

# Stakeholders

## Strengthening communication with stakeholders

Stakeholders refer to those organizations and individuals that are affecting and being affected by CNPC, including government, investors, employees, clients, consumers, partners (e.g. suppliers and contractors), communities, and other institutions.

We have built a "mutual support, mutual benefit and win-win for common development" relationship with various stakeholders. Their trust and support are crucial to our stable development. We shall continue to promote the sustainable development of CNPC and society together with all our stakeholders.

Stakeholders	Objectives and focuses	Communication approaches
Government and investors	<ul style="list-style-type: none"> <li>National energy security</li> <li>Stable market supply</li> <li>State assets retention and appreciation</li> <li>Create value for investors</li> <li>Balance economic, environmental and social responsibilities</li> <li>Develop with technical innovation</li> </ul>	<ul style="list-style-type: none"> <li>Support national macro-control policy</li> <li>Participate in the compilation of national energy policy and legislation to contribute corporate experience</li> <li>Guide and influence public policy</li> <li>Hold summit talks with host countries</li> <li>Enhance information disclosure</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employment promotion</li> <li>Protection of employees' rights and interests</li> <li>Career development</li> <li>Personal value realization</li> <li>Health and safety</li> <li>Respect employees and promote the concord of diversified cultures</li> </ul>	<ul style="list-style-type: none"> <li>Establish trade unions at various levels</li> <li>Hold workers' congress meetings on regular basis</li> <li>Set up employees' advice box</li> <li>Investigate and assist employees in difficulty</li> <li>Listen to opinions of grassroots employees</li> <li>Enhance information disclosure</li> </ul>
Clients and consumers	<ul style="list-style-type: none"> <li>Provide safe, environmentally friendly, clean, and efficient products</li> <li>Continuously improve service quality</li> <li>Win their trust and support</li> </ul>	<ul style="list-style-type: none"> <li>Carry out "caring for consumers" activities</li> <li>Publish product quality information</li> <li>Conduct "high-quality service competition" activities</li> <li>Ask for opinions of clients and consumers</li> <li>Enhance information disclosure</li> </ul>
Business partners (contractors and suppliers)	<ul style="list-style-type: none"> <li>Observe commercial ethics and laws and regulations</li> <li>Strictly standardize production and operation system</li> <li>Strictly carry out licensing system</li> <li>Mutual benefit to achieve win-win situation</li> <li>Eliminate use of child and forced labor</li> </ul>	<ul style="list-style-type: none"> <li>Contract negotiation</li> <li>Daily meeting</li> <li>Summit meeting</li> <li>Letters and telecommunication</li> <li>Daily business exchange</li> <li>Hold multinational business talks and technological meeting</li> <li>Integrated e-commerce platform</li> <li>Publish management rules for suppliers and contractors</li> <li>Share management experience and technical standards</li> <li>Enhance information disclosure</li> </ul>
Related institutions (including domestic and overseas industrial organizations)	<ul style="list-style-type: none"> <li>Participate in the research, discussion and compilation of relevant public policies, industrial standards, etc.</li> <li>Pay attention to industrial trends and policy changes</li> <li>Promote sustained development of enterprise and industries</li> </ul>	<ul style="list-style-type: none"> <li>Contribute with corporate concept and experience</li> <li>Daily contact</li> <li>Join relevant activities</li> <li>Promote international exchanges</li> <li>Enhance information disclosure</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Protect local environment</li> <li>Promote community development</li> <li>Support public welfare</li> <li>Support and promote the construction of a harmonious society</li> </ul>	<ul style="list-style-type: none"> <li>Safety and environmental protection education</li> <li>Community visit</li> <li>Participate in community development</li> <li>Discuss with government and people in poor areas to decide and carry out poverty-alleviation projects</li> <li>Enhance information disclosure</li> </ul>

We have attached great importance to communication and exchanges with stakeholders. We issue annual financial reports and corporate social responsibility reports in a timely manner and disclose information via various channels such as our website and newspapers. An open and transparent communication mechanism has been formed.

In compiling this report, we arranged special symposiums and interviews to seek advice and suggestions from people in various fields, some of which has been incorporated into this report. This makes us more confident of maintaining a long-term relationship with our stakeholders on the basis of mutual trust. In the future, we shall continue to pay more attention to our responsibilities to various stakeholders.

Major actions in 2007	Key performance indices
<ul style="list-style-type: none"> <li>● Sign biomass energy development cooperation framework agreements with the government</li> <li>● As a member unit of the expert team, participate in thematic research, symposium, discussion and draft revision work for <i>Energy Law of the PRC</i></li> <li>● Pay close attention to and participate in policy discussions concerning climate change and energy-saving and emission-reduction, actively deal with climate change and strongly promote energy-saving and emission reduction</li> <li>● Discuss energy cooperation model with governments of some key host countries</li> </ul>	<ul style="list-style-type: none"> <li>● Sales revenue</li> <li>● Tax and charges</li> <li>● Oil and gas production</li> </ul>
<ul style="list-style-type: none"> <li>● Provide employment opportunities</li> <li>● Popularize human resource management system</li> <li>● Launch enterprise annuity establishment work</li> <li>● Strengthen employee training and skills cultivation</li> <li>● Carry out occupational health checks and issue Health Manual for Petroleum Employees</li> <li>● Strengthen harmonious mining zone construction to improve employees' working and living environment</li> <li>● Help employees in difficulties</li> <li>● Care for retired employees and open university for seniors</li> </ul>	<ul style="list-style-type: none"> <li>● Total employees</li> <li>● New recruitment of university graduates in the year</li> <li>● Percentage of expatriate employees</li> <li>● Investment in employee training</li> <li>● Occupational health check rate</li> <li>● Donations to employees in difficulties</li> </ul>
<ul style="list-style-type: none"> <li>● Issue five management regulations, namely the <i>CNPC Quality Supervision of Procurement, Provisions for Products Quality Certification, Provisions for Products Quality Supervision and Selective Examination, Provisions for Products Quality Inspection Institution and Provisions for Products In-the-manufactory Supervision.</i></li> <li>● Further perfect the quality management system according to the <i>Implementation Advice for the Fulfillment of National Standard Quality Management System</i> issued by CNPC</li> <li>● Cultivate famous brands</li> <li>● Increase the supply of clean products such as natural gas and high- standard gasoline, ensure stable and safe gas supplies for six Olympic host cities including Beijing, Tianjin and Qingdao, and provide high-quality natural gas fuel for the entire Olympic Games</li> <li>● Construct a unified service station management system and carry out comprehensive inspection of service stations</li> </ul>	<ul style="list-style-type: none"> <li>● Number of service stations</li> <li>● End distribution and sales volume</li> <li>● Natural gas and refined products sales</li> <li>● Product conforming rate</li> <li>● Customer satisfaction</li> <li>● Number of Chinese Name-Brand Products</li> </ul>
<ul style="list-style-type: none"> <li>● Implement strict access system for engineering construction contractors, establish and improve various rules and procedures such as project bidding and construction supervision, in order to secure fair and public selection of contractors and the enhancement of construction quality</li> <li>● Actively communicate and coordinate with contractors, create safe and healthy working environment for contractors, strengthen safeguard measures and emergency rescue network, carry out regular emergency response exercises with contractors, and secure the safety and property of contractor's employees by strengthening our supervision of contractors, thus realizing a win-win situation</li> <li>● Carry out comprehensive appraisal and re-confirmation of the qualifications of over the 3,000 member suppliers of the CNPC "Energy 1#" e-commerce network, to provide suppliers with equal competition opportunities; strengthen the management of supplier relations and continue technical cooperate with suppliers, thus achieving a win-win situation</li> <li>● Strictly manage and supervise Sino-foreign cooperation projects</li> </ul>	<ul style="list-style-type: none"> <li>● Sales revenue</li> <li>● Number of bidding projects</li> </ul>
<ul style="list-style-type: none"> <li>● Hold face-to-face talks with related institutions about performance in terms of social responsibility</li> <li>● Actively participate in and support international environmental standardization, fund and organize the 14th Annual Meeting and International Environment Forum of the International Standardization Organization Environment Management Technology Committee (ISO/TC207)</li> <li>● Initiate and establish Green Carbon Fund jointly with CGF</li> </ul>	<ul style="list-style-type: none"> <li>● Numbers of organizations joined</li> <li>● Participation in public activities</li> <li>● Support for industrial project research and forums</li> </ul>
<ul style="list-style-type: none"> <li>● Continuously carry out poverty-alleviation work and assistance to disadvantaged groups</li> <li>● Carry out disaster-relief</li> <li>● Continuously promote young volunteers' activities</li> <li>● Alleviate poverty via information, support the construction of new countryside</li> <li>● Leverage CNPC advantages to serve "green" Olympics</li> </ul>	<ul style="list-style-type: none"> <li>● Pubic welfare investment</li> <li>● Number of beneficiaries of assistance</li> <li>● Investment in poverty-alleviation of Xinjiang and Tibet</li> <li>● Number of young volunteers among employees</li> </ul>