



Sinopec Corp. has always been striving for harmony between HSE (health, safety and environment) and economic development and the establishment of a safe production mechanism with long-term effects. The Company has scrupulously undertaken its responsibility for the society and conscientiously implemented the policy of “regarding safety the utmost, laying particular stress on prevention, relying on the efforts of all people, carrying out comprehensive management, improving environment, protecting health, realizing scientific management and achieving sustainable development”. In 2002, the Company maintained safe and stable production, endeavored to provide the public with safe, reliable, quality and environment-friendly products, made vigorous efforts to protect the environment and take care of the employees' health, continuously improved its relationship with the peripheral communities, established a good corporate image and made greater achievements in health, safety and environment management.

● Steady promotion of HSE management

Since Sinopec Corp. publicly announced its implementation of HSE management system in 2001, all its employees have made active response and strived for minimizing the incidence of accidents, hazards to personal health and environment damages and building Sinopec Corp. into a world-class enterprise in terms of HSE management, and the Company has invited an international HSE consulting service company to instruct its subsidiaries' building of HSE management systems. By the end of 2002, 25 branch companies or subsidiaries of Sinopec Corp. have already established fairly complete HSE management systems and put them into operation.

● Implementation of safety pre-appraisal for new projects according to the policy of laying the first stress on prevention

In 2002, the Company completed safety pre-appraisal for a number of revamping and expansion projects, including the 900 thousand tonnes/year ethylene project of Shanghai Secco and Ningbo-Shanghai-Nanjing Pipeline Project. For the equipment, facilities and public engineering systems that had already been completed and put into production, the Company carried out regular risk appraisal. The Company also implemented dynamic monitoring for key equipment and key parts with designated persons to manage them. For the problems discovered during appraisal, the Company traced and managed the whole process of hidden perils until all hidden perils were eliminated to ensure safe production.

● Active promotion of clean production, water saving and pollution reduction

In 2002, the Company completed clean production demonstration for seven sets of equipment, selected five clean production technologies valuable for popularization, actively developed water-saving technology and implemented water consumption control on the basis of fixed quotas. The Company's industrial water consumption was reduced by 6.6% as compared with that in 2001.

● Development of a number of technologies for improving the quality of refined oil products to provide cleaner fuels

Sinopec Corp. began completely implementing the new national standard for light diesel from July 1, 2002 and reduced the sulfur content in its light diesel products from 1.0%(m/m) under the old standard to 0.2%(m/m) under the new one. Sinopec Corp. will completely implement the new national standard for automotive gasoline from July 1, 2003.