties of Hunan Province. 10 teams, including 40 poverty relief officers, were designated to the counties in succession and a total of RMB137 million of poverty relief funds donated to support the cultural and educational undertakings and economic development in local communities.



Poverty relief efforts during the last ten years

"Our county benefits a lot from Sinopec's poverty relief program, and every poverty relief effort made by Sinopec is deeply appreciated by everyone living in Yuexi County of Anhui Province."

—Wang Qianshen, the Secretary of Yuexi County communist party committee, Anhui Province

### 3.5.2 Ten-year financial aid to Tibet

Sinopec has been helping Tibetan economy grow over the past ten years by dispatching six 2-member poverty relief teams and donating a total of RMB208 million as financial aid to Tibet. In 2012, Sinopec had implemented 11 poverty relief programs with a total funding of RMB24.35 million.

Sinopec has been aiding Mongolian and Tibetan autonomous prefecture of Qinghai Province since 2010. The company had donated RMB21.20 million for the construction of a general market at Wenhua Road, Huatugou Town of the prefecture, which was put into operation in October 2012.



A completion ceremony for Sinopec 2012 Qinghai Mangya General Market project.



“The ten-year aid to Tibet from Sinopec is the reason Bange county saw the fastest increase in local resident income and most significant improvement in living standard.”

—Ba Ta, Secretary of Bange County communist party committee, Tibet



### 3.5.3 Lifeline Express Train

Lifeline Express is a train hospital of ophthalmology that provides free ophthalmologic surgeries. Sinopec Corp. has been sponsoring the Lifeline Express program since 2004 and currently is the largest domestic corporate contributor to this charity. Since 2006, Sinopec Lifeline Express Train has brought light to more than 22,000 cataract patients and their families.



Sinopec Corp. Brightness Lifeline Express Train

"I am so excited that I can see things clearly!"

—Zhong Yan, a Grade 2 student of Taoxi Primary School,  
Wuping County of Fujian Province, a beneficiary of Lifeline Express program



# 4



## PROACTIVE RESPONSE TO POLYPROPYLENE PELLET SPILL

### 4.1 Background

On July 23, 2012, on the way to Shantou from Nansha of Guangzhou city, the transport contractor's six containers of polypropylene pellets, produced by Sinopec Corp., dropped into the sea near Hong Kong due to a strong typhoon, and then white polypropylene pellets were spilled over the sea surfaces, part of which flowed to Discovery Bay and Sham Wan on Lamma Island, Hong Kong, an incident that drew much attention.

Chairman Fu Chengyu is voluntarily cleaning the contaminated beach of Hong Kong along with other senior managers.



## 4.2 The response of the company

“Before the legal responsibility for this accident is determined, we need to act responsibly to participate in the cleaning operation and advance the payment of the cleaning costs. No matter how the legal responsibility for this incident will be determined, Sinopec Corp. will take its share of legal responsibility and social obligation judged to be borne by Sinopec Corp..”

—Chairman Fu Chengyu

“No matter how the legal responsibility for this incident will be determined, Sinopec Corp. will actively assist with the cleaning operation. We have appropriated HKD10 million to facilitate the cleaning operation, with additional expenditure to be made when necessary in light of the actual circumstances.”

—Sinopec Corp.’s commitment to Hong Kong people in wake of the spill incident  
August 9, 2012

In the wake of the spill, Sinopec Corp. worked with the transport contractor and shipper to salvage the containers and clean the pellets and dispatched technical experts to explain the physical and chemical properties of the pellet to Hong Kong authorities, in an attempt to address the excessive public concern. Meanwhile, ongoing communication and coordination with Hong Kong authorities was maintained to learn the latest developments of the incident and provide necessary support. And documentary evidences were collected and collated and the transport contractor and shipper urged to find out the causes of the incident.



Many Sinopec Corp. employees are voluntarily cleaning the contaminated beach of Hong Kong.



Vice Chairman, President Wang Tianpu is cleaning the contaminated beach voluntarily with employees residing in Hong Kong.

## 4.3 Stakeholder feedback

Sinopec Corp.’s response to this spill incident is inspiring.

—Ming Pao newspaper editorial “Spill incident mirrors the attitude of every party concerned”  
August 10, 2012

“Sinopec Corp.’s decisive and transparent response to the polypropylene pellet spill incident demonstrates a Chinese company’s commitment to environmental protection.”

—Zhou Yonggang, senior journalist with China Business Times

# 5 LOOK FORWARD TO 2013



Looking ahead, as a forerunner in the UN Global Compact, Sinopec Corp. will stick to the new industrialization path of high technology, low resource intensity and less pollution. On the journey of building a world leading energy and chemical company, Sinopec Corp. will fast-track growth pattern transformation, implement green and low carbon strategy in a scaled, integrated, clean and low carbon development model. We will expedite natural gas and biomass energy development for an optimized energy mix, step up efforts in environmental protection by efficient and recycled use of resources, increase R&D input in energy efficiency and low carbon technologies, take good care of the eco-system by total process management of clean production and consumption, contributing to green mountain, clear water and blue sky. We will strengthen our close partnership with all walks of life in energy saving and low-carbon growth to achieve harmony amongst business, economy, the public and the environment. By joining hands together, we'll succeed in building a green and low-carbon planet.



# THIRD-PARTY VERIFICATION



## Rating report on Sinopec Corp. Communication on Progress for Sustainable Development 2012

Upon the request of Sinopec Corp., CSR Research Center of Economics Division of Chinese Academy of Social Sciences (hereinafter "Center") invited experts from Chinese Expert Committee on CSR Report Rating to form Sinopec Corp. Communication on Progress for Sustainable Development 2012 Rating Team. The rating team rated Sinopec Corp. Communication on Progress for Sustainable Development 2012 (hereinafter "COP") as follows:

### 1. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 2.0) published jointly by the aforesaid Center, China Enterprise Confederation, China Petroleum and Chemical Industry Association, China Light Industry Federation, the Sino-German Corporate Social Responsibility Project, China WTO Tribune and China Committee of Corporate Citizenship.

### 2. Rating results:

#### Completeness (★★★★☆)

The COP discloses key information on "Green Operation Advancing", "Clean Production Implementing", "Promoting the Customer Service Quality", "People Orientation" etc. With 82.88% of core indicators being disclosed on Oil & Gas Exploration Industry, the COP has excellence completeness.

#### Materiality (★★★★★)

The COP discloses key performance issues for Oil & Gas Exploration Industry such as "Responsible Management", "Production Quality", "Occupational Health Safety", "Circular economy", "Sustainability Energy", "Climate Change Tackling" etc. The COP has excellent materiality.

#### Balance (★★★★★)

This COP discloses negative information on "Cases of newly confirmed occupational disease", "Accident death rate per 1,000 employees", "Number of reported accidents", "Fatality", Describe the process and handling method of "Proactive response to polypropylene particle spill" briefly. The COP has excellent balance.

#### Comparability (★★★★☆)

This COP discloses data on 35 key performance indicators of three consecutive years and horizontal comparison of corporate stock comparing to Shanghai Stock Exchange Index and Hang Seng Index. The COP has excellent comparability.

#### Readability (★★★★★)

This COP has a clear structure and suitable length, concise and fluency language. The cases' descriptions are lively and the pictures are delicate and graceful with an elegance design. All of which makes this COP very excellent readable.

#### Creativity (★★★★★)

As the first COP, based on the continuous sustainable development report of 6 years, it highlights the newest advance in sustainable development management and practical with a good timeliness and readability which is the newest trend of corporation social and environment information publishing in China. So this COP has an excellent creativity.

#### Overall rating (★★★★★)

Through evaluation and deliberations, the rating team agreed to rate Sinopec Corp. Communication on Progress for Sustainable Development 2012 as brilliant by giving a five-star rating which is the highest to it.

### 3. Suggested improvements

(1) Disclosing more core social responsible indicators on the industry to improve the completeness of the COP.

#### Rating team

##### Team leader:

Cheng Duosheng, Executive Director of Global Compact Network China Secretariat

##### Team member:

Liu Weihua, Vice Chairman and secretary-general of China Corporate Citizenship Committee

Wei Xiuli, Associate Professor of Economics and Management School in North China University of Technology

Head of the rating team

Vice president of executive council of the Center

Team leader of the expert rating team

Executive Director of Global Compact Network China Secretariat



# APPENDICES

## 1 About Sinopec Corp.

Being involved in upstream, midstream and downstream operations of oil and natural gas industry, Sinopec Corp. is an integrated energy and chemical company, dealing with the exploration, producing and trading of oil and natural gas, oil refining and distribution of refined oil products, and production and distribution of chemical products. Geared towards becoming a world-class energy and chemical company, Sinopec Corp. implements its business strategies focused on resource, market development, integration, global operations, differentiation and low-carbon growth, leveraging its corporate resources to build an environment-friendly and sustainable business that is based on its people.

## 2 Social contribution per share

In 2008, the Shanghai Stock Exchange made it clear in its Circular of Shanghai Stock Exchange on Implementation of Corporate Social Responsibility of Listed Companies and Publication of Shanghai Stock Exchange Environmental Information Disclosure Guidelines that “companies may disclose the value of their social contribution per share in their annual CSR reports, that is, the value added per share that a listed company creates for the society, calculated by adding the tax payments, employee payroll, loan interest rate paid to such creditors as banks and donations made within the fiscal year to the basic per share earnings created by the organization for its shareholders and then deducting the social costs including environmental pollution that the organization incurs in the course of business operations.” The resulting calculations help the general public know more about the true value that the organization creates for its shareholders, employees, customers, creditors, communities and the general public.

In 2012, the value of social contribution per share of Sinopec Corp. is RMB4.81 per share. It's calculated by adding tax payments, employee payroll, loan interests and donations within the reporting period to the basic per-share earnings, with deduction of the social costs resulting from environmental pollution caused by the company.

### 3 GC Advanced Level criteria checklist

GC Advanced Level criteria checklist						
Scope	Criteria for the GC Advanced Level and the best practices		Sinopec Corp. information circular			
			First circular		Circular in 2012	
	Criteria for the GC Advanced Level	Best practices	Material	Context index	Material	Content index
Strategy, Governance and Engagement	Criterion 1: The COP describes key aspects of the company's high-level sustainability strategy in line with Global Compact principles	1) Impact of broader sustainability trends on the long-term prospects and financial performance of the organisation	"Sinopec Corp. Sustainable Development Report 2007"	P5, P13, P15	"COP 2012"	P3, P7
		2) Major sustainability risks and opportunities in the near to medium term (3-5 years)				
		3) Social and environmental impact of the organization's activities	"Sinopec Corp. Sustainable Development Report 2006"	P5	"COP 2012"	P2
		4) Overall strategy to manage sustainability impacts, risks and opportunities in the near to medium term (3-5 years)	"Sinopec Corp. Sustainable Development Report 2006"	P8	"COP 2012"	P7
		5) Key performance indicators to measure progress	"Sinopec Corp. Sustainable Development Report 2006"	P16	"COP 2012"	P4, P5
		6) Major successes and failures during the reporting period	"Sinopec Corp. Sustainable Development Report 2006"	P3	"COP 2012"	P2-5
	Criterion 2: The COP describes effective decision-making processes and systems of governance for corporate sustainability	1) Involvement and accountability of management (C-suite) in developing corporate sustainability strategy in line with Global Compact principles and overseeing its implementation	"Sinopec Corp. Sustainable Development Report 2006"	P4	"COP 2012"	P7
		2) Corporate governance structure (Board of Directors or equivalent) and its role in oversight of long-term corporate sustainability strategy and implementation in line with Global Compact principles	"Sinopec Corp. Sustainable Development Report 2006"	P10	"COP 2012"	P7
		3) Goals and incentive schemes for management (C-suite) to promote sustainability strategy in line with Global Compact principles	"Sinopec Corp. Sustainable Development Report 2006"	P8	"COP 2012"	P8
	Criterion 3: The COP describes engagement with all important stakeholders	1) Regular stakeholder consultations in the area of human rights, labour, environment and anti-corruption	"Sinopec Corp. Sustainable Development Report 2006"	P6		P9
		2) List of stakeholder groups engaged by the organisation	"Sinopec Corp. Sustainable Development Report 2006"	P12, P16		
		3) Process for stakeholder identification and engagement	"Sinopec Corp. Sustainable Development Report 2006"	P7	"COP 2012"	P18
		4) Outcome of stakeholder involvement	"Sinopec Corp. Sustainable Development Report 2006"	P16	"COP 2012"	P24, P26
		5) Process of incorporating stakeholder input into corporate strategy and business decision making	"COP 2012"	P17, P21	"COP 2012"	P17, P21
	UN Goals and Issues	Criterion 4: The COP describes actions taken in support of broader UN goals and issues	1) Adoption or modification of business strategy and operating procedures to maximize contribution to UN goals and issues	"COP 2012"	P2, P3, P8	"COP 2012"
2) Development of products, services and business models that contribute to UN goals and issues			"COP 2012"	P10-15	"COP 2012"	P10-15
3) Social investments and philanthropic contributions that tie in with the organization's core competencies, operating context and sustainability strategy			"Sinopec Corp. Sustainable Development Report 2006"	P6, P22	"COP 2012"	P27-29
4) Public advocacy on the importance of one or more UN goals and issues			"Sinopec Corp. Sustainable Development Report 2006"	P6	"COP 2012"	P8
5) Partnership projects and collective actions in support of UN goals and issues			"Sinopec Corp. Sustainable Development Report 2006"	P6	"COP 2012"	P26
Human Rights Implementation	Criterion 5: The COP describes robust commitments, strategies or policies in the area of human rights	1) Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g. the Universal Declaration of Human Rights)	"Sinopec Corp. Sustainable Development Report 2006"	P6, P13, P21		
		2) Statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company	"Sinopec Corp. Sustainable Development Report 2006"	P3	"COP 2012"	P2, P7
		3) Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services	"Sinopec Corp. Sustainable Development Report 2006"	P21	"COP 2012"	P17, P18, P22, P26
		4) Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties	"Sinopec Corp. Sustainable Development Report 2006"	P6, P21	"COP 2012"	P17, P18, P22, P26

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Human Rights Implementation	Criterion 6: The COP describes effective management systems to integrate the human rights principles	1) On-going due diligence process that includes an assessment of actual and potential human rights impacts	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P26
		2) Internal awareness-raising and training on human rights for management and employees	"Sinopec Corp. Sustainable Development Report 2006"	P21		
		3) Operational-level grievance mechanisms for those potentially impacted by the company's activities	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P18, P21
		4) Allocation of responsibilities and accountability for addressing human rights impacts	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P26
		5) Internal decision-making, budget and oversight for effective responses to human rights impacts	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P23, P25
		6) Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to	"Sinopec Corp. Sustainable Development Report 2006"	P21	"COP 2012"	P22
	Criterion 7: The COP describes effective monitoring and evaluation mechanisms of human rights integration	1) System to monitor the effectiveness of human rights policies and implementation, including in the supply chain	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P26
		2) Monitoring drawing from internal and external feedback, including affected stakeholders	"Sinopec Corp. Sustainable Development Report 2007"	P13, P23	"COP 2012"	P23
		3) Leadership review of monitoring and improvement results	"Sinopec Corp. Sustainable Development Report 2009"	P66	"COP 2012"	P23
		4) Process to deal with incidents	"Sinopec Corp. Sustainable Development Report 2011"	P57		
	Criterion 8: The COP describes key outcomes of human rights integration	1) Outcomes of due diligence process	"Sinopec Corp. Sustainable Development Report 2011"	P37	"COP 2012"	P23
		2) External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts				
3) Disclosure of main incidents involving the company		"Sinopec Corp. Sustainable Development Report 2010"	P25, P72			
4) Outcomes of processes of remediation of adverse human rights impacts		"Sinopec Corp. Sustainable Development Report 2007"	P25 - P26	"COP 2012"	P22	
Labour Principles Implementation	Criterion 9: The COP describes robust commitments, strategies or policies in the area of labour	1) Reference to relevant international conventions and other international instruments (e.g. ILO Core Conventions)	"Sinopec Corp. Sustainable Development Report 2006"	P4		
		2) Reflection on the relevance of the labour principles for the company	"Sinopec Corp. Sustainable Development Report 2006"	P19	"COP 2012"	P22
		3) Written company policy (e.g., in code of conduct) on labour	"Sinopec Corp. Sustainable Development Report 2006"	P19	"COP 2012"	P22, P23
		4) Inclusion of minimum labour standards in contracts with suppliers and other relevant business partners	"COP 2012"	P26	"COP 2012"	P26
		5) Specific commitments and goals for specified years	"Sinopec Corp. Sustainable Development Report 2010"	P74		
Criterion 10: The COP describes effective management systems to integrate the labour principles	1) Risk and impact assessments in the area of labour	"Sinopec Corp. Sustainable Development Report 2010"	P34 - P35	"COP 2012"	P26	
	2) Allocation of responsibilities and accountability within the organisation	"Sinopec Corp. Sustainable Development Report 2007"	P13 - P14	"COP 2012"	P22	
	3) Internal awareness-raising and training on the labour principles for management and employees	"Sinopec Corp. Sustainable Development Report 2006"	P21	"COP 2012"	P23	
	4) Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P23	



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Labour Principles Implementation	Criterion 11: The COP describes effective monitoring and evaluation mechanisms of labour principles integration	1) System to track and measure performance based on standardized performance metrics	"Sinopec Corp. Sustainable Development Report 2009"	P39, P41	"COP 2012"	P22
		2) Audits or other steps to monitor and improve the labour performance of companies in the supply chain	"COP 2012"	P26	"COP 2012"	P26
		3) Leadership review of monitoring and improvement results	"Sinopec Corp. Sustainable Development Report 2008"	P16	"COP 2012"	P23
		4) Process to deal with incidents	"Sinopec Corp. Sustainable Development Report 2006"	P17, P20	"COP 2012"	P23
	Criterion 12: The COP describes key outcomes of integration of the labour principles	1) Outcome of due diligence and follow-up efforts to uphold the freedom of association right to collective bargaining	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P23
		2) Outcome of due diligence and follow-up efforts to eliminate forced labour	"Sinopec Corp. Sustainable Development Report 2006"	P20 - P21	"COP 2012"	P25
		3) Outcome of due diligence and follow-up efforts to abolish child labor	"Sinopec Corp. Sustainable Development Report 2006"	P21 - P22		
		4) Outcome of due diligence and follow-up efforts to eliminate discrimination	"Sinopec Corp. Sustainable Development Report 2006"	P21 - P22	"COP 2012"	P22
		5) Disclosure of main incidents involving the company	"Sinopec Corp. Sustainable Development Report 2011"	P6, P37		
	Environmental Stewardship Implementation	Criterion 13: The COP describes robust commitments, strategies or policies in the area of environmental stewardship	1) Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)			"COP 2012"
2) Reflection on the relevance of environmental stewardship for the company			"Sinopec Corp. Sustainable Development Report 2006"	P14	"COP 2012"	P7
3) Written company policy on environmental stewardship			"Sinopec Corp. Sustainable Development Report 2006"	P3	"COP 2012"	P11
4) Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners					"COP 2012"	P26
5) Specific commitments and goals for specified years			"Sinopec Corp. Sustainable Development Report 2007"	P15	"COP 2012"	P11
Criterion 14: The COP describes effective management systems to integrate the environmental principles		1) Environmental risk and impact assessments				
		2) Assessments of lifecycle impact of products, ensuring environmentally sound end-of-life management policies	"Sinopec Corp. Sustainable Development Report 2009"	P47	"COP 2012"	P12
		3) Allocation of responsibilities and accountability within the organisation	"Sinopec Corp. Sustainable Development Report 2007"	P13		
		4) Internal awareness-raising and training on environmental stewardship for management and employees	"Sinopec Corp. Sustainable Development Report 2007"	P14	"COP 2012"	P11
		5) Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts	"Sinopec Corp. Sustainable Development Report 2007"	P13, P15	"COP 2012"	P11
Criterion 15: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship		1) System to track and measure performance based on standardized performance metrics	"Sinopec Corp. Sustainable Development Report 2007"	P16	"COP 2012"	P5
		2) Leadership review of monitoring and improvement results	"Sinopec Corp. Sustainable Development Report 2010"	P39	"COP 2012"	P14
		3) Process to deal with incidents	"Sinopec Corp. Sustainable Development Report 2007"	P14	"COP 2012"	P31
		4) Audits or other steps to monitor and improve the environmental performance of companies in the supply chain	"Sinopec Corp. Sustainable Development Report 2007"	P13	"COP 2012"	26

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	Criteria for the GC Advanced Level	Best practices	Material	Context index	Material	Content index
Environmental Stewardship Implementation	Criterion 16: The COP describes key outcomes of integration of the environmental principles	1) Indicators on uses of materials and energy	"Sinopec Corp. Sustainable Development Report 2006"	P18	"COP 2012"	P14
		2) Indicators on emissions, effluents, and waste	"Sinopec Corp. Sustainable Development Report 2006"	P16	"COP 2012"	P5
		3) Indicators on the company's initiatives to promote greater environmental responsibility	"Sinopec Corp. Sustainable Development Report 2006"	P18	"COP 2012"	P11
		4) Indicators on the development and diffusion of environmentally friendly technologies	"Sinopec Corp. Sustainable Development Report 2006"	P15 - P17	"COP 2012"	P12
		5) Disclosure of main incidents involving the company	"Sinopec Corp. Sustainable Development Report 2007"	P15 - P17	"COP 2012"	P31
Anti-Corruption Implementation	Criterion 17: The COP describes robust commitments, strategies or policies in the area of anti-corruption	1) Publicly stated formal policy of zero-tolerance of corruption	"Sinopec Corp. Sustainable Development Report 2006"	P3	"COP 2012"	P9
		2) Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes	"Sinopec Corp. Sustainable Development Report 2011"	P11	"COP 2012"	P9
		3) Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption	"Sinopec Corp. Sustainable Development Report 2011"	P8	"COP 2012"	P9
		4) Carrying out risk assessment of potential areas of corruption	"COP 2012"	P9	"COP 2012"	P9
		5) Detailed policies for high-risk areas of corruption	"Sinopec Corp. Sustainable Development Report 2006"	P12	"COP 2012"	P9
		6) Policy on anti-corruption regarding business partners	"Sinopec Corp. Sustainable Development Report 2008"	P9	"COP 2012"	P26
	Criterion 18: The COP describes effective management systems to integrate the anti-corruption principle	1) Support by the organization's leadership for anti-corruption	"Sinopec Corp. Sustainable Development Report 2007"	P12	"COP 2012"	P9
		2) Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees	"Sinopec Corp. Sustainable Development Report 2007"	P12	"COP 2012"	P9
		3) Internal checks and balances to ensure consistency with the anti-corruption commitment	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P9
		4) Actions taken to encourage business partners to implement anti-corruption commitments	"Sinopec Corp. Sustainable Development Report 2009"	P9	"COP 2012"	P26
		5) Management responsibility and accountability for implementation of the anti-corruption commitment or policy	"Sinopec Corp. Sustainable Development Report 2007"	P11	"COP 2012"	P9
		6) Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice	"Sinopec Corp. Sustainable Development Report 2006"	P12	"COP 2012"	P9
7) Internal accounting and auditing procedures related to anti-corruption		"Sinopec Corp. Sustainable Development Report 2007"	P12	"COP 2012"	P9	
Criterion 19: The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption	1) Leadership review of monitoring and improvement results	"Sinopec Corp. Sustainable Development Report 2008"	P9	"COP 2012"	P9	
	2) Process to deal with incidents	"Sinopec Corp. Sustainable Development Report 2006"	P12			
	3) Public legal cases regarding corruption	"Sinopec Corp. Sustainable Development Report 2011"	P12			
	4) Use of independent external assurance of anti-corruption programmes	"Sinopec Corp. Sustainable Development Report 2010"	P11	"COP 2012"	P9	

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	Criteria for the GC Advanced Level	Best practices	Material	Context index	Material	Content index
Anti-Corruption Implementation	Criterion 20: The COP describes key outcomes of integration of the anti-corruption principle	1) Outcomes of assessments of potential areas of corruption, where appropriate	"Sinopec Corp. Sustainable Development Report 2006"	P20	"COP 2012"	P9
		2) Outcomes of mechanisms for reporting concerns or seeking advice	"COP 2012"	P9	"COP 2012"	P9
		3) Indicators Human Resources procedures supporting the anti-corruption commitment or policy	"COP 2012"	P9	"COP 2012"	P9
		4) Disclosure of main incidents involving the company	"Sinopec Corp. Sustainable Development Report 2011"	P12		
Value Chain Implementation	Criterion 21: The COP describes implementation of the Global Compact principles in the value chain	1) Analysis of sustainability risk, opportunity and impact in the value chain, both upstream and downstream				
		2) Policy on value chain, including a policy for suppliers and subcontractors	"Sinopec Corp. Sustainable Development Report 2006"	P21	"COP 2012"	P26
		3) Communication of policies and expectations to suppliers and other business partners	"Sinopec Corp. Sustainable Development Report 2007"	P13	"COP 2012"	P26
		4) Monitoring and assurance mechanisms (e.g. audits/screenings) for compliance in the value chain	"Sinopec Corp. Sustainable Development Report 2007"	P13	"COP 2012"	P26
		5) Awareness-raising, training and other types of capacity building with suppliers and other business partners	"Sinopec Corp. Sustainable Development Report 2008"	P15	"COP 2012"	P26
Transparency and Verification	Criterion 22: The COP provides information on the company's profile and context of operation	1) Legal structure, including any group structure and ownership	"Sinopec Corp. Sustainable Development Report 2006"	P2, P9		
		2) Countries where the organisation operates, with either major operations or operations that are specifically relevant to sustainability	"Sinopec Corp. Sustainable Development Report 2006"	P1	"COP 2012"	P33
		3) Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	"Sinopec Corp. Sustainable Development Report 2006"	P1	"COP 2012"	P33
		4) Primary brands, products, and/or services	"Sinopec Corp. Sustainable Development Report 2006"	P2	"COP 2012"	P33
		5) Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc.)	"Sinopec Corp. Sustainable Development Report 2006"	P3	"COP 2012"	P2, P4
Transparency and Verification	Criterion 23: The COP incorporates high standards of transparency and disclosure	1) COP uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines	"Sinopec Corp. Sustainable Development Report 2006"	P1	"COP 2012"	Introduction
		2) COP qualifies for Level B or higher of the GRI application levels				
		3) COP includes comparison of key performance indicators for the previous 2-3 years	"Sinopec Corp. Sustainable Development Report 2006"	P16, P24	"COP 2012"	P4, P5
		4) Board, where permissible, approves COP and other formal reporting on corporate sustainability	"COP 2012"	Yes	"COP 2012"	Yes
		5) Relevant sustainability information from COP is included in annual financial report and filings	"COP 2012"	Yes	"COP 2012"	Yes
Transparency and Verification	Criterion 24: The COP is independently verified by a credible third-party	1) Accuracy of information in COP is verified against assurance standard (e.g. AA1000, ISAE 3000)	"Sinopec Corp. Sustainable Development Report 2006"	P15	"COP 2012"	Criteria for the GC Advanced Level
		2) Accuracy of information in COP is verified by independent auditors (e.g. accounting firm)	"Sinopec Corp. Sustainable Development Report 2006"	P1		
		3) Content of COP is independently verified against content standards (e.g. GRI Check)	"Sinopec Corp. Sustainable Development Report 2006"	P1	"COP 2012"	CASS-CSR 2.0
		4) COP is reviewed by a multi-stakeholder panel or by peers (e.g. Global Compact Local Network)				







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