



Human Resources

People development is a key driving force for promoting independent innovation, technical advancement and enhancing our core competitiveness. We are striving to build a high quality echelon composed of abundant technical, innovative and interdisciplinary talents. In conformity of people-based concept, we have created a culture featured by mutual trust and mutual respect to promote employees' growth and progress. We provide them with more space for career development and necessary conditions for technical and management innovation. We also recognize their outstanding performance and contribution with praise and awards, thus to realize employees' value and company's value at the same time and create a mutual promotion atmosphere.

To show respect to and safeguard employee's rights and interests, we push forward the reform and perfection of salary, welfare and insurance system in order to match rewards with position and performance to motivate excellent management, technical and skillful employees. According to the national requirement of a multi-level social insurance system, we actively perfect various insurance systems to protect employee's interests.

We attach great importance to talent cultivation. We make training as the best welfare for employees and enable employees of all level to find their best way of learning. In 2006, we continued strengthening the construction of four talent teams, namely the management team, technical team, operational team and international team. CNPC International Talent Training Center was opened in 2006, marking the official initiation of International Talent Training Program. Its symbol project Thousand Talents Training Program was launched to promote the cultivation of strategic internationalized talents. The development of the company requires many senior management and technical talents specialized in safe engineering. Accordingly, we held the first postgraduate class for training senior safe engineering managers. Along with the rapid growth of international business, we carried out talent localization to enhance our integration with local community and culture. In Sudan, we hired many local people and awarded "CNPC Top 10 Sudanese Employees" in 2006.

To optimize technical resource allocation and perfect scientific management system, we promoted Principal Expert System for key technical projects and basic research fields in 2006. 15 technical experts of different specializations were appointed as principle experts. This helped form a new model for technical project management and technical talent team construction, thus to promote the organic integration of high quality research resources

and key breakthrough projects. To guarantee backup talents for senior technical positions, CNPC selected 185 technical experts from over 10,000 technicians to join in key technical reconstruction, technical innovation, and technical invention projects to solve key technical and operational difficulties.

In the gradual establishment and perfection of talent competition incentive mechanism, we carried out various types of appraisal activities to stimulate employees' enthusiasm and creativity to tap their full play. Now we have over 500 "CNPC Technical Specialists", and in some subsidiary oilfields, many grass-root teams and stations as well as inventions and creations are named after employee's personal names to recognize their efforts and enhance their loyalty to the company.

In 2006, we spent RMB 900 million in training 760,000 employees. By enhancing trainings for management, technical and operational employees, we have trained a large number of high-level talents in urgent need of the company and optimized knowledge structure as well as the cultural quality and skills of our employees.