

The Company has long been dedicated to achieving a coordinated development between health, safety and environment (HSE) and economic growth and has instituted a mechanism for effective long-term operations. While maintaining full load and longer cycle production, the Company in 2005 continued to focus on operational safety and improved environmental protection and made continuous efforts to care for the health of its employees and its relations with the communities to achieve harmonious growth.

1 Steady improvement of HSE management

Since the institution of HSE management system, the Company and each of the subsidiaries and affiliates have worked for its smooth operation. In 2005, the company organised HSE supervision, inspection and evaluation at various levels to review and evaluate implementation and follow-up of the HSE system so as to achieve continual improvement.

2 Pursuit of a caring approach to create a harmonious and healthy working environment

In 2005, the Company continued to strengthen firm-wide HSE education and training to continually improve employees' operational skills and strengthen occupational health management. Warning signs were posted in the workplace and monitoring and measurement results were publicly displayed. Regular occupational health checkups were arranged for relevant employees and working conditions were continually improved to ensure employee safety and health.

3 Implementation of a prevention-based policy; assessment of safety and environmental risks of newly built facilities and construction-in-progress

In 2005, the Company performed safety and environmental risk assessments over a number of newly built projects, including Tianjin Petrochemical Integration Project, and continued to perform risk assessments over operating facilities as well as public facilities. Rectification of potentially risky areas was subject to continuous monitoring throughout the process, while random monitoring was instituted for major facilities and key areas under the oversight of a specially designated person. The Company overhauled its emergency response plans for major and extreme emergencies and its capacity for confronting emergencies was continually improved.

4 Active promotion of clean production to save water and reduce effluents

In 2005, the Company standardised its environmental management in line with HSE management system, strengthened performance evaluation and its control of polluting sources and endeavored to achieve conservation of energy and water reduction of pollution and consumption.

Notwithstanding significant increase in the Company's production, as compared to 2004, amount of major effluents was further reduced, while industrial water consumption being reduced by 4% and COD content in its discharged waste water by 6%.



