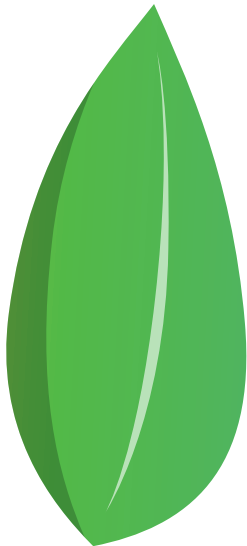
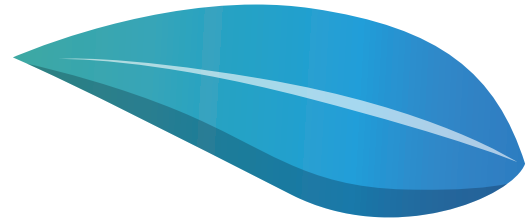




2014

Communication on Progress for Sustainable Development



INTRODUCTION

This Communication on Progress (COP) 2014 is the sustainable development report published by China Petroleum & Chemical Corporation (hereinafter referred to as “Sinopec Corp.”, “Sinopec”, “the Company” or “we”). It describes the sustainability progress of the Company and our subsidiaries in 2014. For information on 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.

1 Report Description

This COP covers the period from January 1 to December 31, 2014 and the information contained herein comes from the official documents and statistical reports of the Company. This COP is published along with its English version, and Chinese version shall prevail if there is any inconsistency between them.

2 Reference

This COP has been prepared in accordance with the ten principles of the UN Global Compact and its requirements on disclosure of annual sustainability progress and criteria for GC business participants at GC advanced level, and 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-CSR 3.0).



3 Reporting System

Annual information disclosure

- The Company published 6 sustainable development reports from 2006 to 2011.



- In response to the initiatives of the UN Global Compact and the need of stakeholders, we made innovations in preparation of such report and have published COP since 2012, which focuses on the progress for sustainable development during the reporting period.



COPs 2012 - 2013
<http://www.sinopec.com/download/reports/>

Information disclosure publications

To respond to the concerns of stakeholders, we specially disclosed the information on some hot topics and events, and offered relevant publications.



Environmental Protection Report (2012)



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



Shale Gas ESG Report (2014)

Routine information disclosure

CSR website Portal: http://www.sinopec.com/environment_society/





«Global Warming»

Name: Zhou Dao

Age: 7

Human beings have seriously destroyed the ecological balance, leading to global warming and iceberg melting; the earth has turned into a water ball. People start to scramble for the only ship available. Human beings are facing a huge survival crisis.



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ADDRESS FROM CHAIRMAN



Dear friends,

This report is unusual in that it includes paintings by four children on the subject of environmental protection. Sinopec obtained the paintings at a charity auction supporting the efforts of the United Nations Global Compact Network China to host the Second China Summit on Caring for Climate in June last year. We hope these paintings will demonstrate the concerns of the next generation for the world today and their expectations for it. As an enterprise, we have an unshakable duty to take decisive actions that will help create a bright and sustainable future for these children, leaving to them an ecological civilization and a beautiful home.

In 2014, with a focus on improving the quality of development and delivering greater economic benefits, Sinopec executed six key strategies related to resources, markets, integration, internationalization, differentiation, and green, low-carbon development. In so doing, we deepened reform, accelerated our transformation and adhered to strict management practices, improving the company's ability to achieve sustainable growth. We were happy to see that in matters of reform, by restructuring and introducing private capital, our oil product marketing business implemented a mixed-ownership operating model, further improving our vitality and competitiveness. In regard to transforming our business, we made great breakthroughs in the exploration and development of shale gas, commercializing the project ahead of schedule; we successfully upgraded the quality of our oil products, allowing us to sharply increase output of high-grade oil products for which demand is growing rapidly; and we advanced our plans to invest approximately USD 5 billion for implementation of our Clean Water, Blue Sky project and our Energy Conservation Campaign. In the area of management, all business segments achieved excellent results in their efforts to reduce costs and expenses, and all maintained safe, stable and clean production operations. And in the area of cultural development, we chose "fueling a better life" as our enterprise mission, "building a people-oriented,

first-class global energy and chemical company" as our vision, and "people, responsibility, integrity, precision, innovation and shared values" as our core values. As a LEAD member of the United Nations Global Compact and a signatory of the Caring for Climate initiative, we continued to participate in various activities of the United Nations Global Compact Network China, helping to lead Chinese enterprises along the path of sustainable growth.

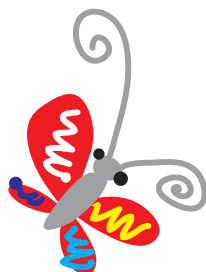
Looking ahead, in the face of complex challenges presented by global climate change, environmental vulnerabilities, fluctuating energy markets and other matters, Sinopec will continue to deepen innovation-driven reforms both in response to the market and guided by our commitment to green, low-carbon development. In 2015, we will further improve our marketing mechanisms for oil products to accelerate our transition from a traditional supplier of oil products to a comprehensive provider of innovative services; we will continue to develop shale gas, and advance the adjustment in the structure of the energy market; and we will promote further upgrades in the quality of our oil products. In the future, we will look to implement more initiatives in common with the wider community, improve our communications with the public, and redouble our focus on technology and services, generating new breakthroughs in our drive to build a first-class global energy and chemical company.

We look forward to joining hands with you in making our China Dream a reality, and in building a better world and a better future!

A handwritten signature in black ink, appearing to read 'Fu Chengyu'. The signature is fluid and cursive, written on a white background.

Fu Chengyu
Chairman
20 March 2015

2014



SINOPEC CORP.

Sinopec Group, with Sinopec Corp. as core assets, advanced up to No. 3 on Fortune global 500;

Sinopec Corp. topped the China Top 500 list for ten consecutive years;

Sinopec Corp. was granted the Shale Oil and Gas “International Pioneer 2014 Award” by the 5th World Shale Oil & Gas Summit;

Sinopec Corp. won the Golden Bauhinia Award as “the Listed Company with the Best Social Responsibility”, the Golden Tripod Award at the 10th China Capital Market Annual Conference, and the Golden Bull from the China Securities Journal;

Sinopec Corp. won the 2014 “Caring for Climate & Ecological Civilization” Outstanding Company Award at the Caring for Climate China Summit hosted by UN Global Compact Network China;

Sinopec Corp.’s “Clean Water & Blue Sky” case was awarded as UN Global Compact Chinese best practice of caring for climate and environmental protection;

Sinopec Corp. won the “China Children Charity Award” by the All China Women’s Federation and the China Children and Teenagers Foundation;

Sinopec Corp. won the “China Model of Low-Carbon Development 2014” and the “2014 Social Responsibility Award” by China News Service and China Newsweek respectively;

Sinopec won the Environmental Information Disclosure Award in the Chinese Enterprises’ Sustainable Competitiveness Annual Conference 2014;

Sinopec Lifeline Express was granted the Special Contribution Award by Lifeline Express Council for nine consecutive years, and won the “Excellent Volunteer Service Project of SOE” by the SASAC.

Chairman Fu Chengyu won Plattss’ Energy “2014 Asia CEO of the Year” Award;

Chairman Fu Chengyu was awarded as the “Entrepreneur of the Year 2014” in the “Most Influential Persons of the Year 2014” held by China Newsweek

Revenue RMB2,825.914 billion

Taxes and fees paid RMB292.259 billion

Dividends declared RMB23.8 billion

Expenditure for culture, education, hygiene and communities RMB6.753 billion

Donations for the year RMB239.8 million

Social insurance coverage 100%

Employees’ occupational health training: 4,344,970 hours

R&D expenses RMB5.81 billion

COD in waste water: down by 2.5%

SO₂ emission: down by 8.1%

Industrial water consumption: down by 1.1%

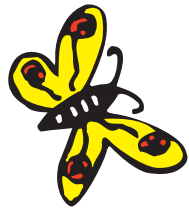


«Rowing to the Sunny Beach»

Name: Zhang Qingyuan

Age: 14

Nowadays people all want their own houses and cars – but they never give thought to the air quality and various climate changes caused by their pollution in daily life; and on the other hand, everybody wants to live on the sunny beach forever when they realized those problems. This is what human beings are like.



OUR GOVERNANCE

1.1 Responsibility Culture

In 2014, we issued the Corporate Culture Construction Outline, which took “fueling a better life” as our mission, “building a people-satisfied world first-class energy and chemical company” as our vision, and “people, responsibility, integrity, precision, innovation and shared values” as our core values. The outline put more emphasis on contents concerning people orientation, green and low-carbon development, environmental protection, social responsibility, internationalization and market-driven.

Our mission of “fueling a better life”

By taking people’s hope for a better life as our development direction, we are dedicated to providing better technologies, high quality products and services to promote social development. We adhere to sustainable growth path by implementing green and low-carbon strategy, and accelerating the shaping of an energy-saving and environment-friendly industrial structure and the mode of production for an ecological civilization development. We also insist on win-win cooperation, aiming to benefit our stakeholders.



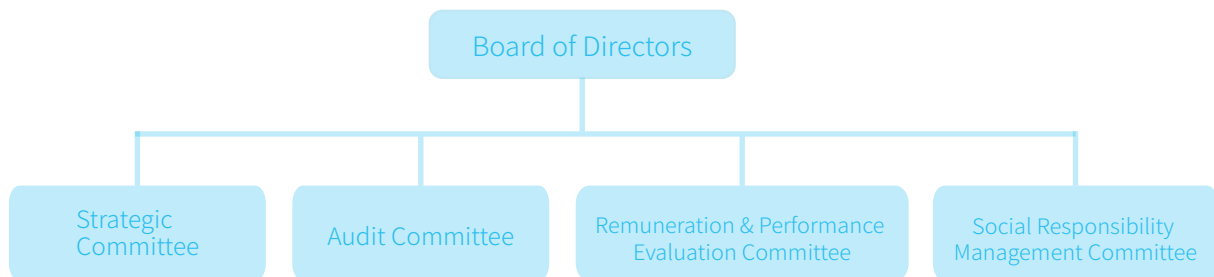
1.2 Sustainable Development

1.2.1 Board of Directors and the Social Responsibility Management Committee

Strictly complying with the regulations in the place where we are listed, as well as our internal regulations including the Articles of Association, we have improved the duty and work procedures for the general shareholders meeting, the Board of Directors and its special committees, the Board of Supervisors and senior management, and established a series of corporate governance regulations including the information disclosure and the investor relations management according to regulatory requirements and our actual conditions. In 2014, the Company released the Board Diversity Policy and enhanced information disclosure by increasing voluntary information disclosure to make the Company more transparent.

We set up the Social Responsibility Management Committee under the Board of Directors in 2012, which is responsible for work regarding social responsibility and sustainable development in a unified way. The committee consists of five directors, including Chairman Fu Chengyu, Vice Chairman Wang Tianpu, director and President Li Chunguang and independent directors Chen Xiaojin and Ma Weihua. The main responsibilities of the committee are as follows: study of the policies, governance, strategies and plans concerning corporate social responsibility management to propose suggestions to the Board; review of annual social responsibility plan covering safety, environmental protection, green and low-carbon development and donation; and review of reports on performance of social responsibilities and COP.

● Board of Directors and its dedicated committees



1.2.2 The HSE System

As a responsible integrated energy and chemical company, Sinopec Corp. is devoted to the coordinated development of enterprise and economy, society and environment when providing clean energy to meet the demand for clothing, food, housing and transport. Since green and low-carbon development and safety production have been taken as one of our strategies in sustainable development with a view to raising our sense in this regard at the highest strategic level, all employees bear in mind the notions of “never pursuing temporary economic growth at the cost of environment” and “never seeking for development at the expense of human life”.



In 2014, we improved our all-round, multi-level IT-based HSE management system. It contains 16 functional modules including risk management, hazard management and occupational health management, which forms a closed-loop management of such HSE issues as risk, observation, inspection, accidents and incidents, hence constructive for fully carrying out the criteria for work permit. Through this system, we have created the safety operation indicator system and assessment model, realizing visible monitoring of business at multiple levels. This group-type HSE management system featured by “unified business model and multi-level business support” manifests our exploration on IT-based industrialization. Our IT-based HSE management system is in the leading position in China.

HSE Guidelines

Safety foremost, prevention first, all engagement, comprehensive approach;
Better environment, good health, scientific management and sustainable development.

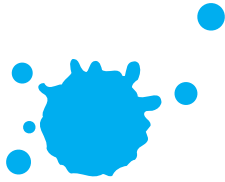
1.2.3 Internal Control and Risk Management

In order to effectively control risks and improve the risk-based internal control, we have launched a corporate risk management mechanism. Meanwhile, in response to the requirements by our operation and management and external regulation, and based on the issues and problems we detected in operation and supervision of internal control, we have periodically upgraded the Internal Control Manual to enhance the timeliness and operability of internal control. Our branches and subsidiaries also set up their risk management systems accordingly and set out their detailed rules for enforcement of internal control in the principles of “being stricter, more detailed, and more concrete”. In such way, a two-level internal control system including head office, branches and subsidiaries was formed.

Based on the updated internal control, the Company required full fulfillment of management responsibilities at all levels, and ensured continuous supervision in three ways including regular testing by responsibility departments (enterprises), routine management by risk/internal control departments, and auditing with comprehensive inspection, hence creating a risk prevention, monitoring and assessment mechanism focusing on both results and process.

In 2014, Sinopec Corp. didn't find any material or main defects. The internal control system operated soundly and effectively.





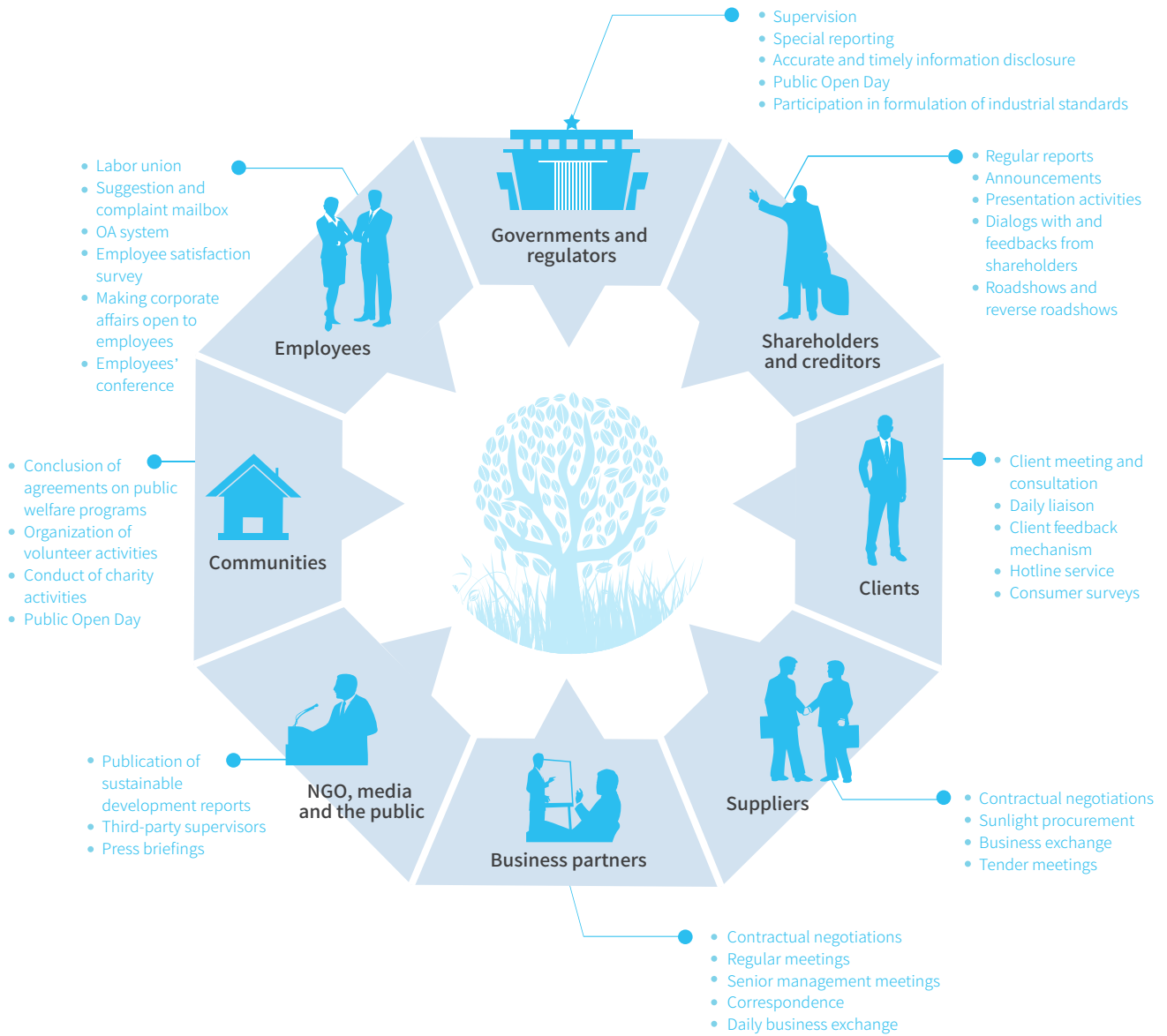
1.2.4 Proactive Engagement in UN Global Compact and Network China

In 2014, Sinopec Corp. proactively engaged in UN Global Compact Network China. On June 26, 2014, we supported the 2nd Caring for Climate China Summit - “Ecological Civilization & Beautiful Home” hosted by the UN Global Compact Network China in Beijing. The UN Secretary-General Ban Ki-moon delivered his video address at the summit. In his address Director-General of the UN Global Compact George Kell highly praised the pioneer companies such as Sinopec Corp. for their performance in facing global climate changes and realizing green development and other aspects. During the summit, the exhibition and charity auction of children’s paintings were held with the theme of “hugging children” and all proceeds from the auction were donated to China Soong Ching-ling Foundation. In September, Chairman Fu Chengyu attended the UNSG Climate Summit, joining in discussions on how to reduce emission and enhance capability to adapt to climate change, and sharing our measures to realize green and low-carbon development.

In 2014, in response to the initiative of UN Secretary-General Ban Ki-moon on integration of sustainability into the key agenda of the Board of Directors, Sinopec Corp. accepted the invitation to join in the UN Global Compact Lead Board Program regarding sustainable development. The expert team set up by the UN Global Compact together with internationally well-known business college sorted out key issues on sustainable development of the Company via interview and questionnaire with Chairmen, some directors, senior management and 122 heads of departments in our Headquarters, branches and subsidiaries.



1.2.5 Stakeholders and Modes of Communication



● Expectations on Sinopec Corp.



Governments and regulators

Compliant operation and risk prevention
Assurance of domestic energy safety
Job creation
Promotion of local economic development
Assistance in formulation of industrial standards



Shareholders and creditors

Stable credit rating
True, accurate, timely and complete information disclosure
Safeguarding of shareholders' and creditors' interests
A reasonable return
Sustainable development



Clients

Provision of safe, environment-friendly and quality products
Rapid response
Satisfaction of special needs
Accurate and quick complaint handling
Better after-market services



Suppliers

Fair and transparent procurement
Full performance of contracts
Promotion of suppliers' development



Business partners

Complementation of advantages
Integrity and mutual benefits
Information sharing



NGO, media and the public

Energy saving and emission, carbon reduction
Prevention and treatment of atmospheric pollution
Production safety



Communities

Caring for community development
Joining efforts in building a harmonious community
philanthropies undertakings



Employees

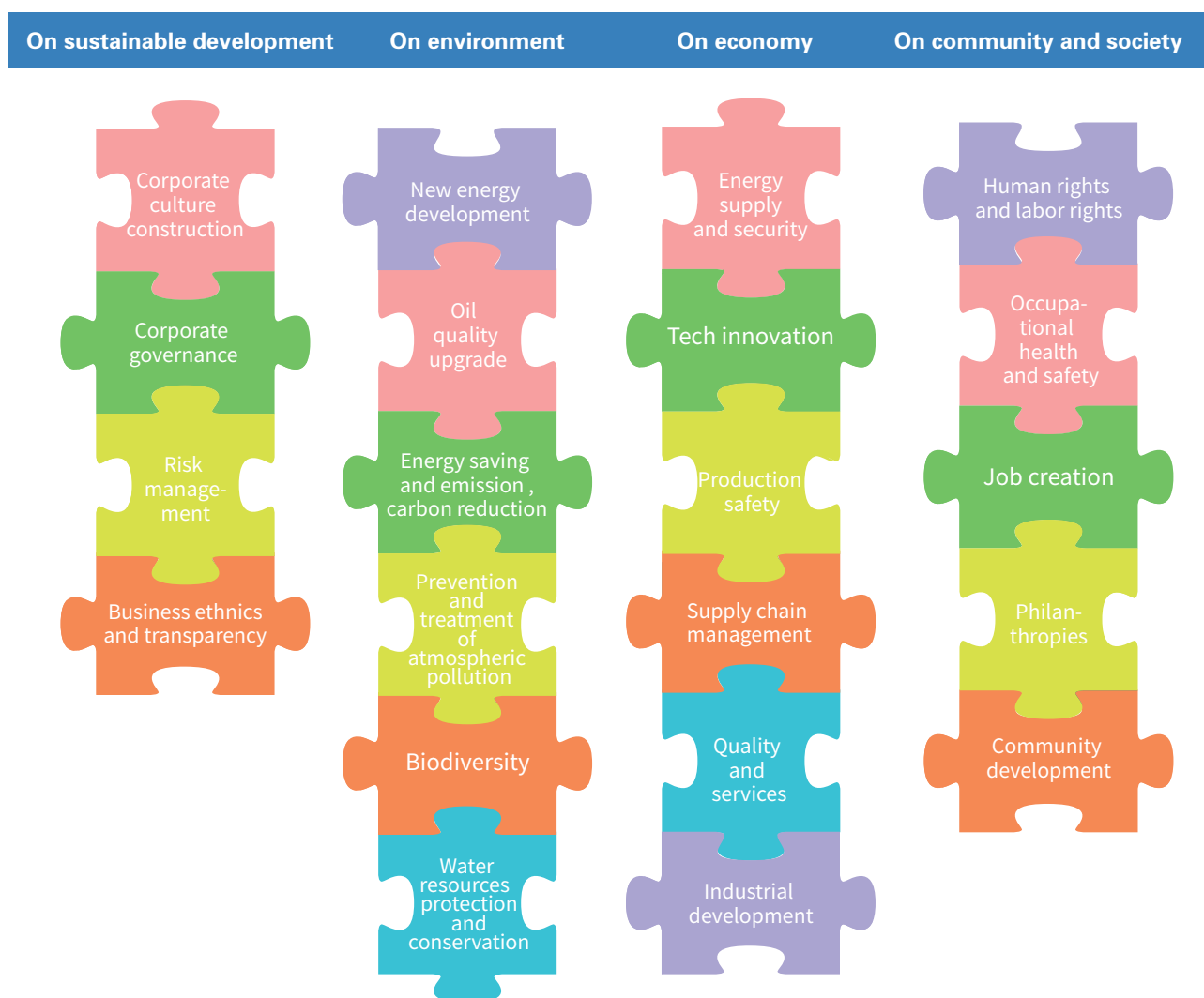
Safeguarding of legitimate rights and interests
Protection of occupational health
Satisfied compensation and incentives
Good working conditions
Smooth career development channel
Internal communication and grievance channels

1.2.6 Identification of Key Issues on Sustainable Development

In 2014, through implementation of UN Global Compact Lead Board Program, survey and research on corporate culture, third-party supervisor activities, media workshops, public open day program and micro-blog interactions, we communicated with stakeholders to understand their expectations on the Company, and cooperated with institutions and experts in CSR and sustainable development fields to identify key issues on sustainable development for the Company.

● Sources of issues

Based on our strategies and management status quo as well as concerns of stakeholders, we have identified issues on our sustainable development by reference to the following: international and domestic sustainable development indexes, criteria for social responsibilities, requirements of national policies, focuses of public and investors' opinions, and the issues on sustainable growth in the energy industry both at home and abroad.



● Issue matrix

We created an issue matrix and established a priority order of such issues based on the following two dimensions: “impact on Sinopec Corp.” and “importance for stakeholders”. Thus, key issues have been determined.



● Communication on issues

In addition to internal communication, Sinopec Corp. proactively communicated with stakeholders on selected issues on sustainable development and disclosed relevant information to the public by means of micro-blog, we-chat, websites and regular and special reports.

ESG stands for environment, society and governance. As a member of the UN Global Compact, we follow the principle of responsible investment by taking consideration of ESG in our decision-making, formulation of policies and practices, and urging our business segments, branches and subsidiaries to disclose information on ESG events.



Show case

Sinopec Corp. released the first shale gas ESG report in China

Sinopec Corp. released the first shale gas ESG report in China on December 29, 2014. It was the first self-disciplined report issued by Chinese enterprises before the enforcement of the new environmental protection law on January 1, 2015. The report introduced our ESG concepts and practices in shale gas development and elaborated what stakeholders were concerned for in our development of Fuling shale gas field, such as compliance with normative documents on operational safety, water conservation, occupational health, reduction of emission and treatment of greenhouse gases, treatment and utilization of oil-based cuttings, measures for environmental monitoring and supervision, communication and exchange with communities, and contribution to local community and social economic development.

1.3 Integrity Building

1.3.1 Staff Code

In 2014, the Company revised the Staff Code of Conduct, which put forward new requirements on staff's business conducts. The Code sets loyalty, integrity, full performance of duties and responsibilities and compliance to regulations, disciplines and social ethics as the ethical standards for all employees of the Company, setting forth requirements on business conduct in eight respects including workplace discipline, workplace order, training and anti-corruption conduct, and stipulates explicit provisions on workplace protocols and the HSE. All staff members are required to comply with the Staff Code of Conduct in providing clean energy and quality products to consumers and contributing to social progress.



1.3.2 Anti-corruption

In 2014, we carried out the anti-corruption accountability program, and defined the main responsibilities of the management in seven respects and the supervision responsibility of the department in charge of discipline supervision in ten respects. We also had talks on anti-corruption with new staff at senior and middle levels and signed the Commitment to Integrity with them. Moreover, we issued the Regulations on Punishment for Violations of Disciplines and Rules, which serves as an institutional guarantee for building a well-managed integrity enterprise.



Show case

Stricter discipline and supervision

In 2014, some management staffs from a subsidiary units of Sinopec took advantage of business trip to visit scenic spots at the cost of the company. As soon as receiving the notice, the Company took disciplinary actions against the persons involved, who were transferred to other posts and ordered to compensate the Company for the relevant expenses. Meanwhile, the information on such actions was released to the public through our official micro-blog.

Sinopec Group assigned 65 tasks for improving the anti-corruption system to 29 leading and supporting departments/units so as to expedite completion of such tasks. In 2014, 104 cases were handled and 108 employees were given administrative punishments throughout the Group.



1.3.3 Efficiency Supervision and Business Transparency

In 2014, we conducted efficiency supervision on such programs as safety risk management, “Clean Water & Blue Sky” campaign, material procurement and tendering, and management of quantity and quality of oil products. We assigned inspectors to three projects including refinery revamping as well as ethylene revamping and expansion projects in Sinopec Yangzi Petrochemical, and enhanced supervision over four projects including the LNG project in Shandong and the gas field surface engineering and construction of the gas purification plant in Yuanba. We also carried out circular supervision over four projects, including oil product quality upgrading of Sinopec Jiujiang, so as to urge the conduct of projects in a safe, efficient and honest way.

We furthered our efforts in business transparency this year by releasing more than 4,434,000 pieces of information through our business transparency information system, which involved RMB1.6 trillion and USD121.9 billion in transaction.



Show case

More understanding, more transparency

Over one year since we set up our official micro-blog, we have proactively disclosed information to the public. This micro-blog has become the shortcut channel to communicate with the public, hence enabling the public to understand and supervise the Company, and helping us respond to the concerns of the public so as to eliminate misunderstandings and promote consensus.



Homepage of our official micro-blog

1.3.4 Every drop of oil count

“Every drop of oil count” is our slogan for corporate social responsibility. Here “every drop” refers not only to the oil products Sinopec distributes, but also to all the other products and services provided by Sinopec. Sinopec’s commitment covers not only quality, but also various areas including quantity, safety and environmental protection. “Every drop of oil count” reflects the relentless pursuit of all Sinopec employees in building “a bluer sky,

clearer rivers, a greener land, happier families, happier people, and a better life”.

Every drop showcases the wisdom and strength of Sinopec employees and Sinopec’s philosophies of “cherishing the brand and valuing quality”, of safeguarding energy and saving resources”, “precise management and technical innovation”, “integrity, trustworthiness, compliance and law-abiding”.



Case study

No fake products in Easy Joy stores

In 2014, Sinopec implemented a program of “No fake products in Easy Joy stores” among 19,000 service station convenience stores throughout the country, going all out to build the image of convenience stores that customers are satisfied with through good quality commodities and warm service.

Fire wall in the procurement process

Strictly managing the procurement process is a “fire wall” for preventing fake commodities from entering the stores. Any kind of commodity needs to go through stringent processes before entering Easy Joy stores. To ensure that the Easy Joy brand is not damaged by fake commodities, Easy Joy has raised the entry threshold for suppliers, intensified the inspection of incoming commodities, and strictly follows the bidding process in purchase, enabling consumers to enjoy high quality commodities and services.

Implementing supervision to guard against fake products

Sinopec implements uniform distribution, uniform quality, uniform price and uniform supervision, strictly controls the purchase, sales and storage of commodities through the provincial, municipal and district three-level supervision mechanism, and constantly enhances supervision and management to ensure food safety and build the credibility of the Easy Joy brand.



Please Don't Let Me Cry

Name: Li Zirui

Age: 7

Due to global warming, ice on the North Pole has melted, and a polar bear standing on the melting ice is crying. As the sky is in blazing red color, the North Pole is melting slowly. Please take care of our environment and pay attention to global warming. Let's help polar bears so that they don't lose their home. Please don't let polar bears cry.



2.1 Sustainable Energy Supply

2.1.1 Energy Technology Innovation

Our scientific and technological innovation system, featured by “operating as a whole unit with four platforms, unified planning and integrated development”, has been formed under our innovation strategy. In 2014, we were granted with two first-class awards and three second-class awards of the State Scientific and Technological Progress Award; two second-class awards of the State Technological Invention Award; and one China Patent Gold Award and five China Patent Excellent Awards. Among them, efficient exploration of

ultra-deep reef high-sulfur Yuanba Gas Field and key technologies, being granted with the first-class of the State Scientific and Technological Progress Award, promoted the development of theories on oil and gas exploration on marine carbonate strata and the progress of industrial theories and technologies, which has played a guiding role in discovering Yuanba Gas Field, the first ultra-deep reef high-sulfur gas field, and the second largest sour gas field in China.



Sinopec's efficient exploration of ultra-deep reef high-sulfur Yuanba Gas Field and key technologies won first-class award of the State Scientific and Technological Progress Award 2014



Sinopec's industrial application of high efficient chemical viscosity reduction technology for ultra-deep well and ultra-thick oil won first-class award of the State Scientific and Technological Progress Award 2014



Sinopec's approach to producing propylene by C4 olefin catalytic cracking won China Patent Gold Award 2014

2.1.2 Supply of Clean Energy

● Refined oil products quality upgrading

We accumulatively invested RMB200 billion to improve the quality of refined oil products from unleaded gasoline to GB V gasoline, reducing sulfur content from 1,000ppm in year 2000 to 10ppm at present. All of these results were realized within 10 years, while developed countries took 20 or 30 years. Municipalities and provinces like Beijing, Shanghai, Jiangsu, Guangdong, Shaanxi and Tianjin have even generally adopted the gasoline of GB V standards, equivalent to EU V.

○ Supply of automobile GB IV diesel

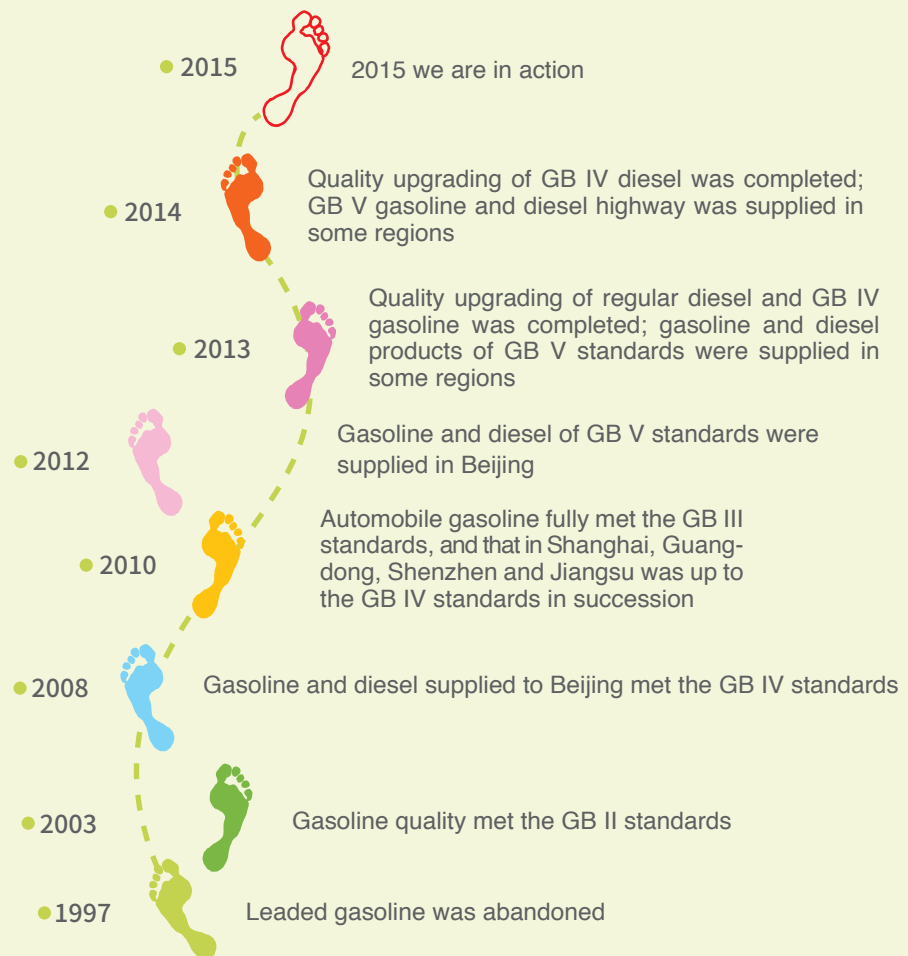
In 2014, we furthered our efforts in product quality upgrading in order to supply cleaner and more environment-friendly products. Following the national schedule for quality upgrading of automobile diesel, we made efforts in the quality upgrading program by adjusting our production and operation, arranging for replacement of storage and transport systems in a unified way, and guaranteeing ex-refinery quality of our products, and completed such quality upgrading by reducing the sulfur content of high way diesel to 50ppm from 350ppm, making our contribution to environmental protection.

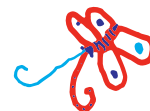


Sinopec Hefei Oil enhanced its efforts on quantity and quality management of automobile GB IV diesel



Sinopec Beijing Oil endeavored to assure the supply of oil products during APEC meetings





○ Production and supply of GB V diesel and gasoline

In 2014, provinces like Jiangsu and Guangdong announced that automobile gasoline used in such region must meet GBV standards. According to such requirements, Sinopec stands to supply GBV gasoline in those regions ahead of the

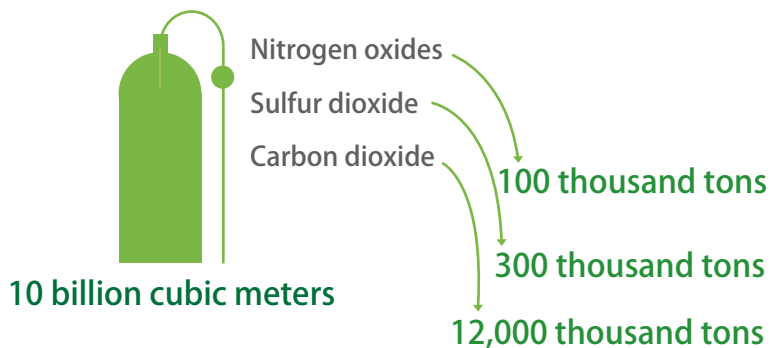
schedule by revamping or improving their S-Zorb and gasoline hydrogenation units.

● Breakthroughs in shale gas development

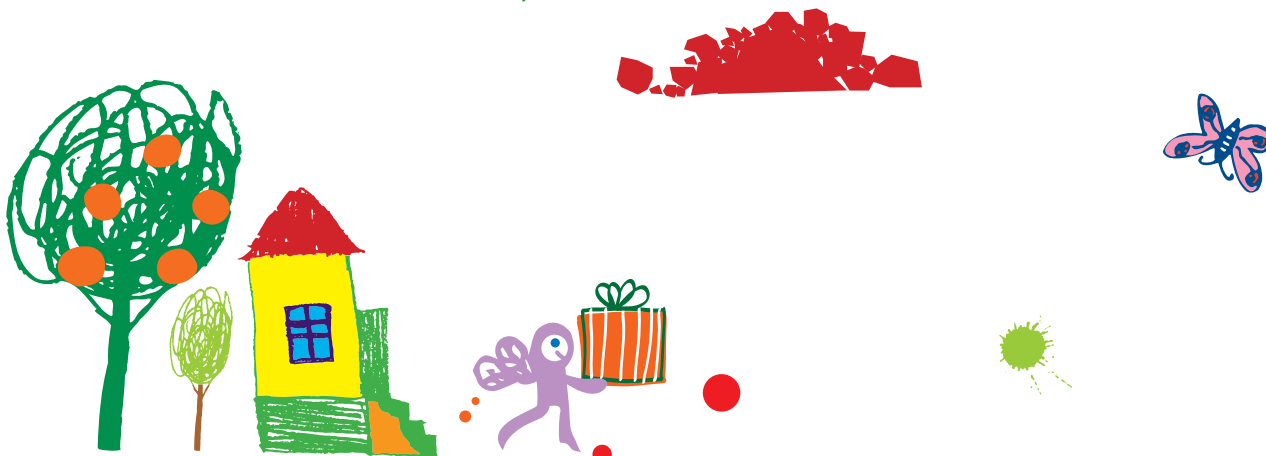
Remarkable breakthroughs have been made in the shale gas exploration and development in Fuling. Newly increased proved reserves have totaled 106.8 billion cubic meters and our new capacity has reached 2 billion cubic meters per year, which could meet the demands of 8 million households for one year. All those demonstrate that China has become the third country in the world that has realized the commercial development of shale gas. We developed a series of proprietary technologies fit for the shale gas strata in China with good adaptability, including high-quality and high-speed drilling of horizontal wells, long horizontal fracturing and production test, which provide technical guarantee for shale gas development. In 2014, we were granted the “Shale Oil and Gas International Pioneer Award” by the International Gas Union and American Gas Association.

Significance of Shale gas development for China’s energy revolution

At present, the share of China’s natural gas consumption in primary energy consumption is merely 5.5%, far below the world average of 24%, and China’s self-sufficient rate is less than 70% . With scale development of shale gas, the self-sufficient ability of China for natural gas will be improved, and the energy structure of China will be optimized.

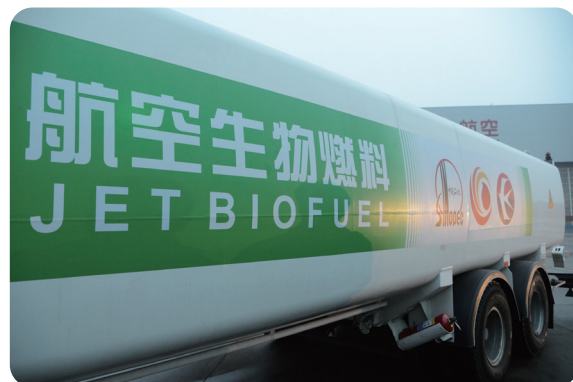


After completion of 10 billion cubic meter capacity building of the shale gas field in Fuling, it is expected to reduce the emission of CO₂ by 120 million tons, SO₂ by 300,000 tons and nitrogen oxides by 100,000 tons compared with coal.



● Bio-jet fuel

The Civil Aviation Administration of China (CAAC) granted China's first bio-jet fuel technical standard order authorization to Sinopec Corp. On February 12, 2014, the #1 bio-jet fuel, which we had proprietary intellectual rights, won the first airworthiness certificate in China, marking the commencement of industrialization and commercial license of China's bio-jet fuel. Our success in independent R&D of bio-jet fuel is of milestone significance as it opened the door to technical routes of producing bio-fuel, expanded the sources of feedstock, offered a solution for legal and efficient utilization of waste catering oil and reduced emission of greenhouse gases.



It is an important innovation to develop renewable alternative energy and facilitate the R&D and application of bio-jet fuel. We have proprietary intellectual rights in our efforts to promote the growth of aviation industry in a low-carbon green way.



— Xu Chaoqun, Vice Director of the Civil Aviation Administration of China

The first bio-jet fuel airworthiness license in China granted to Sinopec Corp.



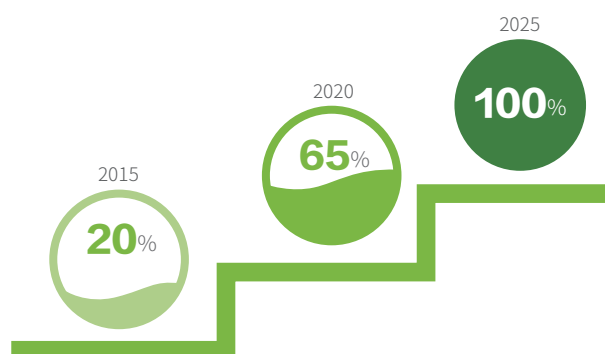
2.2 Green and Low-Carbon Development

2.2.1 Resource Conservation

● Launch of the “Energy Conservation Campaign” plan

At the second of "Ecological Civilization & Beautiful Home" Caring for Climate China Summit held in June, 2014, Chairman Fu Chengyu announced the launch of the “Energy Conservation Campaign” plan on behalf of Sinopec Corp.

The plan was committed to efforts in energy saving, emission reduction, and carbon reduction, hence contributing to the development of ecological civilization and realization of the green and low-carbon strategy. In 2014, we carried out 573 programs under the plan, which saved energy equivalent to 870,000 tons of standard coal.



Three-step energy Conservation Campaign plan

It is expected that with the "Energy Conservation Campaign", we could eventually save energy equivalent to 42 million metric tons of standard coal, which means reducing CO₂ emission by 81 million tons, SO₂ emission by 150 thousand tons and NO_x emission by 100 thousand tons.

● Contract energy management

Contract energy management (CEM) is the industrial policy and energy saving strategy advocated by China. In 2014, we set out the guidance opinions on contract energy management and the measures for its implementation. We mainly carried out 111 CEM programs including elimination of outdated motor and

utilization of low temperature waste heat, which could save energy in 166,000 tons of standard coal. Among them, Sinopec Maoming Company, Sinopec Guangzhou Company and Sinopec Zhanjiang Dongxing Petrochemical replaced 375 outdated motors by contract energy management.

● Water resources management

Bearing the concept of “water conservation” in our minds, we spared no efforts in improving the utilization of water resources by introducing advanced technologies and new processes and equipment, and reducing water consumption and sewage discharge through strict wastewater discharge and waste

water recycling. By raising the sewage discharge standards and using reclaimed water, we reduced our industrial water consumption by 1.1%, and significantly reduce the sewage emissions. The industrial wastewater discharge reduced by 9.79% year-on-year in 2014.



Exploration and Production segment

Taking programs including use of reclaimed water, enhancing water management, carrying out the water conservation accountability system, controlling total water consumption and improving the efficiency and effectiveness of water resources utilization.



Refining and Chemical segment

Taking measures such as: water balance testing; leakage inspection; raised the sense of water saving; implemented water quota management to ensure rational allocation of water resources; planned replacement and improvement of pipes and lines to prevent water pollution and leakage; emphasized treatment of industrial wastewater and improvement of industrial wastewater operation and management by introducing new technologies, processes, equipment, materials and automatic technologies.

Tips: Water Balance Testing

Water balance testing is the process to find out water balance through systemic test, statistics and analysis of the amount of water required by the units of water use and water systems. Based on the water data obtained, enterprises can understand water balance and determine the extent of reasonable water consumption, and therefore take measures to optimise water resources, hence enhancing their water management and improving their capacity for scientific water utilization.

2.2.2 Environmental Protection

● Clean Water & Blue Sky environment protection campaign

In 2014, we increased environmental protection investment and furthered Clean Water & Blue Sky environment protection campaign. We made efforts in improving organizational management, urging relevant departments and companies to sign the deed of accountability and arrange for project reviews. A green channel for special treatment under this campaign was established, and technological guidance on environmental protection was enhanced, promoting energy saving and emission reduction.

By the end of 2014, the campaign carried out 533 projects, which involved an investment of RMB 11.57 billion, respectively accounting for 71.7% of all projects and 52.9% of the total investment. 109 projects have been completed and put into operation. In addition, Sinopec added 168 new environmental projects and increased investment of RMB 9.41 billion in accordance with new national and local environmental protection requirements and enterprise practice. 50 of these projects have been completed and put into operation. Moreover, we eliminated 181 hidden hazards to strengthen environment risk control. The annual assessment targets regarding four major pollutants required by the Ministry of Environmental Protection were fulfilled, with environment around our plants obviously improved.



Show case

Sinopec Shanghai Gaoqiao's action in the Clean Water & Blue Sky Campaign

Sinopec Shanghai Gaoqiao Petrochemical Company actively joined in the Clean Water & Blue Sky campaign. By now, it has completed five projects, including the establishment of a 60,000 ton/year sulfur recovery unit (SRU) and its supporting facilities; improvement of the #3 SRU to reduce SO₂ concentration level in the tail gas; desulfurization, denitration and dedusting of boiler flue gas, desulfurization of catalytic flue gas project for 1.4 million ton/year and 0.6 million ton/year.

● Biodiversity protection

We always attach great importance to protection of the surroundings of our plants and take active measures to ensure ecological safety, establish wildlife habitats, and ecologically healthy and harmonious development ambience has been formed.

In overseas areas of operation, we strictly monitored operators to take measures for biodiversity protection, hence mitigating the impact of their operation on eco-environment by reduction of noises and emission in environmental protection areas or biodiversity protection zones.



Try to keep away from natural reserves, wetlands and wildlife habitats; if not possible, manage to reduce the impact of construction as much as possible after obtaining construction licenses.

When discovering a rare animal, employees are required to report to the competent authorities and protect it from being caught, harmed or killed. When discovering a rare plant, employees are asked to take such measures such as transplant and report to the competent authorities, and cutting or destruction is not allowed.

Ecological restoration conducted in a timely manner.





Show case

Home of egrets in Sinopec Zhenhai Refining & Chemical Company

There is a grove covering an area of 2,200m² in Sinopec Zhenhai Refining & Chemical Company (SZRC), which is called as the home of egrets since thousands of egrets inhabit here, building their nests and bringing up their young. As the egrets have high requirements for their living environment, they are deemed as the “ecological verifier” of the nature. Over years, Zhenhai Company has continued on putting the concept of green and low-carbon development, energy saving and emission reduction into practice, realizing environmental protection in production and supply of environment-friendly products. When keeping a plant free from peculiar odor, it offers a comfortable habitat for egrets.



Home of egrets in the ZRCC



As a chemical enterprise, we always give priority to environmental protection. We have devoted to preventing pollution at the very beginning and tried to realize zero pollution discharge. It is our wish to create a ‘garden-like plant’ and let the egrets tell how clean and lovely our environment is.



—Wang Xujiang, employee of the SZRC

2.3 Carbon Asset Management

In 2014, we carried out the green and low-carbon development strategy to enhance carbon asset management.

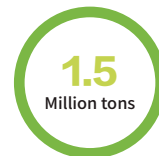
● Carbon accounting

We are in the front rank among domestic enterprises in terms of efforts in carbon accounting and verification. According to the ISO14064 standard, we have made GHG accounting with respect to 2,000 petrochemical units and 30,000 service stations of our

companies for consecutive four years which all passed the verification by third-party international verifiers. By now, we have created a template for accurate carbon accounting with coverage over all of our business.

● Substantial GHG emission reduction

Four of our subordinate companies including Sinopec Shengli Oilfield Company proactively carried out carbon dioxide capture and flooding pilot test. In 2014, they injected 350,000 tons of carbon dioxide to increase oil production by 43,000 tons. Accumulatively, they have injected 1 million tons of carbon dioxide and increased 188,000 tons of oil. Some branches like Sinopec Northwest Oilfield Company conducted recovery of methane through casting head gas devices and crude oil transportation systems and in gas testing and recovery process. In 2014, we totally recovered about 100 million cubic meters of methane, equivalent to reduction of emission of 1.5 million tons of carbon dioxide.



To reduce greenhouse gas emissions 1.5 Million tons of carbon dioxide equivalent

● Carbon trading

In 2014, Sinopec Corp. kept on participating in the carbon trading. According to their production and operation situations, pilot carbon trading enterprises

drafted reasonable carbon quota and trading plans. Our carbon trading volume reached 2.1 million tons in 2014, with the turnover of RMB86.34 million.

2.3 Production Safety Guarantee

2.3.1 Production Safety Management

We have established a production safety system whereby the head office is responsible for overall management in a unified way, with relevant functional departments for supervision, business units (professional companies) for management, employees for compliance with rules and regulations, and enterprises for overall liabilities.

In 2014, we spared no efforts in fulfilling the following tasks: to improve the safety management system, setting “zero accident, zero injury and zero pollution” as objectives; to amend the provisions on production safety accountability system, enhancing the responsibilities of management staffs at all levels and highlighting safety responsibilities in special sectors; to modify 18 production safety management regulations to raise the safety standards; to generally implement the provisions on safety performance assessment and management to expedite reporting and statistical analysis of accidents and incidents and sharing of experience; and to promote the application of the IT-based safety management system throughout the Company to provide a platform and technical support for effective operation of safety management system.



○ The OSHA management system

In 2014, the Company kept on promoting the overall application of the OSHA statistical method and combined the method with the HSE management system so as to enforce process reengineering of incident management procedures. All information on accidents and incidents at all levels were recorded to provide basic data for analysis

of hazard factors. By using the OSHA statistical method to conduct statistical analysis of occupational injuries and diseases, we had a conclusion on occurrence regularity of such injuries and diseases, identified the occurrence regularity with respect to subordinate enterprises, and clarified what to focus on in their management.

Show case

Practice in the OSHA management

For the purpose of detecting potential dangers, Jiangnan Oilfield Company vigorously promoted the application of the OSHA statistical system in 2014. Based on reporting and statistical analysis of accidents, incidents and near-miss accidents, it put emphasis on “Five Most Concerns” regarding production safety and environmental protection, for which dynamic evaluation and control were carried out. The “Five Most Concerns” were sorted out by departments of safety, environmental protection, production, technology, equipment, electricity and instrumentation. By referring to the evaluation criteria about the possibility of occurrence, and by taking into consideration of the production process, equipment and facilities, seasonal and personnel changes, Jiangnan Oilfield Company identified 160 matters under the “Five Most Concerns” through careful analysis, classification and grading, among which 19 matters were listed as events with material risks in safety and environmental protection.

2.3.2 Safety Risk Detection

In 2014, we redoubled our efforts in detecting safety risks, carrying out tasks in this respect throughout the Company and making rectifications accordingly. As required by the competent authorities, we conducted several rounds of comprehensive detection and rectification of risks associated with oil and gas pipelines, and took the opportunities of special supervision and safety inspection to heighten our efforts in production safety.





Show case

Measures for reduction of risks associated with long-distance oil and gas pipelines

In order to better manage risks associated with oil and gas pipelines, Sinopec Pipeline Transport & Storage Company set out its three-year plan for safety risk management, which specifies annual objectives and schemes from 2015 to 2017. The company will take such measures as making arrangements in a unified way, assigning duties to departments at all levels, setting deadlines for completion, process monitoring, regular reporting, urging implementation and strict assessment. In its efforts in risk management, the company will give priority to elimination of major risks, and to rectification programs in connection with the pipelines that passed through underground canals or municipal pipe networks or densely populated areas. It will also promote rectification efforts with respect to pipelines that crossed rivers and environmentally sensitive areas. At the same time, Sinopec Corp. also carried out joint emergency drills with local governments on a regular basis to ensure the safe operation of the pipelines and to prevent accidents.

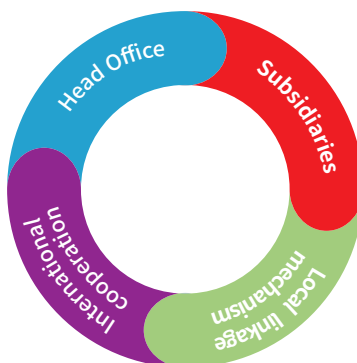
2.3.3 Emergency Safety Management

In 2014, Sinopec revised the emergency plan and management measures for production safety and formed a long-term management mechanism, consisting of emergency organization, emergency plan system, emergency command system, and professional rescue team. According to the professional characteristics

and actual work, all subsidiaries and branches of Sinopec deliberately made plans on emergency exercise and launched publicity activities in various forms. They also carried out various emergency exercises at all levels aiming at the links where production accidents could easily happen the key links as well as weak links in emergency management.

- Oversea emergency exercise
- Emergency simulation for explosion caused by leakage of long transmission pipeline of crude oil

- International comprehensive emergency exercise



- Tier-1 emergency exercise
- “Three No” exercise (no advance notice, no time notified and no fixed place determined)

- Emergency response exercise
- Anti-terrorism and anti-riot exercise

Show Case

Sinopec organized overseas oil-gas leakage and fire explosion accident comprehensive emergency exercise

On June 18, 2014, Sinopec organized the “2014 Overseas Oil-Gas Leakage and Fire Explosion Comprehensive Emergency Accident Exercise”, which simulated an emergency case caused by fire explosion or gas leakage at oil and gas gathering and transportation stations. The exercise last four and half hours with different measures of water, land and air interaction to treat and monitor the danger, realizing real-time interaction mechanism at four places including the head office, Beijing Office of Sinopec International Exploration and Production Corporation, the overseas emergency center and the on-site command.



Overseas Comprehensive Emergency Exercise Site



2.4 Sustainable Value Co-Creation



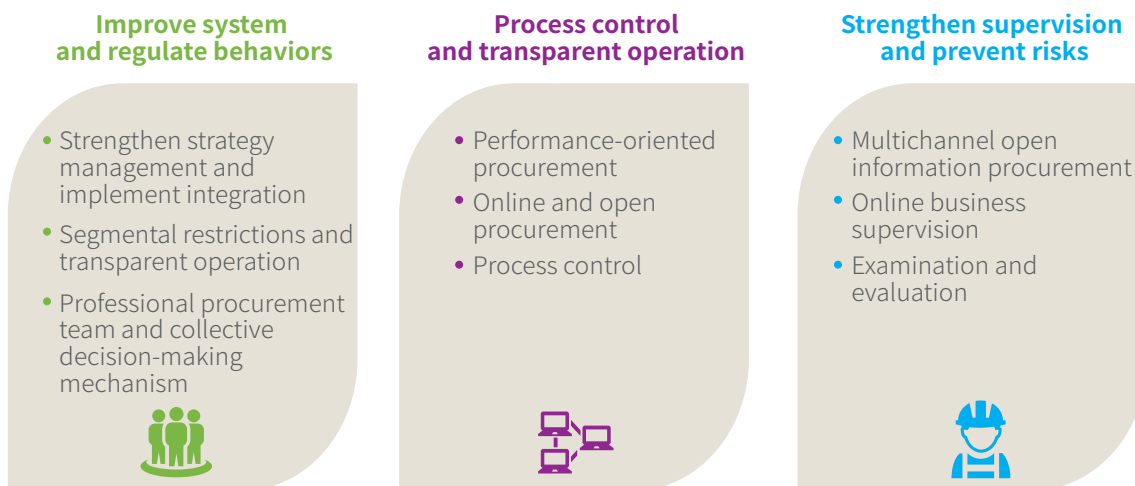
2.4.1 Contractor Management

Sinopec made every effort in and took various measures for regulating contractor management, established credit records for construction contractors, and made comprehensive evaluations on their performance, project construction, contract implementation, quality and safety inspection and final acceptance. In this way, Sinopec established the credibility examination system as well as the credibility examination platform subject to departmental supervision, enterprise self-discipline and inter-market supervision. This gave a full play to the monitoring role of departments responsible for quality supervision, environmental protection, auditing and monitoring. Appraisal was made based on the actual performance, quality inspection and honest practice of contractors, the adverse information was made public and Sinopec appropriate punishment on those with serious cases according to the credibility examination and management measures.



2.4.2 Supplier Management

Sinopec energetically promoted e-procurement, continuously improved transparent supplier management system, and devoted to constructing an open procurement program.



Sinopec Supplier Management System

○ Selecting suppliers in a fair manner

Based on strict qualification examination and fair supplier selection, we optimized our supplier performance evaluation system and conducted annual supplier review on centralized procurement in 2014. We conducted annual review on 5,224 suppliers from whom we completed centralized procurement during the period of January 1, 2013 through June 30, 2014, focusing on qualification examination, overall ability and annual risk evaluation, and we also organized oil and petrochemical companies to develop on-site survey of 266 suppliers who were evaluated as high risk or had not been surveyed within 3 years. According to annual review, we abandon the product catalogue of suppliers who did not pass the annual review, in order to prevent the risk in supply.





○ Procurement Responsibility

In 2014, for the purpose of impelling suppliers to increase their awareness and ability in environmental protection, Sinopec revised and improved the on-site supplier survey and evaluation standards, and further refined evaluation on health, safety and environmental management of suppliers, with stress laid on HSE performance evaluation system, ISO14000 and ISO18000 certification, emergency management system for safety in production, labor protection measures, social responsibility fulfillment, discharge and waste disposal.

○ Promoting supplier development

In order to promote suppliers in improving product quality and optimize market competition, Sinopec proactively supported the innovative R&D and product upgrading of suppliers, and supported a group of Chinese high-level equipment suppliers with independent innovation ability and core competitiveness. At the same time, Sinopec implemented strict supplier management according to international quality and environmental standards, actively impelled suppliers to increase their international market competitiveness, and led them to realize “going out” strategy according to different business characteristics. Based on quality and environmental certification, Sinopec included suppliers’ occupational health and safety management system certification into evaluation and kept impelling them to heighten their social responsibility awareness and level.

2.4.3 Investor Communications

In 2014, Sinopec attended 38 capital market conferences held both at home and abroad, held 381 one-on-one and group meetings, arranged investor visits at Sinopec Head Office for 107 times, and paid visits to 89 investors abroad. Sinopec ranked the first in both buyer appraisal and seller appraisal in terms of the best investor relationship appraisal of listed companies sponsored by Institutional Investor.

Considering the characteristics of shareholders, Sinopec keeps 3 hotlines for investors both at home and abroad and arranged Investor Relation staffs to answer the call. Through special investor e-mail, SSE E-platform and the questionnaire column set at Sinopec website, Sinopec broadened the channels for communication with investors, explained their concerns, and satisfied the demands of global investors.

Show Case

Sinopec held reverse road shows to strengthen communications with investors

In 2014, Sinopec organized two reverse road shows and invited investors to visit Fuling shale gas field, China’s first shale gas project for commercial operation, with 110 investors from the USA, Europe, Singapore, Hong Kong and Chinese mainland. All the investors extended high appraisal to Sinopec’s professional, high-efficient and regulated operation demonstrated in the reverse road shows. Such activities promoted the understanding of Fuling shale gas project in capital market and also gave more confidence to investors with the bright prospect of Sinopec’s gas development.



Sinopec reverse road show on fuling shale gas field

2.4.4 Win–Win in Customer Service

● Striving for customers satisfaction

We built our core competitiveness by cultivating high-quality customer resources and strived to develop together with customers. We also built and broadened channels to communicate with customers, by which we timely and accurately knew customers' demands and provided high-quality service to the satisfaction of customers while supplying high-qualified products to them. In 2014, the customers' satisfaction rate was 80.8% in lubricant products and 94.3% in chemical products, respectively. The rate of settled complaints raised by our lubricant customers and chemical product customers remained 100% for 3 years successively.



Sinopec Lubricant

According to 2014 (4th) China brand power index released by the Ministry of Industry and Information Technology, Sinopec lubricant ranked the first in the engine oil/lubricant industry for 4 years successively. According to a third-party survey on customer satisfaction, Sinopec lubricant was highly appraised by users in terms of “timely technical troubleshooting” and “active involvement in oil consumption at all links”.

On April 16, 2014, as soon as Snow Dragon, a polar research ship of Polar Research Institute of China, returned to the Institute's wharf in Shanghai, the Company of Sinopec lubricant immediately arranged technicians to provide technical service to the ship. During research in the South Pole, Snow Dragon encountered a lot of worse weather, like being caught by ice sheets. The technicians of Sinopec lubricant examined the scavenging airport of the host machine in the ship without finding any abnormal situations in plunger or cylinder, and the ship's turbine operators expressed their satisfaction in the high performance of Sinopec lubricant.

As strategic partner of China's aerospace industry, Sinopec lubricant provides 7 categories covering more than 40 kinds of lubricants to China's aerospace industry. In recent years, Sinopec lubricant launched through aerospace lubricant platform a series of products suitable to China's road condition, such as “Jinjixing” lubricant for gasoline engine and “Zunlong” lubricant for diesel engine, both of which are welcome by consumers.

● Providing diversified services and building convenient life stations

While offering high-quality oil products and customer services, Sinopec also vigorously developed non-fuel product business. In March 2014, Sinopec established Easy Joy Sales Co., Ltd. specially engaged in non-fuel business. As of the end of 2014, Sinopec had set up 23,000 Easy Joy stores in service stations across China and ranked top in the chain convenience store industry, with income from sale of non-fuel business increased from more than RMB one billion in the beginning to currently RMB17.1 billion. Taking advantage of business outlets, Sinopec endeavored to build Easy Joy convenience stores into “life stations” providing overall and comprehensive services to customers, such as cooperating with international famous brands in developing fast food business, establishing 300 automotive service stations, researching and developing other non-fuel business, including O2O (combined online and offline), financial service and advertisement.



Sinopec Convenience Store in Shanghai Free Trade Zone

All those activities were intended to offer fully comprehensive services and build life stations trustworthy to customers and satisfaction to the people.

● Sinopec Open Day

In 2014, 62 Sinopec subsidiaries conducted “Public Open Day” activities one after another and invited residents, teachers, students and experts to visit their production facilities and sites, and participate in Q & A activities on popular science knowledge. Among them, Zhenhai Refining & Chemical Company, Sinopec Jiujiang Company, Hainan Petrochemical Company, Sinopec Jinling Company, Sinopec Maoming Company, Sinopec Beijing Yanshan Company, Sinopec Shanghai Petrochemical Company and Sinopec Beijing Oil

Products Company organized various activities on the “Public Open Day” to promote the understanding by the media and obtained good communication effects. Particularly, Zhenhai Refining & Chemical Company organized “Public Open Day” activities for 45 times in 2014, and has become a good model with characteristic practice for other subsidiaries. In 2014, all Sinopec subsidiaries had organized and developed “Public Open Day” activities as well as interviews with the Theme of “Approach to Sinopec” for more than 600 times.



Local residents visiting Wuhan Ethylene Plant



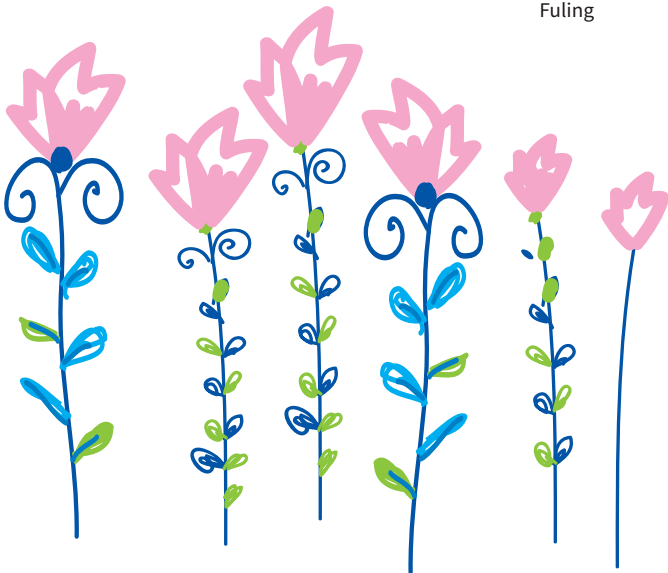
Teachers and students from New York University visiting an exhibition hall of Sinopec Beijing Yanshan Petrochemical Company



29 teachers and students from middle and primary schools visiting Jiaoye # 1 Well, in the national demonstration area of shale gas in Fuling



Local residents visiting Sinopec Shanghai Petrochemical Company with praise



2.5 Harmonious Enterprise Construction

2.5.1 Safeguarding employees' benefits

Sinopec kept strict adherence to the laws and regulations concerning labor and employment, offered equal treatment to all employees, enforced employment management, and established harmonious and stable labor relationship. In 2014, Sinopec launched and promoted employment system reforms, and further regulated labor dispatching work. Thus, we formulated and issued a series of documents, such as the Opinions on Deepening the Reform of Employment System, the Opinions on the Management of Labor Contract Staff, and the Opinions on implementation of Regulated Labor Dispatching Work, and we also prepared the Regulations on Job Classification and Labor Allotment, thus, forming a complete in-depth employment system, reform system and policy system.

In 2014, Sinopec reinforced the concept of efficiency distribution, distributed more compensations to main business and high-level talents, and maintained appropriate increase of incomes among workers at the front production line. Meanwhile, we further improved our annuity policy, and thus we increased awards to persons with outstanding contributions in scientific design, business management and high technology, and enhanced the safeguarding for all employees.



2.5.2 Occupational Health Management

Sinopec attached great importance to the occupational health of employees, and actively promoted the application of OSHA statistical method. For such purpose, we summarized the regularity of outbreak of accidents, and put forward concrete control measure. We strengthened “three same-time” management of construction projects, implemented the responsibility of constructors as the subject for prevention and control of occupational disease, preconditioned the content of each phase of the “three same-time” occupational health in the examination and approval of projects, and ensured the control over the harm of occupational disease of construction projects from the source. We strengthened the management of emergency and rescue facilities at operating sites, carried out the control over the hidden risks in occupational health thoroughly, and reinforced daily monitoring on the harm of occupational disease at operating sites.

We strengthened special labor protection of female employees, and actively carried out occupational health examination of all staffs. While proactively implementing occupational education and training to enhance employees' awareness on occupational health and protection, we also established and optimized employees' occupational health files, developed employees assistance plan (EAP), and strengthened humanistic care and mental stress counseling.



Show Case

EAP to contribute to employee' s physical and mental health

For the purpose of building a mental counseling team, Sinopec energetically impelled subsidiaries to carry out EAP. Sinopec Zhongyuan Oil Field took initiatives to implement EAP and established a basis for developing mental counseling in oil field. In October 2014, Sinopec Zhongyuan Oil Field invited a psychological professor from Zhengzhou University to instruct EAP trainees. In order to improve employees' physical and mental health and help employees resolve mental problems, Sinopec Zhongyuan Oil Field constructed an EAP learning and entertainment hall of five functional areas including a communication corner and a mental test area. We invited professional psychological consultants to work with psychological consulting volunteers from Zhongyuan Oil Field for developing various assistance activities. This effectively helped employees resolve problems encountered in work and life, hence inspiring their spirits.



Employees participating in sand table games

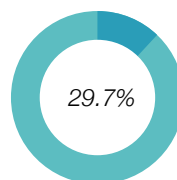
2.5.3 Building Career Development Platform

● Career path

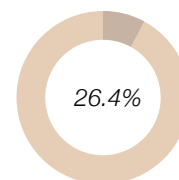
In 2014, Sinopec allocated management teams at various levels to meet the demands of the whole situation of business development and improved human resource management from the perspective of regulation, system and scientific level. Thus, the company built up the career development platform, continuously maintained smooth talent cultivation channels, maximally inspired employees to realize the self-value, and strived to provide growth channel and development space for everyone with rewards for achievements.

In 2014, Sinopec gave a full play to the leading role of talents, cultivated high-level talents, recommended and praised outstanding talents, and optimized talent evaluation mechanism. All those measures accelerated the growth of talents continuously.

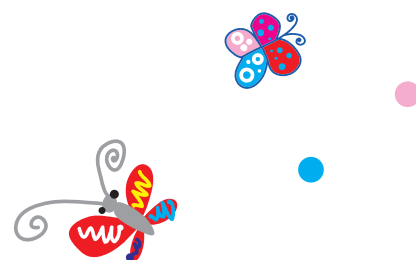
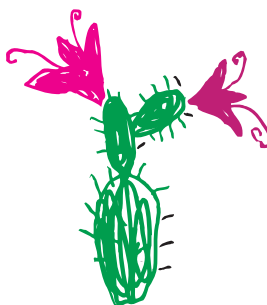
Female employees percentage



Percentage of female employees



Percentage of female employees in the management



- Selected 55 persons honored with “Min Enze Science and Technology Award for Young Talents” to attend the advanced study class on the innovative ability for outstanding young technicians in two terms
- Engaged 10 chief experts, 70 senior experts, while in subsidiaries 54 chief experts and 706 experts
- 3 persons awarded the title of national technical specialist, 194 persons awarded the title of Sinopec technical specialist
- Engaged 11 technical specialist, 41 chief technicians and 478 principal technicians
- 148 persons were awarded the professorship title, 3205 persons senior title
- Technical contests on 5 specialties and occupational skill contest on four jobs. Approximate 60,000 persons participated in job training, internal selection and reinforced training activities, and 395 persons entered into final contests.

● Employee training

In 2014, Sinopec proactively optimized training resource with management improved, and constructed training information management platform and training resource sharing platform with regional training resource in shift and other information sharing projects developed. We developed total 30 training course textbooks and more than 1,000 remote training course. In addition, Sinopec trained key talents for nearly 4,000 person-times and coordinated different departments in training key talents for more than 5,000 person-times. Sinopec also made innovations in foreign employee training by a “door-to-door training method”, which realized simultaneous development of all employees and Sinopec. At the same time, Sinopec kept on deepening remote training, and realized a mobile learning mode throughout the company.



Training course textbooks

30

Trained key talents (person-times)

4,000

Remote training course

1,000

Trained key departments talents (person-times)

5,000



Show Case

Zhenhai Refining & Chemical Company released a career development handbook for employees

In 2014, Zhenhai Refining & Chemical Company officially issued a career development handbook for employees, marking the launch of career management of employees. The handbook made detail description on employee team condition and relevant salary, insurance and welfare, promotion of post and position, on-the-job training and career life. Since April 2014, Zhenhai Refining & Chemical Company had organized human resource evaluation and formed a work plan for employee career management with 29 items of 7 phases. Other work developed by Zhenhai Refining & Chemical Company included publicity on career planning, career development design, and talent cultivation and training.

2.5.4 Employee Care

● Home culture

Sinopec Marketing Company conducted survey on employee satisfaction and got to know what employees mostly concerned were work environment, personal relations, treatment and development prospect. Thus, they initiated a “Home Culture” construction activity, and advocated the core idea of “individual growth by enterprise and enterprise development by individual”. Based on the ideology of “constructing home in a warm manner, protecting home in safe conditions, developing and maintaining home in a harmonious state”, they inspired employees to be honest, friendly, responsible, and devoted, and hence complying with rules and regulations, and realizing “satisfaction” among employees, customers and enterprise. Consequently, Sinopec Marketing Company formed a long-term mechanism with working enthusiasm, occupational dignity and growth inspiration for employees.



Employees participating in recreation activities at “Employees Homes”

📖 Show Case

Beijing Oil Products Company built a “Home Culture”

In 2014, Beijing Oil Products Company continued on developing the “Home Culture” and constructed the enterprise as “home” for employees, such as constructing employee dining room, bathroom, entertainment room, medical service room and bulletin board; providing 408 internal dormitories, building 108 small vegetable gardens, and installing refrigerator, washing machines, microwave ovens and televisions. It built 20 “Employee Homes”, with pressure relief areas, fitness centers and psychological rooms, and organized guitar training classes, parent-child activities, photograph exhibitions and other diverse activities to strengthen the centripetal force and cohesive force among employees.



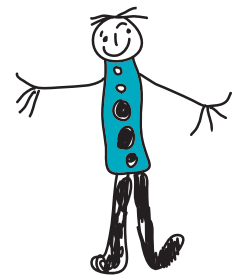
Employees participating in recreation activities at “Employees Homes”

● Care and Assistance

Adhering to the principle of “real help to those really in difficulty”, Sinopec provided assistance to employees in difficulty and organized regular assistances at holidays. Sinopec established files for employees in difficulty, which, subject to dynamic management, ensured the application of funds to employees in special situation or in difficulty. In 2014, Sinopec Group totally invested RMB116 million in helping employees living in difficulty through appropriation, labor union and fund raising.



2.6 Contributions to the Society



2.6.1 Supporting Community Construction

The Company actively supports the development of communities where we operate. In 2014, the Company input RMB6.753 billion to support the infrastructure construction, culture and education of local communities with remarkable results. In communities where the company operates, living condition has been continuously improved, green space has

been expanded, roads are spacious and smooth, and supporting facilities like community safety and recreational activities are adequate. The inhabitation environment has been optimized, and the life quality of community residents has been improved, greatly facilitating the construction of ecological civilization.

Show Case

Fuling shale gas field supporting local economic development

Sinopec Fuling shale gas field supplied more than 3.6 million cubic meters and local residents had started to use shale gas. Total three companies had been established with Sinopec and local, also 25 local suppliers introduced to participate in construction per day at present and share the development results. According to local statistical data, as of the end of November 2014, Fuling shale gas field had contributed to the increase of the GDP in Fuling by 1.5 percent.

Fuling shale gas field strictly controlled its operating time, popularized the application of grid drilling machines and effectively controlled noise. Watering carts were used to sprinkle water in an effort to reduce dust pollution. The company tried every means to protect safety by applying environment-friendly chemicals and fracturing technique to reduce the environmental impact to the minimum, and took different measures to control vehicle for traffic safety. At the same time, by means of various activities, the company broadened communications and



established mutually trust relationship with communities. It also listened to the suggestions of local residents, optimized enterprise resources, built roads for local communities, and offered various helps to local residents. The advice and complaints raised can be received and resolved timely.

Show Case

Tahe Oil Refining Company made its mission to prosper western economy

Tahe Oil Refining Company established a long-term mechanism such as the aid and help to the poor, education assistance and community development. By setting up voluntary one-on-one mutual-assistance groups, the company promoted the economic and social development of Kuche County, Keping County in Akesu and Shufu County in Kashi. In the past 10 years, the company made great efforts in developing social welfare activities and donated RMB8 million for poverty alleviation and education, hence making positive contributions to local community development and improvement of people's livelihood.



Tahe Oil Refining Company donating books to local schools

2.6.2 Poverty Alleviation and Disaster Relief

Sinopec supported the development of poverty alleviation areas in China and emphasized the combination of poverty alleviation, development and cooperation. We took initiatives to adopt new modes in poverty alleviation, made great efforts to enhance the self-development of aided areas, and promoted local economic and social development.

● Poverty Alleviation

In 2014, Sinopec kept on implementing poverty alleviation with significant results. For aid to Tibet, Sinopec developed comfortable houses projects for herdsmen, centralized raising projects for poor families, and local talent training projects, with 240 comfortable housing suites constructed for low-income herdsmen. In the same time, Sinopec completed the second aid project for Qinghai-Mangya Cultural and Physical Recreation Center, which was warmly welcomed to local people and praised as a monument project constructed in desert. In addition, Sinopec helped construct high-grade village roads to improve local infrastructure and took measures for promoting poverty alleviation in Dongxiang County in Gansu and Yuepuhu County in Xinjiang, two new poverty alleviation counties designated to Sinopec.



Village road reconstruction in An'hui

● Industrial Support

By virtue of our own advantage, we took different measures for helping poverty-stricken areas develop industrial economy and giving support to special and competitive industries. All those measures improved local sustainable development capacity, increased farmers' incomes, and made rural areas richer.

Show Case

Sinopec supported kiwi industry

Sinopec supported the development of "red flesh kiwi" in designated poverty-alleviation Fenghuang County located in the west part of Hunan province and took kiwi planting as a new industry to increase the incomes of poor people. In 2014, Sinopec increased poverty-alleviation investment and expanded the planting area of "red flesh kiwi" by 640mu in Fenghuang, Luxi and Yuexi Counties. This greatly increased local residents' economic incomes and improved their living standard.



It is profitable to plant red flesh kiwi. I planted 6mu fruit trees and earned RMB120,000 last year. Thanks to Sinopec very much,

— —Wang Taifu



Wang Taifu, a farmer from West Hunan's Fenghuang County, in his kiwi garden



● Aid to disaster stricken area

After earthquakes in Ludian, Yunnan, Sinopec immediately took part in disaster relief by ensuring stable retail sale of oil, supplying emergent power generation diesel, establishing green channels in service station, and offering food and drink water for free. Furthermore, Sinopec organized Sinopec Yunnan Oil and other subsidiaries nearby to distribute 4,292 tons gasoline and 4,872 tons diesel.



Green Channel in Sinopec service station



Relief supplies offered by Sinopec

2.6.3 Aid to Education

In 2014, Sinopec input RMB5 million to help develop education in poverty-stricken areas, such as expanding and purchasing teaching facilities for a primary school in Tibet's Bange County, hence solving the problem of centralized schooling; providing fund to construct Bulenggou Primary School in Dongxiang County, Gansu; keeping on implementing assistance to students with outstanding performance from poor families to complete their study. Since the establishment of Sinopec scholarship in 2008, total 8,481 students of poor families from four designated poverty-alleviation counties in Anhui and Hunan had been financially aided.



Students from Bulenggou Primary School together with a Sinopec employee



Phase-II project of Sinopec Primary School in Bange County, Tibet (buildings with yellow walls)

2.6.4 Lifeline Express Program

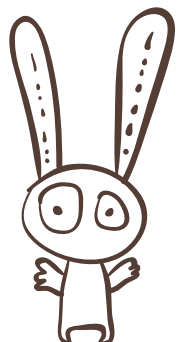
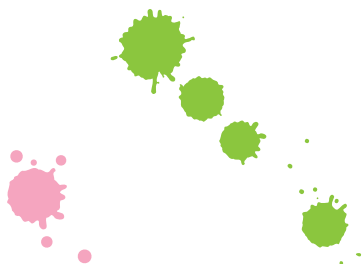
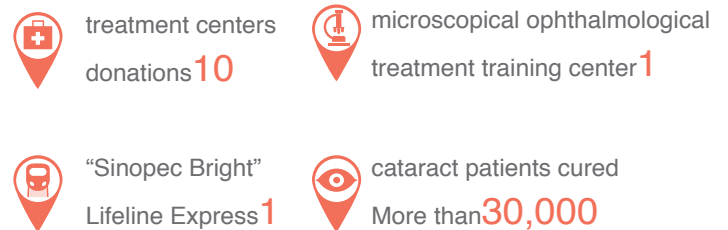
“Lifeline Express Program--Sinopec Bright” was a mobile hospital of brightness and care dedicated to developing free cataract operations for patients in poverty-stricken areas each year. During the period of 10 years by October 2014, Sinopec had input approximately RMB120mn to fund the “Lifeline Express Program” in reaching 26 poverty-stricken areas by 29 station-times and cured for free more than 30,000 poor cataract patients living in poverty. In 2014, “Lifeline Express Program” reached Zhanjiang in Guangdong, Taian in Shandong, and Jinzhong in Shanxi with total 3,006 cataract patients cured.

Sinopec’s Lifeline Express Program had won the “Special Contributions Awards” granted by the Council of Lifeline Express Programs successively for 9 years. In 2014, the program was awarded the title of “Outstanding Volunteer Service Project among Enterprises Directly under the Central Government” by the SASAC Spiritual Civilization Committee.



Sinopec Lifeline Express Program Roadmap: Bright Road for Ten Years--“Advance for Brightness”

Following the bright road for ten years from 2004 to 2014, Sinopec Bright Lifeline Express reached 13 remote poverty-stricken provinces and autonomous regions, where more than 30,000 cataract patients living in poverty were cured with help from Sinopec, and 10 cataract treatment centers with advanced medical equipment were built with donations from Sinopec. A number of eye doctors cultivated and trained by such program have brought brightness to tens of thousands of local people.



2.6.5 Volunteer Services

Sinopec encouraged employees to take part in volunteer services and offered volunteer services for 400,000 person-times in 2014, totaling 800,000 hours of services. Song Liping Volunteer Service Team of Sinopec Zhongyuan Oil Field was awarded the title of “Outstanding Volunteer Service Project Among Enterprises Directly under the Central Government”; The “Warm Station” Brand of the Youth Volunteer Service Team of Guangdong Oil was

praised as the outstanding volunteer service team among enterprises directly under the Central Government; and Yang Mingfeng from Sinopec Zhongyuan Oil Field, Tian Yeming from Sinopec Jiangnan Oil Product Co. and Wang Wenqing from Sinopec Jiangsu Oil were rewarded the title of excellent volunteers among enterprises directly under the Central Government.

Show Case

Warm Station with Love

During the transportation rush of 2014 Spring Festival, Sinopec built warm stations in 178 service stations along the backbone roads in Guangdong province. Sinopec Guangdong Oil Products Company and Guangdong Provincial Government organized young volunteers to provide “6+X” free services to the people returning to hometown, i.e. those going home by motorcycle. Total 5,000 volunteers took part in the activity and served millions of car drivers and more than 500,000 motorcycle drivers, provided more than 130,000 liters of hot water and ginger tea, offered free drugs for 28,000 person-time, repaired more than 10,000 motorcycles, and mobile charging services for more than 10,000 person-time. The service sites are full of warm atmosphere, where drivers returning to hometowns expressed hearty thanks to Sinopec and volunteers, and many of them had left messages in writing to praise the “Good Deed of Sinopec”.

6+X: “6” referred to the six basic services including emergent oil service, hot drinks, simple repair, mobile charging, sewing and medical kit. “X” referred to optional services, like replacing machine oil, bathrooms and mobile toilets.



“Warm Stations” Established in Sinopec Service stations

2.7 Overseas Social Responsibility

2.7.1 Overseas Social Responsibility Philosophy

As an integrated energy and chemical company, Sinopec Corp. owned upstream assets in four countries including Angola, Russia, Columbia and Kazakhstan. In the process of overseas business promotion, we always took the realization of our own sustainable development and the promotion of local social prosperity as our mission and responsibility. Adhering to the concept of “honesty, cooperation and win-win” and sticking to the 10 principles of the UN Global Compact,

we developed trade cooperation and supported local industrial development. We not only promoted local employment, held public welfare activities, and kept on deepening the cooperation and exchange with local governments, enterprises and communities, but also expanded new cooperation sectors and strove to improve sustainable development with win-win purpose.

2.7.2 Supporting Employee Localization

As overseas business developed, Sinopec Corp. also implemented the employee localization policy without discrimination and engaged local employees in strict compliance with the management mode of “international talents and localization of employees”. In this way, Sinopec Corp. trained a lot of professional talents in the field of oil exploration and

development, geophysical prospecting, drilling and engineering for the communities where Sinopec Corp. had businesses. This promoted the employment of local residents, increased their incomes and also promoted the sustainable development of oil and petrochemical industry of the countries where Sinopec Corp. developed business.

2.7.3 Overseas Community Construction

While developing business overseas, we made use of our resources and advantages to help local residents in economic development, local environment improvement, income increase and improvement of living standards.

All those measures were highly recognized by local governments and residents, which show our international image of responsibility and development.



Show Case

Sinopec Corp. promoted modern animal husbandry and helped local economic development.

The oil field of Sinopec Mansarovar Energy Columbia was located at Puerto Pinzon, Boyaca, where agricultural development focused on animal husbandry. In order to support local animal husbandry development, Mansarovar Energy worked with local producer federations and academic service organizations to popularize modern livestock technologies, provide milk storage equipment, and train livestock workers. Those measures increased pasture utilization ratio and yield, set important basis for sustainable development of animal husbandry, increased local residents' income, and improved the quality of their life.



Sinopec provided equipment and training to the members of a local producer federation



Farm and pasture are important to me as my life. I feel very grateful to Mansarovar Energy and the national academic service organization which trained me on livestock technology and helped me improve my living standard. They also funded me to purchase grass cutter and helped my plant protein bank (a kind grass to be used as feedstuff of livestock). In addition, Mansarovar Energy contacted milk purchaser for me. Now, both milk quality and sales volume increase a lot and I have more money to build my house and fund my children in education. I am very happy.

-- Enrique, a resident in Puerto Pinzon.



2.7.4 Developing Overseas Public Welfare Activities

By paying close attentions to the people's livelihood and social progress of the place where our business was performed, we proactively developed public welfare activities to promote social harmony according to local conditions and demands.



Show Case

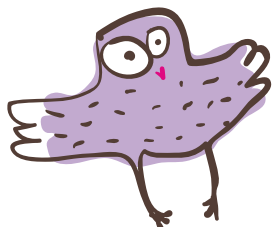
Sinopec Corp. supported overseas children's education

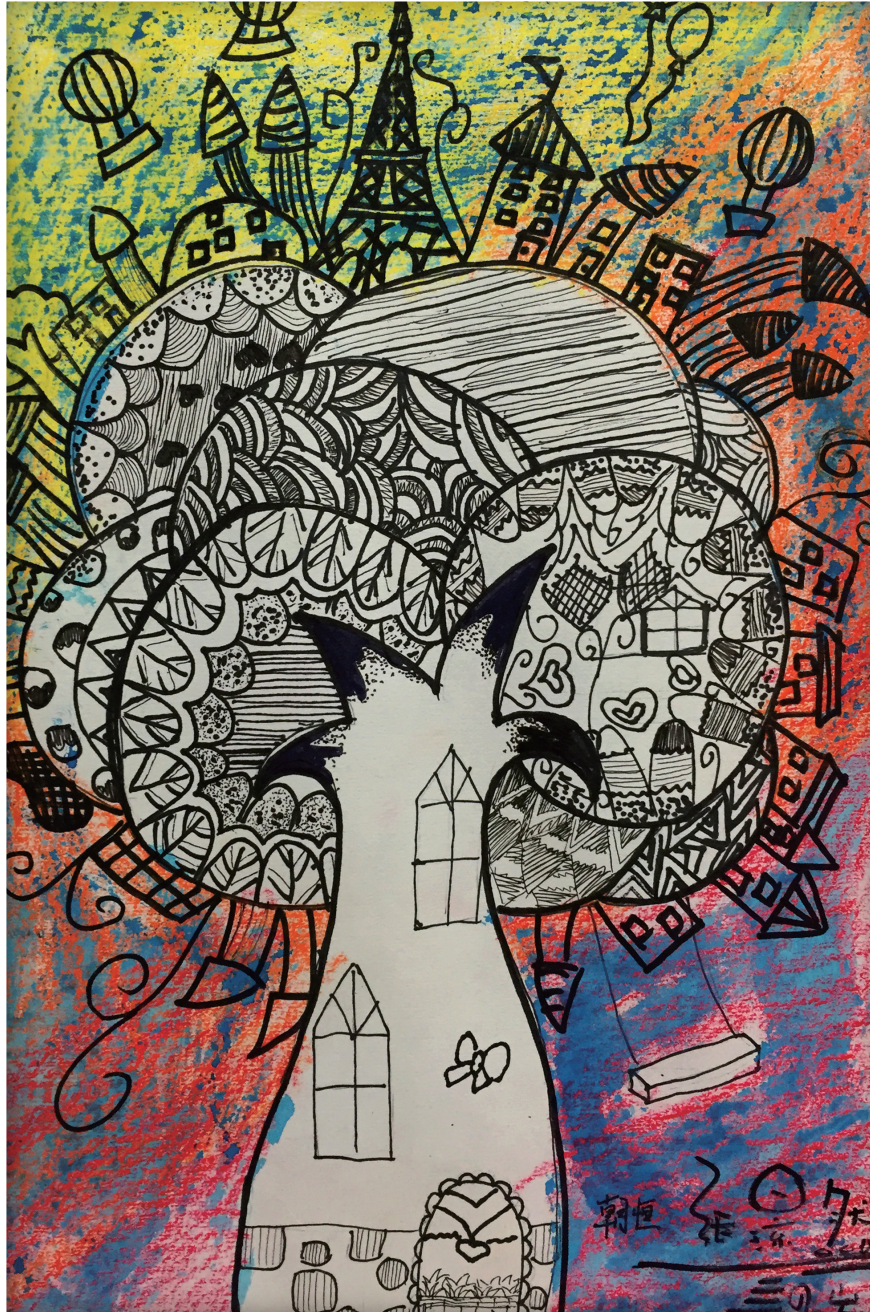
Sinopec Russian UDM Project took initiatives to develop children's education. To help resolve the problem of insufficiency in educational fund, Sinopec Corp. signed a Reciprocity Agreement with the local government to offer fund for children's education, and formulated new processes to strengthen the examination and supervision on use of fund. Sinopec Corp. donations included help in constructing recreation plans for local children, building kindergarten, and improving infrastructure, physical education facilities, school buses and cultural education of primary school students. From 2012 to now, the UDM Project has invested USD2.5mn in support of children's education.



I am 75 years old and I have four grandsons, among them the youngest is only 5 years old. They are willing to come to me because of new recreation facilities here, which bring great pleasures to them. As a citizen of Votkinsk, I express my gratitude to UDM Company and oil workers. And I believe UDM will provide better recreation facilities to children as before.

-- Chude Leah Sowa, a 75 year-old woman in Votkinsk





Tree House

Name: Zhang Jingran

Age: 9

Our earth is like a tree, where there are terraced fields, rivers and beautiful scenes granted to us by the nature. People from various countries of the world build beautiful houses in the tree, like oriental wooden houses, western castles, and Eiffel Tower... It has attracted friends from the outer space to come here by hot air balloons.

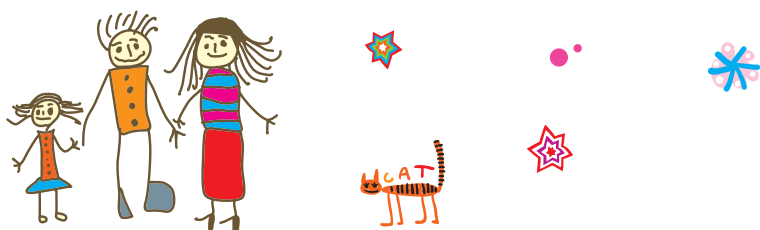
OUR PERFORMANCE

3.1 Economic Performance

Indicators		2012	2013	2014
Total assets	RMB billion	1,247.3	1,382.9	1,451.4
Total liabilities	RMB billion	696.7	759.7	804.3
Revenue	RMB billion	2,786.0	2,880.3	2,825.9
Net profits attributable to shareholders of the Company	RMB billion	63.5	67.2	47.4
Dividends declared	RMB billion	26.0	28.0	23.8
Dividend pay-out ratio	%	41	42	51
Taxes and fees paid	RMB billion	293.0	296.9	292.3
Sales volume of refined oil products	Million tons	173.15	179.99	189.17
Sales volume of major chemical products	Million tons	54.35	58.23	60.79
Customer satisfaction in terms of lubricant sales	%	79.8	79.6	80.8
Customer satisfaction in terms of chemical sales	%	91.3	92.9	94.3
Ratio of settled complaints from lubricant customers	%	100	100	100
Ratio of settled complaints from chemical products customers	%	100	100	100
Number of patent applied		3,893	4,442	4,968
Number of patents granted		1,451	2,388	3,011

3.2 Environmental Performance

Indicators		2012	2013	2014
Energy Intensity	%	-2.2	-2.1	-0.6
Compliance rate of effluent discharge	%	>96	98.93	99.30
Industrial water consumption change	%	0.37	-1.19	-1.1
COD in waste water change	%	-2.62	-3.85	-2.5
SO ₂ emission change	%	-3.90	-4.71	-8.1
NH ₃ and NH ₄ emission change	%	—	—	-4.2
NO _x emission change	%	—	—	-3.9



3.3 Social Performance

Indicators		2012	2013	2014
Total employees		376,201	368,953	358,571
Collective contract coverage	%	100	100	100
Social insurance coverage	%	100	100	100
Annuity coverage	%	100	100	100
Percentage of employees under Labor Union	%	100	100	100
Employee health examination coverage	%	98.7	98.7	98.8
Physical examination and health file coverage	%	95.7	98.4	98.8
Cases of occupational disease		13	10	21
Total expenditure on occupational health training of employees	RMB million	21.44	25.30	29.27
Total hours of occupational health training of employees		3,770,392	4,087,796	4,344,970
Hours of occupational health training of each employee		14	15	17
Input in safety training	RMB million	230.34	248.09	277.79
Total hours of safety training		1,694,272	1,822,696	1,947,724
Coverage of safety training	%	90.0	90.6	91.3
Number of reported accidents		3	3	5
Fatality		3	18	8
Accident mortality rate per 1,000 employees	‰	0.0048	0.019	0.0129
Donations for the year	RMB million	230	347.5	239.8
Among which: Contributions to poverty alleviation program	RMB million	13.94	40.78	46.49
Financial aid to Qinghai and Tibet	RMB million	41.85	21.87	22.50
Aid-to-Tibet programs implemented		11	9	6
Patients cured under the Lifeline Express Program in 2014		3,218	3,802	3,006
Expenditure for culture, education, hygiene and communities	RMB billion	4.062	6.755	6.753
Person-time of volunteer services	Million person-time	35	38	40
Hours of volunteer services	Million hours	70	76	80



LOOK FORWARD TO 2015



2015 is a key year for Sinopec Corp. to deepen reforms, promote transformational development, and enhance management. Geared towards the strategic goal of building people-satisfied world first class energy and chemical company, the Company will take initiatives to adjust ourselves to the “new normal”, pay more attention to structural adjustment, energy optimization and innovation drive, and enhance risk management. By keeping on promoting the implementation of the Clean Water & Blue Sky Campaign and the Energy Conservation Campaign, we will speed up upgrading of traditional industries with great efforts in developing clean energies and new energies, launch the layout and deployment of energy-saving and environment protection industries, and try to step on a new stage in the new normal.

Looking forward to the future, Sinopec Corp. will realize three transformations in the path of sustainable development: change from extensive and external development driven by investment and based on scale expansion to intensive and internal development focusing on realization of improved quality, enhanced efficiency and upgrading based on structural adjustment and technological transformation; change from the large industrial structure of “oil and chemicals” to that of “energy and materials”; and change from value creation mainly based on processing and manufacturing to added value mainly based on technological innovation and services.

In the new year of 2015, by joint efforts with partners and stakeholders, Sinopec Corp. will, as a lead member of UN Global Compact, make contributions to the final reach of the UN Post-2015 Sustainable Development Strategy and the 2015 Paris Climate Agreement through cooperation, innovation and action.



RATING REPORT

Communication on Progress for Sustainable Development

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 a Rating Team. The rating team rated Sinopec Corp. Communication on Process 2014 (hereinafter "COP") as follows:

1. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 3.0) and Rating Standard on Corporate Social Responsibility Reporting for Chinese Enterprises (2014).

2. Rating process

- (1) The process assessment team interviewed members from the social responsibility department of Sinopec Corp.
- (2) The process assessment team viewed the relevant data involving the preparation of the social responsibility report of Sinopec Corp. on site.
- (3) The rating team evaluates the management process of social responsibility report of Sinopec Corp. and the information disclosed by Sinopec Corp. Communication on Process 2014.

3. Rating results

Process Management (★★★★★)

The secretariat of the corporation takes a leading role in setting up a preparation team and the high level leaders are responsible for preparation, management and viewing of the report. The preparation team identifies stakeholders, and consults their advices by interviews and questionnaires. Substantial issues are defined and selected according to stakeholders' opinions, material issues of the corporation, relevant state policies and check-list industrial analysis. It is planned to release the report on an official website concurrently with other forms of presentation of the report in printing and electronic version. Thus, the report process management is super excellent.

Materiality (★★★★★)

The report systematically discloses key performance issues on its industries such as "sustainable energy supply", "quality upgrading of oil products", "occupational health management", "safety production guarantee", "technological innovation of energies", "carbon assets management" etc. with detailed description. The report has super excellent materiality.

Completeness (★★★★★)

The report systematically discloses key information on "Our Governance", "Our Action", "Our Performance" etc. With 78.5% of core indicators disclosed on its industries, the report has excellence completeness.

Balance (★★★★☆)

This report discloses negative information on "number of reported accidents", "casualty rate per 1000 employees", "number of material risk accidents" etc. It also gives a brief description of the results of investigation and punishment under "Integrity Building" and the number of persons punished. The report has leading balance.

Comparability (★★★★★)

This report discloses data on 47 key performance indicators of at least three consecutive years, including "Revenue", "Sales volume of refined oil products", "Total employees", and "Input in safety training". The report has super excellent comparability.

Readability (★★★★★)

This report is clearly logic with a reasonable structure and rich content. It adopts the designing of children's paintings, warm and sincere in a vivid form. The report also interprets special terms and remarkably improves the happiness in reading. All of above make this report super excellent readable.

Innovativeness (★★★★★)

Each chapter of the report starts with children's painting dedicated to environment protection and interprets the expectations for social responsibility from children's views with critical thinking. The report adopts an overseas sector dealing with overseas responsibilities and performance in detail. So the report has super excellent innovativeness.

Overall Rating (★★★★★)

Through evaluation and deliberations, the rating team agreed to rate Sinopec Corp. Communication on Process 2014 as super excellent by giving five-star rating to it.

4. Suggested improvements

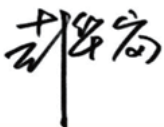
Add disclosure on the future plan of corporate sustainable development; Further improve the completeness of the report.

Rating team

Team leader : Cheng Duosheng, Director of Corporation Innovation Department of China Enterprise Confederation

Team member: Zhang En, Standing Vice Director of CSR Research Center of Economics Division of Chinese Academy of Social Sciences

Yang Jinzhong, Senior Manager of Shanghai Stock Exchange
Zhai Lifeng and Wang Mengjuan, Process Evaluators of the Center

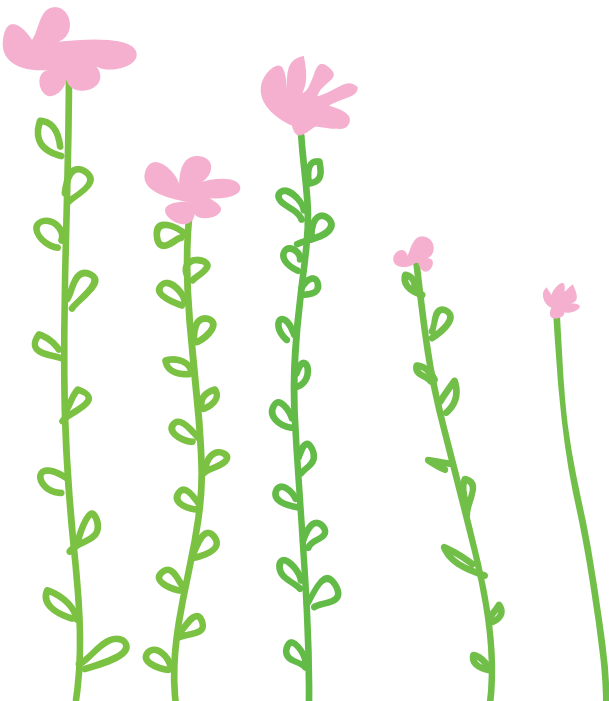


Peng Huagang
Chairman of the Chinese Expert Committee on CSR Report Rating
Vice president of executive council of the Center



Cheng Duosheng
Team leader of the expert rating team
Vice president of the Center

APPENDICES



(I) About Sinopec Corp.

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the sale, storage and transportation of petroleum products, petrochemical products, coal chemical products, synthetic fibre, fertiliser and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; and research, development and application of technologies and information.

(II) Social contribution per share

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, hence, helping 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 2014, the value of social contribution per share of Sinopec Corp. is RMB3.505, which is calculated as follows: based on the basic per share earnings, adding the tax payments, employee payroll, loan interest rate paid to creditors as banks and input in social public donations (including culture, education, health and communities), deducting the social costs incurred including environmental pollution.

(III) Interpretation of terms

HSE management	HSE is the short form of the management system of Health, Safety and Environment, which is a dynamic management system consisting of such element as organizational institution, duties and responsibilities, resources, procedures and processes used by an organization for implementing its health, safety and environmental management.
ESG risk management system	ESG is the acronym of Environment, Society and Governance. ESG risk management adopts effective preventive, control and emergency measures for alleviating and eliminating risks in environment, society and governance that may occur through implementing risk management.
Shale gas	Refers to the natural gas resources in shale beds available for exploitation.
Contract energy management	Refers to a way of business to save energy that uses the energy expenses reduced to pay all the cost of the energy-saving project. Thus, energy-saving service companies and users agree on the energy-saving objectives of the energy-saving projects by contract, and for the purpose of realizing the energy-saving objectives, the energy-saving service companies provide the users with such necessary services as energy-saving diagnosis, financing and transformation, and the users pay the energy-saving companies the input and reasonable profits by the energy-saving efficiency.
OSHA	Occupational Safety and Health

(IV) GC advanced level criteria checklist

Scope	Criteria for GC advanced level	Sinopec information circular in 2014
Strategy, Governance and Engagement	Criterion 1: Key aspects of the company's advanced level sustainability strategy in line with GC principles	P05-P10
	Criterion 2: The effective decision-making processes and systems of governance for sustainability	P05-P10
	Criterion 3: Engagement with all important stakeholders	P08
UN Goals and Issues	Criterion 4: Actions taken in support of broader UN goals and issues	P07
Human Rights Implementation	Criterion 5: Robust commitments, strategies or policies in the area of human rights	P27
	Criterion 6: Effective management systems to integrate the human rights principles	P27
	Criterion 7: Effective monitoring and evaluation mechanisms of human rights integration	P27
	Criterion 8: Key outcomes of human rights integration	P27
Labour Principles Implementation	Criterion 9: Robust commitments, strategies or policies in the area of labour	P27-P30
	Criterion 10: Effective management systems to integrate the labour principles	P27-P30
	Criterion 11: Effective monitoring and evaluation mechanisms of labour principles integration	P27-P30
	Criterion 12: Key outcomes of integration of the labour principles	P27-P30
Environment Stewardship Implementation	Criterion 13: Robust commitments, strategies or policies in the area of environmental stewardship	P18-P19
	Criterion 14: Effective management systems to integrate the environmental principles	P18-P20
	Criterion 15: Effective monitoring and evaluation mechanisms for environmental stewardship	P18-P20
	Criterion 16: Key outcomes of integration of the environmental principles	P18-P20
Anti-Corruption Implementation	Criterion 17: Robust commitments, strategies or policies in the area of anti-corruption	P11
	Criterion 18: Effective management systems to integrate the anti-corruption principle	P11
	Criterion 19: Effective monitoring and evaluation mechanisms for the integration of anti-corruption	P11
	Criterion 20: Key outcomes of integration of the anti-corruption principles	P11
Value Chain Implementation	Criterion 21: Implementation of the GC principles in the value chain	P23-P26
Transparency and Verification	Criterion 22: The COP provides information on the company's profile and context of operation	P43
	Criterion 23: The COP incorporates the high standards of transparency and disclosure	P44
	Criterion 24: The COP is independently verified by a credible third party	P41

(V) Index of GRI4.0 and CASS-CSR 3.0 indicators

Contents		GRI Sustainability Reporting Guide (G4.0)	Chinese Corporate Social Responsibility Reporting Guidebook (CASS-CSR3.0)+ Industrial Indicators	Page of report
INTRODUCTION		3.1-3.7,3.9,3.12	P1.1-P1.5	-
ADDRESS FROM CHAIRMAN		1.1-1.2	P3.1-P3.2	P01
SINOPEC CORP. IN 2014		2.1	P5.1-P5.3	P02
OUR APPROACH	Responsibility Culture	4.8	G1.1,G6.4	P04
	Sustainable Development	4.1,4.3, 4.7, 4.11	P4.7,G2.1-G2.5,S3.1,E1.1,P2.2	P05-P10
	Integrity Building	SO2-SO4,SO8	G5.3-G5.5,G3.2,S1.1-S1.4	P11-P12
OUR ACTIVITIES	Sustainable Energy Supply	EN6-EN7,EN26,PR1	S1.6,E2.5,M2.7,M2.12,OGE2.6	P15-P17
	Low-carbon green Development	EN12-EN13,EN3,EN6,EN18,EN21	E2.1-E2.2,E2.9,E2.13,E2.15, E2.18-E2.19,E4.1	P18-P20
	Production Safety Guarantee	LA6-LA8,HR8	S3.1-S3.5,OGS3.2-OGS3.3,OGS3.5, OGS3.11,OGE1.12,	P21-P22
	Sustainable Value Co-creation	4.4,EC6	M1.1-M1.6,M2.4-M2.6,M2.13,M3.7, M3.9,M3.11,OGS3.7	P23-P26
	Harmonious Enterprise Construction	LA1,LA7,LA10-LA11	P4.5,S2.7,S2.11-S2.13, S2.17-S2.22,S2.24-S2.29	P27-P30
	Contributions to the Society	EC8-EC9	S4.4,S4.9,S4.12-S4.14	P31-P35
	Overseas Social Responsibility		S4.11	P35-P36
OUR PERFORMANCE		EC1,EN1,EN8,EN10,EN16-EN17, LA4,LA6-LA7,PR5	P5.2,M1.4-M1.6,M2.6,S2.10,S1.5,S1.8, S2.1-S2.2,S2.4,S2.9,S2.18-S2.19,S2.22, S2.26-S2.27,S3.3-S3.7,S4.11-S4.2,S4.14, E2.4,E2.8,E2.10,E2.19,OGE3.9	P38-P39
LOOKING FORWARD TO 2015			A1	P40
RATING REPORT		3.13	A2	P41
APPENDICES	About Sinopec Corp.	2.1,2.3,2.6-2.7	P4.1-P4.4	P43
	Reference criteria for GC business participants at advanced level		A3	P44
	Index to GRI4.0 & CASS-CSR 3.0 Indicators		A3	P45
	Feedback		A4	P46

(IV) Feedback

Respected readers,

Thank you for reading this Report. This Report is the 8th report on sustainable development issued by Sinopec Corp. For continuously improving the preparation of such report, we sincerely hope to listen to your opinions and suggestions. Please assist us in answering the corresponding questions set forth in the following form of feedback and send them back to us by the following way.

Post to: Secretariat of the Board
China Petroleum & Chemical Corporation
No. 22 Chaoyangmen North Street, Chaoyang District, Beijing 100728, PRC

■ Your Information

Name:

Employer:

Title:

Contact Tel:

Fax:

E-mail:

■ Single-choice questions (Please \checkmark at the proper place)

Items	Very good	Good	Ordinary	Bad	Very bad
1. Whether has the Report completely and accurately reflected the significant impacts of Sinopec Corp. on economy, society and environment?					
2. Whether has the Report responded to and disclosed the concerns of stakeholders?					
3. Whether are the information, indicators and data clear, accurate or complete in the Report?					
4. Whether is the Report readable, including the logical lines, content designing, languages and expressions and layouts?					

■ Open questions

1 What satisfies you most in the Report?

2 What information do you think should also be included in the Report?

3 What suggestions do you have on our preparation of the sustainable development report in the future?



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