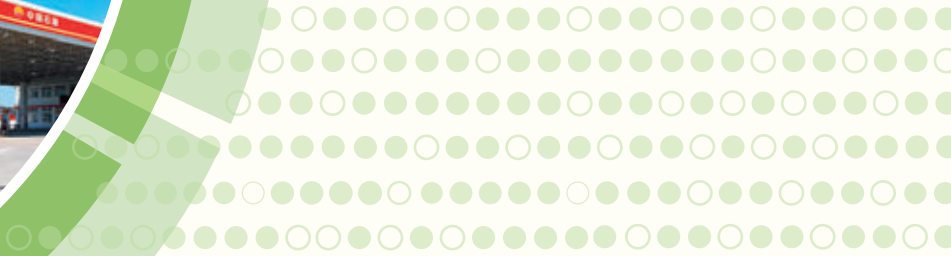




China National Petroleum  
Corporation (CNPC)

## Integrity and Compliance Guidelines

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China National Petroleum Corporation (CNPC)

## Integrity and Compliance Guidelines



## Message from the Chairman

China National Petroleum Corporation (CNPC) is an integrated international energy company with businesses covering oil & gas operations, oilfield services, petroleum engineering and construction, equipment manufacturing, financial services and new energies development. Operating in various countries and regions, the Company needs to follow relevant laws and international rules, respond to demands and expectations of stakeholders, and especially, get through a more challenging external environment. All these require that CNPC remain committed to our value of integrity and compliance and act as a role model in compliance with laws and regulations.

Law and regulation-based governance is our guideline for corporate management, and the guarantee for vitality and sustainable development. We always take integrity and compliance as the fundamental requirement, and operate in strict accordance with the code of business ethics, so as to strengthen management, prevent risks and ensure development on the basis of full compliance with laws and regulations.

Every employee is obliged to ensure integrity and compliance. And the reputation and sound development of the Company count on the effort of the entire staff. Each of us must foster the awareness of integrity and compliance, abide by laws and regulations, observe contracts, honor commitment, maintain full compliance in our operations, and make sure the red lines of compliance are never crossed. The new edition of the Integrity and Compliance Guidelines provides a clear code of conduct and guides to action. Each employee is expected to read the Guidelines carefully, keep integrity and compliance in mind and act accordingly, in an effort to improve CNPC's image and reputation and facilitate its high-quality development for the Company to be a world-class integrated energy company built to last.

Chairman of CNPC

戴厚良

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## Notes to Users

### Scope of Application of the Integrity and Compliance Guidelines

The Guidelines apply to all CNPC employees. All CNPC representatives (or agents) and other personnel conducting any business operations in the name of CNPC must abide by relevant provisions of the Guidelines.

In the Guidelines, “CNPC”, “the Company” and “we” all refer to China National Petroleum Corporation and/or Petro-China Company Limited and all their branches and subsidiaries. “You” and “CNPC employees” refer to all CNPC employees, including members of the board of directors, board of supervisors, and senior management.



## How to Use the Guidelines

The Guidelines summarize the basic principles and the code of conduct for all CNPC employees to understand and observe. In addition, employees should also comply with laws, regulations and other rules and regulations of CNPC.

In overseas business, if local laws and mandatory provisions are inconsistent with the provisions in the Guidelines, the strictest ones should prevail.

In absence of specific provisions on relevant matters in the Guidelines, CNPC employees should make judgments in consideration of the followings when making decisions related to such matters:

- ◎ Whether such matters are in conformity with applicable laws, regulations and the Company's rules and regulations;
- ◎ Whether such matters are in conformity with the Guidelines;
- ◎ Whether such matters are in conformity with the Company's values and principles;
- ◎ Whether such matters will have negative impact on the Company's reputation.

## Consequences of Violations against Applicable Laws and Regulations and the Guidelines

We should recognize that any violation against applicable laws, regulations and the Guidelines may cause serious negative consequences to the Company and/or relevant individuals.

The Company may suffer the following serious consequences:

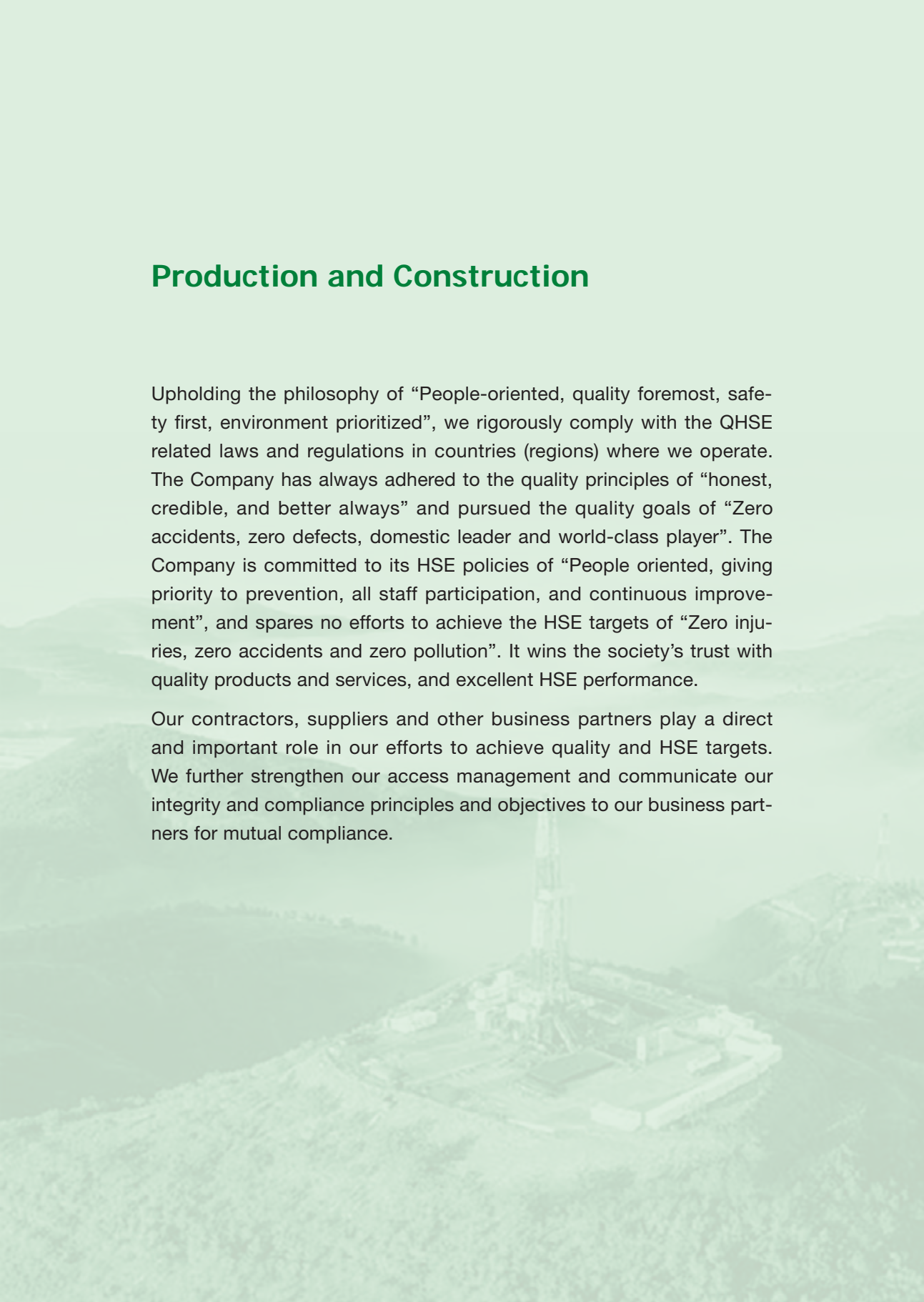
- ◎ Damages to reputation and brand value;
- ◎ Liabilities for compensation, confiscation of income, fines or penalties;
- ◎ Loss of business opportunities and economic loss if the Company is black-listed.

The individuals may be subject to disciplinary measures by the Company. For those committing serious violations, their labor contracts may be terminated and they may even be investigated for criminal liabilities.

## Production and Construction

Upholding the philosophy of “People-oriented, quality foremost, safety first, environment prioritized”, we rigorously comply with the QHSE related laws and regulations in countries (regions) where we operate. The Company has always adhered to the quality principles of “honest, credible, and better always” and pursued the quality goals of “Zero accidents, zero defects, domestic leader and world-class player”. The Company is committed to its HSE policies of “People oriented, giving priority to prevention, all staff participation, and continuous improvement”, and spares no efforts to achieve the HSE targets of “Zero injuries, zero accidents and zero pollution”. It wins the society’s trust with quality products and services, and excellent HSE performance.

Our contractors, suppliers and other business partners play a direct and important role in our efforts to achieve quality and HSE targets. We further strengthen our access management and communicate our integrity and compliance principles and objectives to our business partners for mutual compliance.



## 1 Ensuring Safe Production

We are engaged in a business which involves high risks, and safety is always the top priority. We always keep “never seeking development at the cost of safety” in mind and have fostered the notion of “all accidents can be avoided”. In the meantime, we carefully identify risks and hazards, work hard to eliminate accidents, explicate the primary responsibility, to ensure safe production and continuously improve safety profile.

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### You should

- ✓ Fully understand and strictly follow safe production laws, regulations, as well as relevant protocols and operation specifications of CNPC regarding the responsibilities of your position;
- ✓ Identify hazards, evaluate risks and master proper control methods before you start to work;
- ✓ Wear and use necessary protective equipment;
- ✓ Report potential safety hazards and issues;
- ✓ Get familiar with emergency response plans for safety accidents and participate in emergency drills.



### You should not

- ✗ Take on work-related matters for which you are not qualified;
- ✗ Operate in violation of relevant protocols or specifications, or give commands or orders to do so;
- ✗ Initiate operations even though you are aware of potential hazards that may cause major accidents, without taking measures to eliminate the risk;
- ✗ Conceal, delay reporting or falsely report safety accidents;
- ✗ Drink or use illegal substances on working premises and/or during working hours.

## 2 Protecting the Environment

The Company earnestly implements the concept of “Lucid waters and lush mountains are invaluable assets”. It always adheres to the principle of “developing while protecting, protecting while developing, and giving priority to the protection of environment”, and never makes concession in ecological and environmental protection. In the meantime, the Company vigorously implements Green & low-carbon Strategy and accelerates the development of clean production and environmental protection industries, thus building a low-carbon energy supply system, and promoting green and low-carbon transition.

We embrace international treaties and agreements regarding ecological environment protection, and participate in international cooperation on climate change. We also carry out environmental impact assessment, follow regulatory requirements regarding pollutant discharge permits, adhere to the principle of simultaneously designing, constructing and applying pollution prevention & control facilities together with the main projects, thus forming a “mechanism featuring simultaneous operations in three aspects” that matches our project investment and environmental protection responsibility.



### You should

- ✔ Fully consider the actual or potential negative impact of your behavior on the environment and the ecology;
- ✔ Save resources;
- ✔ Immediately report any leakage of harmful substances or other situations that may damage the environment, as required.



### You should not

- ✘ Operate without necessary environmental permits;
- ✘ Discharge pollutants or dispose wastes in violation of the regulations.

### 3 Improving Quality of Products and Services

Quality is the lifeline of a company. We uphold the concept of “quality brings safety and benefits”, implement full-process quality control and keep improving the quality of products and services with science-based management systems and advanced technological methods.

We carry forward the “craftsmanship spirit”, honor our commitment on quality, and earnestly safeguard the interests of consumers.

---



#### You should

- ✓ Learn about the laws, regulations and standards regarding quality;
- ✓ Strictly abide by various requirements and specifications during the production processes.



#### You should not

- ✗ Adulterate products or offer fake or shoddy products;
- ✗ Sell expired or deteriorated products;
- ✗ Forge or fake quality marks.

## Business Engagement

We uphold the principles of honesty, equal consultation, mutual benefits, and win-win cooperation, and comply with business ethics, laws and regulations in business activities.



## 1 Establishing a Good Business Partnership

Our business partners include suppliers, contractors, sub-contractors, agents, distributors, joint venture partners and customers. The development of the Company cannot be separated from the support and help of our business partners, and we look forward to establishing a partnership with mutual respect and trust with them. We treat all business partners fairly and equally.

We prudently select our business partners based on in-depth understanding, investigation and evaluation of their performance on integrity and compliance, and organize due diligence when necessary. Any improper behavior of business partners will not only harm the Company's interests and reputation, but also cause legal liabilities for the company.

---



### You should

- ✔ Treat all business partners in an honest, respectful and responsible manner;
- ✔ Fulfill contractual obligations in good faith.



### You should not

- ✘ Encourage, hint or tacitly allow business partners to employ any behavior in violation of laws or business ethics;
- ✘ Delay delivery and/or payment without any legitimate reason when fulfilling the contract.

## 2 Prohibiting Bribery

Bribery, as an act of unfair competition, not only harms the interests of stakeholders, but also poses serious damage to the market order of fair competition. We strictly abide by all the applicable anti-bribery laws and international conventions, and resolutely oppose and prohibit all forms of bribery.

To maintain our good cooperation with business partners, the Company allows moderate gifts and hospitality, but prohibits any improper gift and hospitality. When making donations and sponsorships, we must be cautious to avoid any risk of bribery. More importantly, we should never get involved in any politics-related donations or sponsorships. Legal discounts and commissions are allowed, but only between business partners and never with individual employees.

For specific anti-bribery requirements, you may refer to the Company's *Anti-bribery Guidelines* and corresponding policies and protocols.



### You should

- ✔ Strictly follow the Company's regulations and standards, and fulfill relevant approval and registration procedures when offering gifts and hospitality;
- ✔ Be more cautious when providing governmental officials and public servants with gifts or hospitality;
- ✔ Be explicit when offering discounts or commissions, and make truthful records accordingly.



### You should not

- ✘ Offer/ accept gifts or hospitality that are not in conformity with the Company's regulations or that may pose an influence on business decision-making (including those offered at your own expense);
- ✘ Make payments to the management or employees of business partners in the form of commissions, referral fees, reimbursement, etc;
- ✘ Demand gifts or hospitality from business partners;
- ✘ Give bribery directly or through any third parties;
- ✘ Make any facilitation payment (allowed only when the life of employees or assets of the Company are in danger, provided that such payments are reported to the Company and truthfully and accurately recorded in financial accounts).



### 3 Abiding by Anti-Monopoly Regulations

Monopoly disrupts the market order of fair competition, and harms the interest of consumers and the society. We always engage in fair and free competition within the legal framework, strictly abide by the anti-monopoly laws of the countries (regions) where we operate, and prohibit all monopolistic behaviors that undermine fair competition.

Monopoly is the act of excluding and restricting competition, which typically features monopoly agreement with competitors, abuse of dominant market position, and concentration of undertakings that may hinder competition. We should keep an eye on these monopolistic behaviors when we participate in market competition.

For more specific anti-monopoly regulations of the Company and/or if you have any questions, please refer to the Company's *Guidelines on Anti-monopoly* or consult the Legal Department.

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#### You should

- ✓ Submit marketing plans, pricing strategies, joint venture cooperation and merge & acquisition documents to the Legal Department for review;
- ✓ Definitely refuse to discuss the following sensitive information regarding market competition with competitors: price, cost, sales, customers and clients, terms of transaction, markets, R&D, etc.;
- ✓ When interacting with competitors, be cautious to evaluate monopoly risks, and consult the Legal Department in a timely manner in case of any doubt.



#### You should not

- ✗ Share or discuss any competition-sensitive information with competitors;
- ✗ Reach agreement with competitors on the followings:
  - Fixing or changing commodity prices;
  - Production or sales volume of products;
  - Market segmentation, etc.
- ✗ Involve in bid-rigging;
- ✗ Restrict the resale prices of distributors;
- ✗ Abuse dominant market position.

## 4 Prohibiting Unfair Competition

Laws also prohibit other forms of unfair competitions in addition to bribery and monopoly. We should strictly abide by relevant regulations and participate in competition fairly and legally in accordance with the principles of “voluntary, equal, fair and honest.”

---



### You should

- ✔ Show respect to competitors and other market players;
- ✔ Objectively and truthfully advertise the Company's products and services;
- ✔ Consult the Legal Department when planning sweepstakes and other promotion campaigns.



### You should not

- ✘ Discredit or slander your competitors;
- ✘ Organize sweepstakes in violation of the regulations;
- ✘ Counterfeit trademarks, trade names, packaging, etc.

## 5 Avoiding Sanctions and Export Control Risks

Economic sanctions are commonly imposed on specific countries, specific industries and/or entities/ individuals of specific countries for national security or foreign policy purposes through restrictions on transfer of funds, trade and economic resources. Export control usually takes the form of permit application system, ban on the export/ re-export to specific countries, specific end-users, or ban on the export/ re-export of specific end-use items based on the list of controlled items (dual-use items or sensitive products and technologies, etc.).

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### You should

- ✓ Fully understand specific regulations regarding sanctions and export control, as well as relevant counter laws, get familiar with the specific targets and contents of such sanctions and control, and consult the Legal Department and relevant professionals if you have any questions.

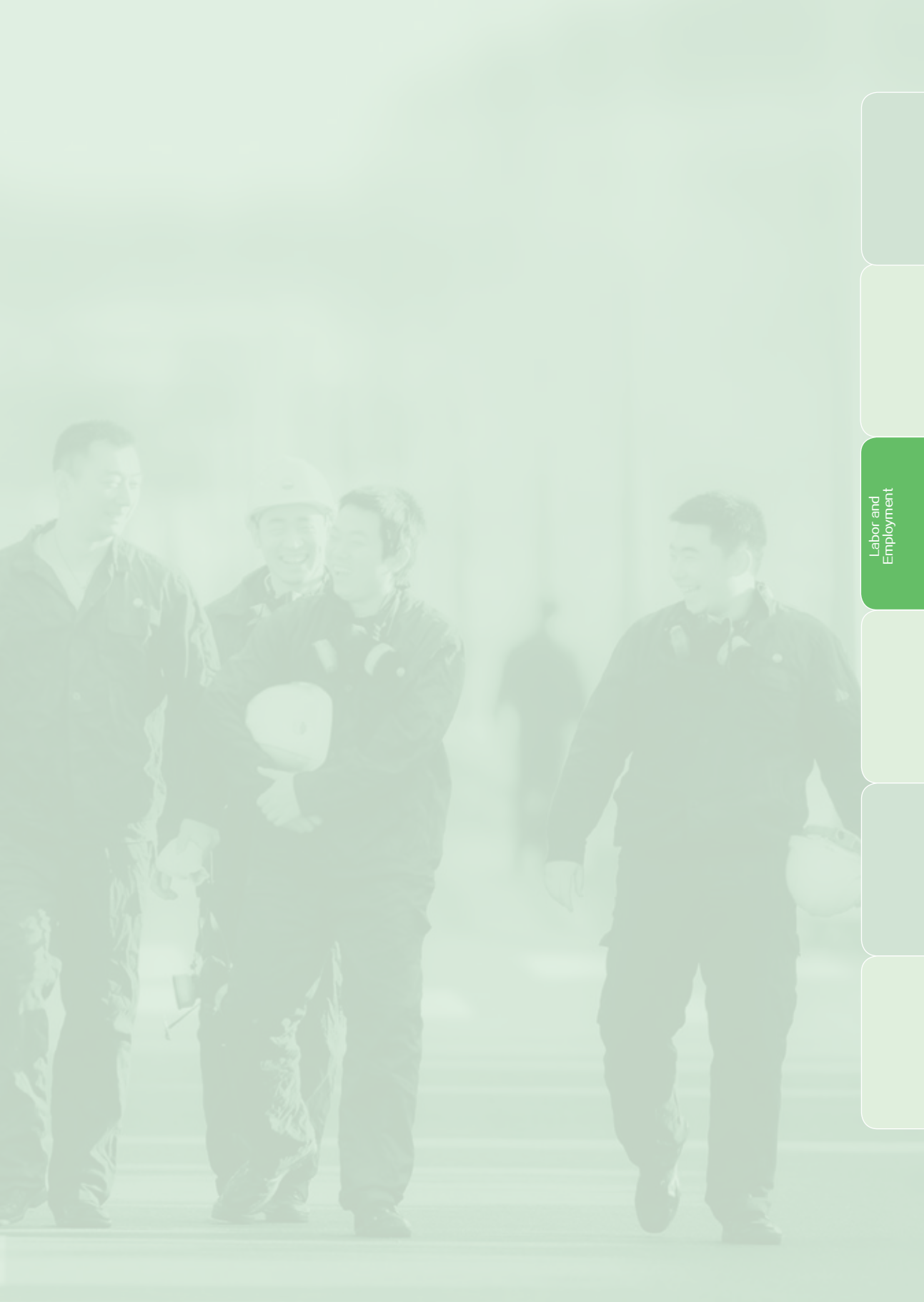


### You should not

- ✗ Engage in any business in violation of sanctions or export control laws and regulations;
- ✗ Try to get around applicable sanctions or export control laws and regulations through any third parties (e.g. logistics suppliers, agents or distributors).

## Labor and Employment





# 1 Establishing a Harmonious Employment Relationship

Keeping the concept of “people-oriented” in mind, we strictly abide by applicable international conventions concerning labor and human rights, and relevant laws of the countries (regions) where we operate, respect and safeguard the legitimate rights and interests of employees according to law, value their safety and health, and build a sound platform to promote their all-round development, thus realizing the common improvement of their personal value and enterprise value.

We establish employment relationship with employees based on the principles of “fairness, legitimacy, equality, free will and honesty”. We form labor safety and health systems, optimize the occupational health management standard, and make all endeavors to avoid accidents during work and occupational hazards, thus safeguarding the legitimate rights and interests of employees.

---



## You should

- ✓ Respect colleagues with different nationalities, races, genders, ethnic customs and religious beliefs;
- ✓ Follow the Company's labor and work disciplines, work in a civilized manner, and treat people politely;
- ✓ Unite with colleagues and help one another;
- ✓ Make complaints and appeals in a lawful and proper manner.



## You should not

- ✗ Have words and behaviors that may offend, insult and harass colleagues;
- ✗ Engage in activities not related to work in the workplace and during working hours;
- ✗ Spread rumors or other defamatory and discriminatory information about colleagues;
- ✗ Inquire and disseminate colleagues' privacy.

## 2 Avoiding Interest Conflicts and Other Misconducts

Employees should correctly handle the relation between their personal interests and interests of the Company. Whether they are carrying out job duties or personal affairs, they must never do anything that can harm the interests of the Company or its reputation. Employees are expected to avoid any conflict between their personal interests and the Company's interests, and no one would illegally transfer the Company's interests to other enterprises and individuals by leveraging job convenience.

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### You should

- ✓ Take the initiative to report any possible conflict of interests;
- ✓ Take avoidance when handling matters that may involve conflict of interests;
- ✓ Obtain approval and authorization before making decisions on behalf of the Company.



### You should not

- ✗ Invest directly or indirectly in non-listed enterprises that compete with the Company without the Company's consent;
- ✗ Assist others in competing with the Company;
- ✗ Take part-time jobs without the consent of the Company;
- ✗ Seek improper benefits and interests for yourself or others by using the Company's assets and information.

# **Financial Affairs, Taxation and Assets**





# 1 Strict Enforcement of Fiscal and Taxation Systems

Abiding by relevant laws and accounting standards, we truthfully, accurately and completely record accounting information, prepare financial statements, establish accounting archives, and resolutely say no to financial fraud. We fulfill our duty of tax declaration, tax payment and tax withholding and remittance according to law, disclose tax information according to regulations, and preserve true, accurate and complete tax-related materials that satisfy the requirements of relevant tax authorities.

---



## You should

- ✔ Follow relevant review and approval procedures when making external payment, advancing payments, or applying for reimbursements;
- ✔ Issue and obtain invoices for actual expenditures.



## You should not

- ✘ Apply for reimbursement for expenses that have not actually incurred or were incurred in activities other than duty performance;
- ✘ Withhold, misappropriate and transfer the Company's funds;
- ✘ Re-sell or purchase invoice in violation of the laws.

## 2 Properly Using and Protecting Company Assets

Company assets are the material foundation for the Company's sustainable development, which include tangible assets such as oil and gas wells, pipelines, facilities, buildings, machines, and equipment, and intangible ones such as mining rights, land usage rights, intellectual property rights and goodwill. Loss, misappropriation or abuse of Company assets caused by improper management or use will have serious adverse impact on our production and operation, so each of us should properly use and protect Company assets.

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### You should

- ✓ Keep and use Company assets in accordance with relevant systems and regulations;
- ✓ Protect the Company's intellectual property rights;
- ✓ Maintain the Company's brand reputation.



### You should not

- ✗ Use Company assets for illegal purposes;
- ✗ Waste or damage Company assets;
- ✗ Dispose of Company assets without permission;
- ✗ Infringe on others' intellectual property rights.

### 3 Abiding by Anti-money Laundering Regulations

Money-laundering is the hiding and disguising of the source and nature of illegal gains and proceeds by an individual or organization by using various measures so as to create the appearance that such gains and proceeds originate from a legitimate source. Money laundering is prohibited by law, which seriously affects the reputation of enterprises. We must comply with all applicable Anti-money Laundering laws, and establish corresponding systems and procedures to prevent ourselves from being taken advantage of by criminals who intend to launder money.

---



#### You should

- ✔ Do due diligence on the legality of the transaction counterparty and the source of transaction funds.
- ✔ Immediately consult relevant departments and preserve evidences in case of suspicious money laundering activities.



#### You should not

- ✘ Engage in money laundering;
- ✘ Rent or lend the Company's licenses, accounts, bank cards, USB keys and QR codes for receiving or paying money without authorization.

# Information Protection



## 1 Keeping Confidential Information

Confidential information concerns the interests of the Company. We further strengthen the confidentiality awareness of all personnel, establish a confidentiality system, and improve confidentiality measures to avoid losses and leaks of confidential information.

---



### You should

- ✓ Properly keep, use and transmit confidential information;
- ✓ Immediately report and take timely rectification measures for any leak or potential leak of confidential information.



### You should not

- ✗ Disclose confidential information in violation of regulations;
- ✗ Refer to confidential information in public places and private communication;
- ✗ Post confidential information on social media;
- ✗ Disclose confidential information during interviews and in published articles;
- ✗ Save and transmit confidential information through non-secret-related devices and facilities;
- ✗ Disclose the Company's confidential information without authorization and approval.

## 2 Protecting Personal Information

It is our duty to protect personal information. We must strictly abide by the laws on information protection of international organizations and countries (regions) where we operate, and collect, store and use personal information according to law.

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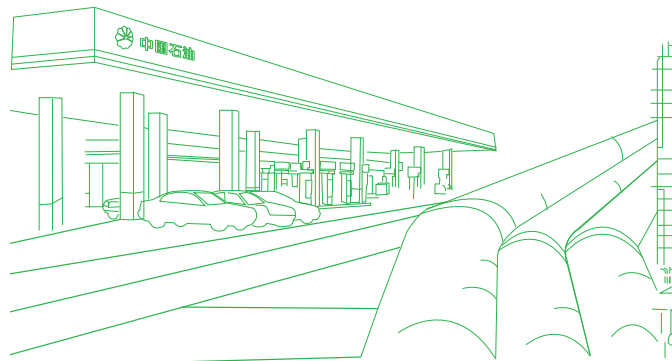
### You should

- ✓ Obtain the consent of individuals before collecting their personal information;
- ✓ Use personal information according to law;
- ✓ Properly keep personal information to avoid any loss or leak.



### You should not

- ✗ Collect personal information by fraud and deception;
- ✗ Obtain personal information from illegal channels;
- ✗ Publicly disclose and sell personal information.



### 3 Safeguarding Information Security

The development of Internet technology has greatly facilitated our work and life, but information security risks emerge accordingly. It is vital for the Company to effectively prevent these risks. We implement a graded protection system on network security, and take necessary measures to prevent the Company's network from attacks, breaches, interference and sabotage, so as to keep the network in stable and reliable operation and ensure information security.

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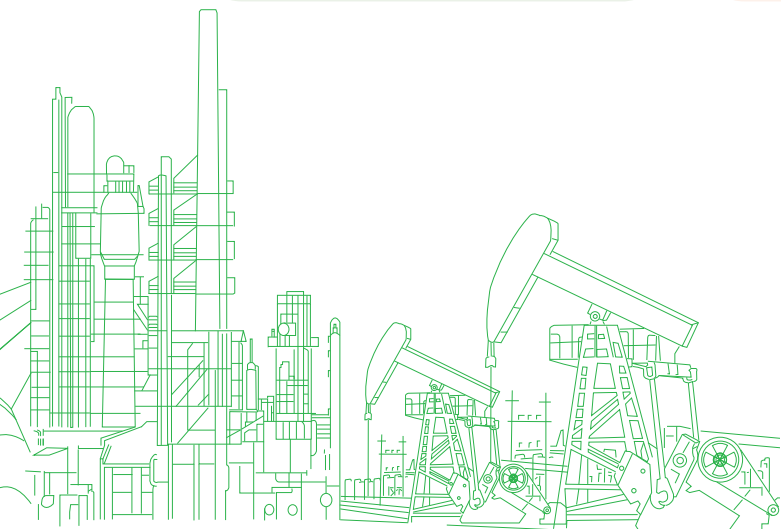
#### You should

- ✓ Learn and acquire knowledge regarding information security, and participate in information security training;
- ✓ Stay alert to harmful programs and network attacks;
- ✓ Report information security risks and incidents without delay.



#### You should not

- ✗ Log in illegal websites or download malicious software;
- ✗ Click to check suspicious e-mails or links;
- ✗ Disclose or disseminate illegal information.



## Governments and Communities

The support from governments, communities and residents are extremely important to the Company's sustainable development. The Company emphasizes the communication and cooperation with governments, makes positive effort in building constructive and strategic relationship with governments, and accepts the supervision and management of governments. We take concrete measures to fulfill social responsibilities, actively participate in community public welfare undertakings and attach importance to the public interests of local communities so that they can benefit from our actions.







## You should

- ✓ Respect the culture, customs and religious beliefs of countries (regions) where we operate;
- ✓ Apologize promptly and sincerely if you unintentionally break local taboos.



## You should not

- ✗ Seek illegal and improper benefits by leveraging the relationship with governments;
- ✗ Engage in production activities with no regard for any possible adverse impact on local communities and residents;
- ✗ Engage in behaviors that impair the legitimate rights of local communities and residents;
- ✗ Use taboo words or pictures or illustrations in relevant countries (regions) in business communication and the advertisement and publicity of the Company.

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## Letter of Commitment

I hereby confirm that I have carefully read and learned the contents of the CNPC's Integrity and Compliance Guidelines. I fully understand the integrity and compliance requirements and consequences of violating them, and hereby make a formal commitment to complying with relevant rules and regulations.

Signature:

Date:



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For more information, employees may log on the Compliance Management Information Platform (<http://ecp.cnpc>) via the internal network.

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