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Public Welfare

We always adhere to combining our business growth with sustainable development of the host countries in which we operate. We aim to become an outstanding business enterprise in the host country by attaching importance to people's livelihood and social progress, sharing development opportunities and resources with the local community, participating actively in the development of local communities and promoting harmonious economic and social development.

SDGs



Targeted Poverty Alleviation

Poverty alleviation is an important topic in sustainable development around the world and also one of our key concerns. We have responded positively to the initiatives of the United Nation's *2030 Agenda for Sustainable Development* and to the Chinese government's policies on poverty alleviation targeted at the improvement of people's livelihood, industrial development, intellectual development and medical care. By combining our business strengths with local resources and market advantages in areas receiving assistance, we have taken targeted measures to help them develop the local economy on their own.

In 2019, we invested RMB 152 million and continued to carry out fixed-point poverty alleviation and aid programs, and implemented 70 projects, including infrastructure reconstruction, education and training, healthcare, and industrial collaboration in 13 counties and districts in 7 provinces (municipalities and autonomous regions) of China - Xinjiang, Tibet, Qinghai, Chongqing, Henan, Jiangxi and Guizhou.

All **10** targeted counties have successfully eliminated poverty.

Since the initiation of the 13th Five-year Plan, we have invested RMB **1.8** billion aid, benefiting more than **3.5** million people.

CNPC was honored as 2019 Responsible Corporate of the Year

At the 15th China International Corporate Social Responsibility Forum hosted by China News Service and News China, CNPC was honored as 2019 Responsible Corporate of the Year.

100 %

All 10 targeted counties were removed from the list of poverty-stricken counties.

152 million RMB

We contributed RMB 152 million to poverty alleviation (73% more than in 2018) and implemented nearly 70 alleviation projects.

9.62 million RMB

In conjunction with China Foundation for Poverty Alleviation and other organizations, we contributed RMB 9.62 million of social capital, which represents a year-on-year increase of 47%.

3,570

We provided training to 3,570 grassroots managers and 3,138 technical personnel.



168 million RMB

We facilitated the sales of the agricultural products from poverty-stricken areas through canteens, supermarkets and service stations, with sales volume of RMB 168 million.

12 million RMB

We allocated in aggregate RMB 12 million to the eco-forest project in Qapqal Xibe Autonomous County, Ili Kazakh Autonomous Prefecture, Xinjiang, with fruit trees planted in an area of 6,000 mu.

1,000+

We helped over 1,000 poor people find jobs.

200+ person-times

Following the model of "enterprises + cooperatives + poor households", we supported 26 cooperatives in targeted counties by providing job or business opportunities for poor families.

Case Study

Women's Empowerment & Value Fulfillment

Women serve as the most important potential driving force of poverty alleviation and rural development in poor areas. CNPC provides them with proper skill training and job opportunities and helps them and their families achieve a better life.

- Migrant female workers returned to work in their hometowns to better care for their families

Since 2016, CNPC has implemented the "Where is My Mum Going" project in Guanshan Village, Yaojia Township, Hengfeng County, Jiangxi Province. Under this project, CNPC invests in building a seedling cultivation cooperative, creating intensive light-labor job opportunities for women locally. Female employees are allowed to come to work one hour later and leave work one hour earlier for the convenience of taking care of the children and seniors of their families.

So far, more and more women working outside have returned to the village for work under the project. By the end of 2019, the cooperative provided employment to over 80 women, who had an average annual income of RMB 5,000 to RMB 10,000.

- Helped housewives join the workforce

In some rural areas, conservative family values mean that they would rather suffer poverty than allow women to go out to work. Our investigation indicated that Talanchi Food Factory in Qapqal Xibe Autonomous County, Ili Kazak Autonomous Prefecture, Xinjiang, was suitable for women's employment, and therefore we donated food processing equipment to this factory from 2014 and expanded its production.

CNPC helped local women to work happily, easily and confidently by helping them change their traditional values. As the factory expands, a growing number of local women are working independently and confidently.

Highlights of CNPC's Targeted Poverty Alleviation Projects in 2019

Project	Description
PV power station	Construction of the 1.05 MW centralized PV power station in Longmenfan Township
Construction of agricultural park	Construction of the Huanghe Ecological Wetland High-efficiency Agricultural Park in Sunkou Town
Model tourism project	Built featured homestays depending on local tourism resources
Combate natural disasters	Provided living and livestock-raising materials to the herdsmen affected by severe snows
Products sales event	Sold the agricultural and handicraft products of the targeted counties at CNPC service stations and convenience stores
Support local enterprises	Helped Talanchi Food Factory purchase new equipment and expand production capacity



• Women trained with skills for a better life

Many women from poor families are less educated and less skilled when it comes to securing employment. Considering that maternity matrons are in huge demand, with low entry threshold, ideal payment and opportunities, CNPC initiated the "Angelical Maternity Matrons" project from 2016 to help local women improve their nursery skills and gain more employment opportunities.

By the end of 2019, 118 women in four counties, including Xishui County of Guizhou Province, Hengfeng County of Jiangxi Province, Fan County and Taiqian County of Henan Province, were trained for housekeeping and taking care of babies.

"I can earn more than RMB 10,000 every year by working at my hometown now. My husband can work in other places easily. Our family income is growing, and our family life is getting better and better. We are really grateful to the government and CNPC for the great policy support. We are happy and confident about our livelihood now and in the future."

— Fan Julan, from Yaojia Township,
Hengfeng County, Jiangxi Province



	Venue	Effects
	Hengfeng County, Jiangxi	Increased the income of local villages and many poor families
	Taiqian County, Henan	Expected to obtain an annual output of more than 1.5 million kg of pollution-free vegetables and fruits and achieve an annual operating revenue of RMB 7 million
	Fanxian County, Henan Province	Developed the tertiary industry led by rural tourism through villagers' cooperatives, and formed an industrial system integrating multiple sectors such as tourism
	Yushu, Qinghai	Assisted the herdsmen affected by severe snows to minimize the property damage
	Urumqi, Xinjiang	Exhibited 682 kinds of agricultural and handicraft products, and entered into purchase agreements worth a total of RMB 150 million
	Qapqal County, Xinjiang	Provided more jobs for local women

Special Report

Developing Featured Industry to Support Poverty Alleviation

Poverty alleviation is the greatest global challenge today, and also the common mission of mankind. Since 1994, CNPC has responded actively to the initiatives of the Chinese government's policies on poverty alleviation targeted at the improvement of people's livelihoods, industrial development, intellectual development and medical care. By leveraging our strengths, we have contributed greatly to the fight against poverty.

We support

- the UN Millennium Development Goals (MDGs)
- the UN Sustainable Development Goals (SDGs) 2030
- *Seven-Year Program for Lifting 80 Million People Out of Poverty (1993-2000)*
- *Outline for Development-Oriented Poverty Alleviation for China's Rural Areas (2001-2010)*
- *Outline for Development-Oriented Poverty Alleviation for China's Rural Areas (2011-2020)*



Poverty Alleviation through Industrial Development

For targeted poverty alleviation through industrial development, we endeavor to create job opportunities to help the poor earn more money and get rid of poverty. A total of ten counties (including Xishui County in Guizhou, Hengfeng County in Jiangxi and six counties in Xinjiang) under CNPC's fixed-point poverty alleviation program all passed the national special assessment and inspection, marking that they successfully got rid of poverty.





Jiangxi | Hengfeng County

We invested RMB 42.3869 million from 2011 to 2019.

In 2019, we invested RMB 7.88 million in a centralized PV power generation project, which is expected to create an annual income of RMB 962,100 for poverty-stricken families every year in the 20-year operation period. We also invested RMB 1 million in building a 70-mu fig planting base, which is expected to fruit in 2020 and can be in season for up to 20 years; the project can bring a collective income of more than RMB 100,000 for the village every year, with more than RMB 1,000 increase for each of the 96 poverty-stricken families.

In 2020, we will focus on the projects like poverty alleviation through education and the Tongzhou Project.

Mei Shili, a CNPC employee at the temporary position of Deputy Mayor of Hengfeng County:

We will try to make an exemplar practice of poverty alleviation, following the dedicated orientation and concept, with our carefulness, patience, enthusiasm, sincerity and concentration, as well as our prudence, diligence and thoughtfulness.

Huang Qiunian, a poor resident:

CNPC built the asphalt road in our village. A bus route has also covered the village. Now, we can easily go outside the village, and children can go to school by taking this safe and convenient mode of transport rather than by bike.

Changes

- The per-capita disposable income of rural residents was RMB **11,542**, in 2019.



PV power station for poverty alleviation in China

- Electricity production was **1.1528** million kilowatt hours in 2019.
- An income of RMB **477,600** was generated, excluding subsidies.



Xinjiang | Qapqal County, Ili

CNPC began to perform fixed-point poverty alleviation in Qapqal County in 2003. So far, CNPC has invested more than RMB 28 million in over 20 poverty alleviation projects, involving donations of money and supplies, construction of primary schools and medical stations, as well as the current poverty alleviation activities through industrial development and consumption aid.

Since 2016, CNPC has invested more than RMB 10 million to build the Safflower Industrial Park. In 2018, 2,500 tons of safflower seeds were purchased to produce 500 tons of safflower oil, which benefited 800 households, with RMB 2,000 increased for each household.

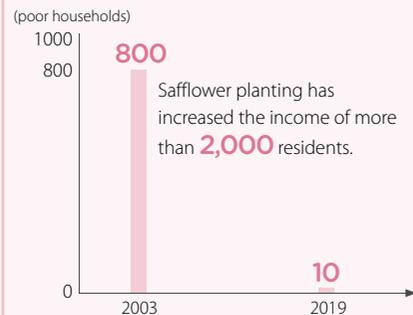
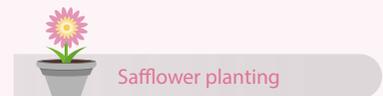
Zhao Taifeng, Deputy Secretary of the Qapqal County and Director of the Organization Department:

The poverty alleviation through industrial development is a good choice to help the poor completely get rid of poverty. The poor residents can have the chance of employment and their ideals have also changed.

Refuk Yusuf, a poor resident:

I make naan bread (a kind of crusty pancake) in the Safflower Industrial Park. By doing so, I have earned sufficient money to support my two children's college expenses. I praise the CPC's policies, and I appreciate CNPC.

Changes





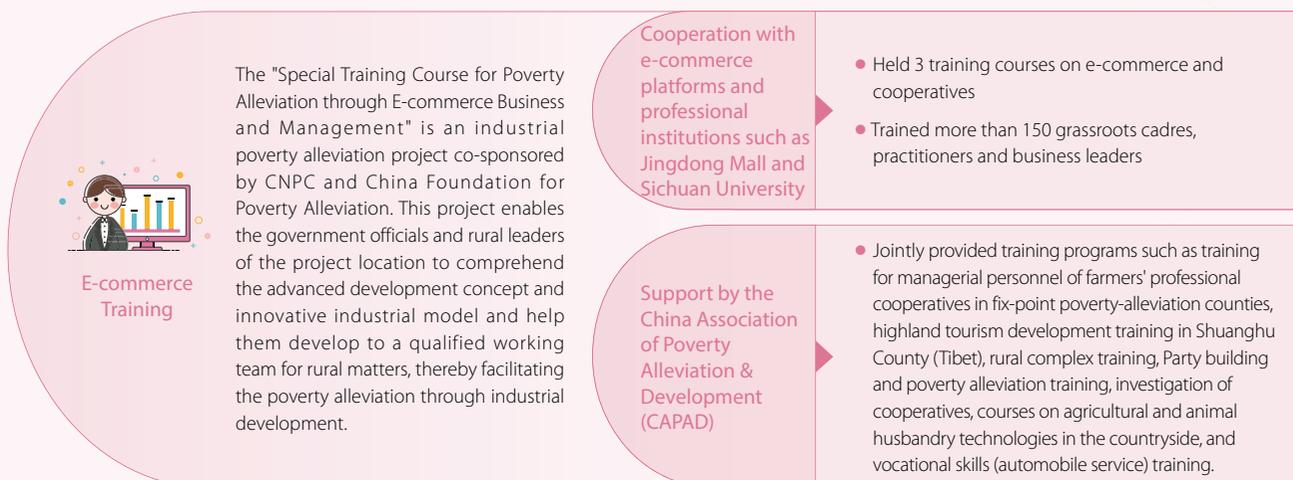
Poverty Alleviation through Improvement of People's Livelihoods

We focus on improvement of the living standards and the overall quality of life. To solve the prominent problems such as poor public facilities and less profitability of residents, we have assisted in the projects of herders' housing, municipal facilities, infrastructure, drinking water and irrigation.



Poverty Alleviation through Education and Training

We carry out the projects of poverty alleviation through intellectual development, such as the Xuhang Program (Page 69), the Teacher Training Program (Page 68), and the E-commerce Training, to educate/train the elementary and middle school students, teachers and managers in the selected poverty-stricken counties.





Poverty Alleviation through Medical Care

We strive to improve the medical conditions in poor areas through multiple measures, such as assisting developing counties in building/renovating township medical centers, making regular clinic visits, and training rural medical workers.

Free and regular clinic visits

CNPC medical teams have provided free and regular clinic visits for 11 consecutive years from 2009 to 2019, covering 35 towns in 10 counties, such as Shuanghu County in Tibet, Bijie County in Guizhou, Hengfeng County in Jiangxi, and Qinghe County in Xinjiang.

Training for rural doctors

We have provided training for 8 consecutive years from 2010 to 2019 for 209 rural doctors in 11 counties, such as Shuanghu County in Tibet, Lenghu County in Qinghai, Toli County in Xinjiang, Xishui County in Guizhou and Taiqian County in Henan.

Medical support/assistance

We sent four doctors to Hengfeng Hospital in Jiangxi from 2016 to 2017 for joint diagnosis of difficult cases.



Supporting Education

Access to high-quality education is fundamental for improving the quality of life and achieving sustainable development. It is clear that education is one of the biggest drivers of sustainable development. CNPC strives to carry out various activities and gives young people equal opportunities for education to help them pursue their goals and boost their personal growth. Specifically, we set up scholarships, offer grant loans and subsidies to students from underprivileged families, improve teaching conditions in poor areas, and support scientific and cultural activities as well as relevant competitive activities. In 2019, we granted CNPC Scholarships of RMB 3.99 million to 635 excellent students.

In addition, we explore new models to support education, and call on the public to focus on and work together to achieve education equality. In cooperation with China Foundation for Poverty Alleviation (CFPA), Beijing Normal University Group and Tencent Foundation, we sponsored the Xuhang Program and the Teacher Training Program to help students from poor families complete their studies.

Case Study

Teacher Training Program

We launched the Teacher Training Program in Nilek County. On one hand, some outstanding teachers from Beijing went to Xinjiang for teaching exchanges. On the other hand, some front-line teachers in Nilek were selected for advanced training at the prestigious schools such as Beijing Shijia Education Group. In this way, the teachers in poor areas improved their teaching level, and local education development was driven. Up to June 30, 2019, the Teacher Training Program has been provided for 24 teachers of Nilek County in four sessions.

A teacher from Beijing No. 171 High School is teaching physical experiments to the students in Wuzan Middle School in Nilek County ▶



"How can we instill the teaching essence of Beijing No. 171 High School into our teaching activities? How can we deliver the most cutting-edge ideas of the metropolis to our teachers and students? I have been thinking about the solutions, so that I can efficiently incorporate what we have learned into my teaching practices."

— Ma Aiju
(Teacher from Fan County No. 1 Junior Middle School in Henan Province)



"The Teacher Training Program of CNPC assists the education in remote areas. It allows us to have close contact and communication with the teachers from Beijing No. 171 High School. I hope that such charity activity can be passed on."

— Ma Tianlan
(Teacher from Wuzan Middle School in Nilek County)

Case Study

CNPC Xuhang Program

The Xuhang Program is a public welfare project launched by CNPC, aiming to help impoverished senior high school students. It has been implemented in 20 schools in 20 counties of 8 provinces (Sichuan, Henan, Guizhou, Jiangxi, Hebei, Qinghai, Gansu and Yunnan). In total, more than 7,600 senior high school students in extreme poverty received assistance from this Program with subsidies and scholarships, and 781 senior high school graduates received rewards for entrance to universities/colleges. More and more students have been aided by the Program in their course of education.



I had thought that my dream of education was ended due to the poor financial situation. Fortunately, it can continue to fly with the wings given by the Xuhang Program. I will, and I am willing to, give back to the ones who have helped or may help me, with my efforts and enthusiasm.

— Wu Caiyang
 (A student aided by the Program and now studying for Materials Science and Engineering in Tsinghua University)

Case Study

Achieving Every Tiny Dream

The "CNPC Walking together on the Charity Road" public welfare platform was established in 2016 to convey the public welfare concept of all the people and help the public realize the initiatives on public welfare. By the end of 2019, a total of 3,400 philanthropic ideas were collected, of which 740 were funded. We believe that every initiative on public welfare will bring changes to the world.

In 2019, we collected 480 philanthropic ideas, of which 196 went online and 188 were funds. The platform won the 2019 Top Ten Public Welfare Creativity Awards assessed by ifeng.com, for its innovation, professionalism and social influence.

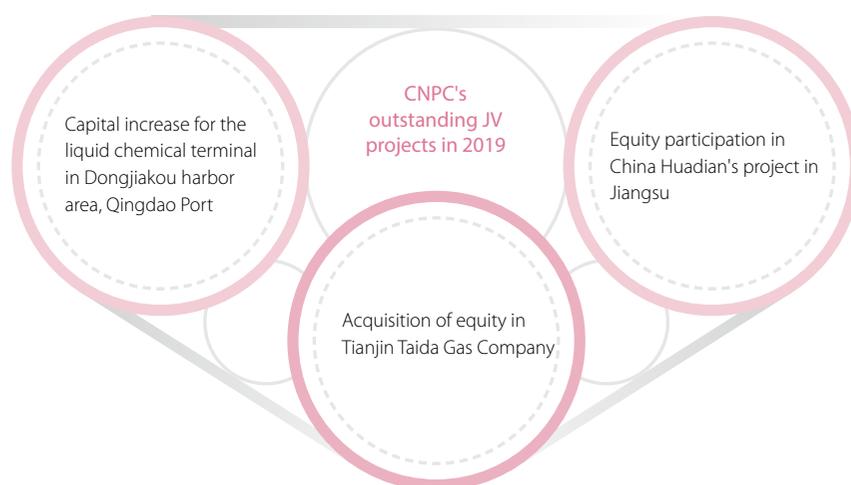


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Promoting Local Development

CNPC's development is inseparable from the support and help of the governments, communities and the general public. While providing a continuous and stable energy supply for economic development, we insist on the principle of open cooperation for mutual benefit, expanding our joint-venture cooperation with state-owned capital, social capital and foreign capital in the upstream, mid-stream and downstream sectors. During the process of developing and running our projects, we help to nurture local suppliers and contractors, thereby creating jobs, driving the growth of related businesses, and giving back to local people.



Cultural Civilization

We encourage employees to participate in volunteer activities to help out people with difficulties so as to advocate new trends in social civilization and contribute to the development of cultural civilization.

Volunteer Activities of Employees

We encourage our employees to serve communities and participate in other volunteer activities. In 2019, we had 3,322 youth volunteer teams with 113,000 members. They provided 1.35 million hours of volunteer services, carrying out activities that directly benefit 2.88 million people.

Case Study

Offshore Youth Volunteer Activities

Established in July 2001, the Offshore Youth Volunteer Service Team of PetroChina Dalian Petrochemical Company has carried out a total of more than 100 youth volunteer activities over the past 18 years, including the Coastal Cleanup, the Green Coast and the Energy Conservation and Environmental Protection with Zero Emission. It has also provided more than 7,500 youth volunteer services for the cumulative duration of more than 18,700 hours, removing more than 300 tons of garbage on the coast and at sea.

Volunteer Services for Migrant Workers on Their Way Home

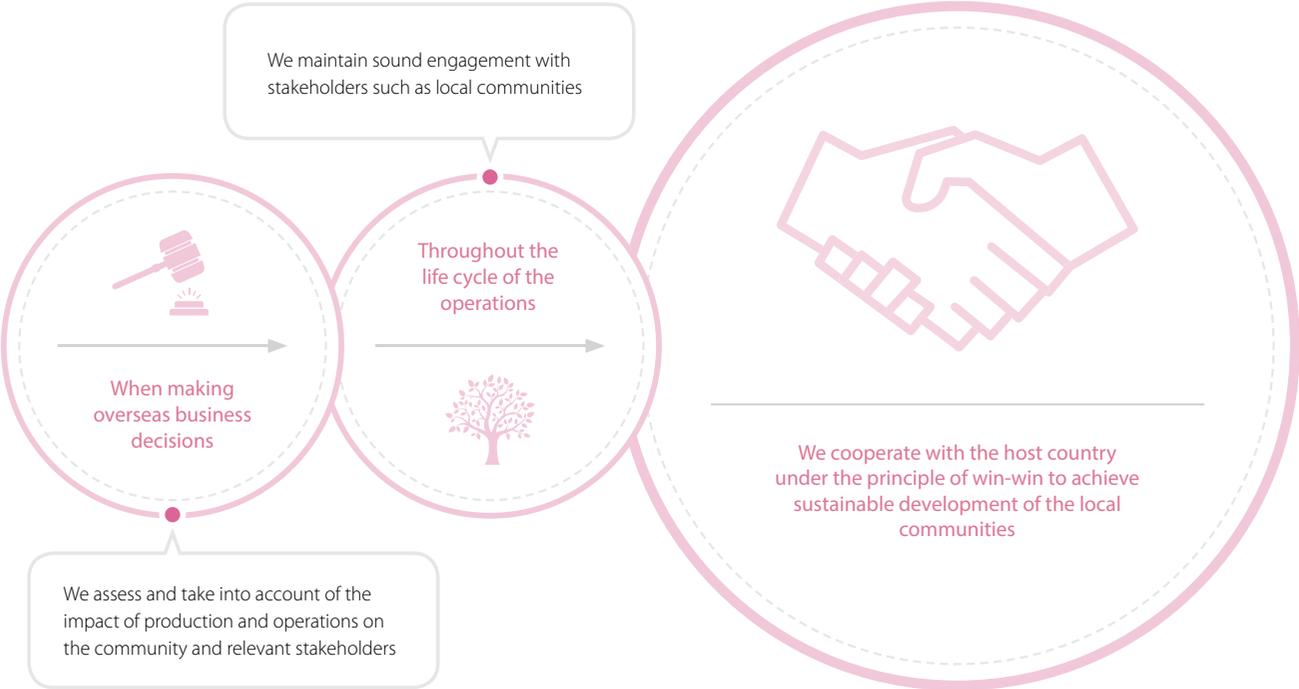
The Spring Festival of 2020 marked the ninth consecutive year we provided free gasoline, food and insurance at the Company's nearly 121 courtesy services stations at major national and inter-provincial highways in seven provinces including Fujian, Guangxi, Jiangxi, Hunan and Hubei for migrant workers who need to travel home on motorcycles. Up to the end of 2019, we have cumulatively provided assistance to 170,000 migrant workers who need to travel home on motorcycles.

Contributions to the Development of Overseas Communities

We respect the cultures and conventions of the host countries in which we operate, and we are committed to establishing long-term and stable cooperative relations with the host countries, along with striving to become an excellent corporate citizen in local communities. We incorporate our development into local socio-economic growth and create socio-economic value to jointly promote the development and prosperity of local communities. With outstanding social contributions, we have won the "Best Organization Award of the Year" at the Third Charity and Art Sponsorship Forum in Qyzylorda in Kazakhstan.

Enhancing Communication with Local Communities

We have set up environmental protection and community relations coordination departments in many overseas areas to promote cooperation with local governments, NGOs and community representatives. By holding conferences, issuing reports and paying visits, we strengthen communication and coordination and achieve a win-win situation in cooperation.



Manage Our Impact on Local Communities

We strive to make a positive impact on community development through carrying out responsible operations, which is not only translating into more employment opportunities, more tax contributions, and more business opportunities to local suppliers, but also reducing the environmental and social impact of production and operations on local communities as well as safeguarding the human rights of community residents.

Capacity Building for Local Businesses and Industries



Potential Positive Impact

- Business Opportunities
- Capacity Building
- Technology Transfers

Potential Negative Impact

We may neglect local products and services and fail to share advanced technology with the local communities.

How We Mitigate Potential Risks

- By leveraging local social resources, we actively support the development of local enterprises, focus on local sourcing of products and services, and strengthen cooperation with local enterprises in terms of technical services to promote the development of relevant SMEs.
- We support the talent training program of petroleum industry within the host country.



Community Consultation and Participation

Potential Positive Impact

Residents adjacent to operation locations will be given a fair chance to express their concerns and understand how they will be affected.

Potential Negative Impact

We may overlook the concerns raised by communities surrounding operation sites.

How We Mitigate Potential Risks

- We set up the Community Committee to provide public welfare assistance to the community residents and supervise the progress and implementation of public welfare projects.
- We have established a joint communication mechanism connecting companies with government associations, companies with community associations, and companies with employee to strengthen engagement with stakeholders.





Potential Positive Impact

Job Opportunities

Potential Negative Impact

Land Acquisition, Relocation
Environmental Impact

How We Mitigate Potential Risks

- Before the construction of a project, we conduct assessments of the social and economic impact, such as the requirements of local communities, human rights, cultural heritage, involuntary resettlement, etc.
- We listen to the demands of local communities, along the locations of our operations to protect the interests of residents. We uphold standard operation in land compensation, and make compensation plans by referring to the opinions of the local governments, our partners, and the local villagers. Specifically, compensation is paid before land use, and the compensation information is released timely to ensure operational transparency.
- We prioritize the hiring of locals on the island, conduct skills training for them, arrange them to participate in project construction and increase their income.
- We strictly follow safety and environmental protection regulations, formulate management systems on environmental protection that involve participation of all stakeholders and closely monitor environmental impact throughout the entire operations. We immediately restore the surface right after the completion of the operation so as to minimize the impact of production activities imposed on ecological environment.

Potential Positive Impact

We conduct early consultation with community members when implementing social investment in order to meet actual needs and bring long-term benefits.

Potential Negative Impact

Our social investment may overlook the actual demands and fail to bring long-term benefits.

How We Mitigate Potential Risks

- We plan reasonable community investment projects based on the local socio-economic development plans of the host country and the needs of local residents.

Community Welfare

We take an active role to help improve the living conditions of local people, and make donations to education, healthcare and other public welfare programs to achieve harmonious and mutual development.

- Sponsored education on protection of pandas and endangered animals at Calgary Zoo;
- Sponsored fire protection of local communities;
- Sponsored local research institutions.

In Canada

- Offered free clean energy to local residents benefiting 280,000 families;
- Established the Coffee Foundation to offer help to communities;
- Set up the Community Contribution Committee, contributing US\$ 5 million annually for public welfare undertakings;
- Built community hospitals and school camps or dorm buildings;
- Improved the teaching equipment, community roads and lighting facilities;
- Built roads/bridges and drilled water wells for villages in the oil zone, and donated armored vehicles to them.

In Iraq



- Built community hospitals in local areas to provide free diagnosis and treatment as well as dedicated ambulance services;
- Regularly provided medical services in remote areas, including clinic visits, child vaccination, infectious disease prevention and dental health care;
- Provided necessary medical funds to 350 children with leukemia from low-income families and 90 children with physical impairments;
- Donated school buses, repaired teaching facilities, and set up scholarships;
- Invested in agricultural projects with long-term benefits.

In Ecuador

In Chad

- Built/repared roads, drilled water wells, and donated tents to local communities;
- Built schools and donated study materials;
- Donated a total of US\$ 950,000 to the Majestic Heart Foundation from 2018 to 2019, assisting local areas in education, culture, health care and childcare;
- Sponsored the "Peace" Half Marathon.



- Donated desks and chairs to community schools and provided shuttle services for students of senior grades;
- Provided breakfast for community children from Monday to Saturday, built children's playground and hosted football championships;
- Provided skills training for community residents;
- Provided free health checks and on-site medical counseling for local residents, and donated medical devices and instruments;
- Provided parenting training to 1,200 illiterate mothers;
- Assisted 1,200 families to reclaim land and built 1,200 bio-toilets.

In Peru

- Supplied clean and high-quality natural gas to local communities;
- Sponsored the construction of Astana National Dance Academy and Aktobe Youth Palace;
- Supported public welfare programs organized by local state social foundation, orphanage, association for the disabled, and association for the blind;
- Donated to poor and lonely WWII soldiers and their family members;
- Sponsored more than 300 outstanding local high school graduates to study in Chinese universities.

In Kazakhstan

In Singapore

- Established the SPC Book Prize jointly with National Institute of Education of Nanyang Technological University for students who are academically and ethically outstanding;
- Participated in the event "The Boys' Brigade Share-A-Gift" for the 10th consecutive year, claiming and fulfilling 100 Christmas wishes from seven social welfare institutions;
- Sponsored and held, in conjunction with the Singapore Council of Women's Organizations, the New Year Banquet for Elderly People for the 14th consecutive year, inviting 300 senior citizens from 8 nursing homes to celebrate the New Year;
- Sponsored the Singapore Children's Society for the 5th consecutive year, and donated to several local social welfare and relief organizations such as Movement for the Intellectually Disabled of Singapore, Mendaki, and Sinda;
- Donated to Singapore Chinese Orchestra and Garden City Fund to support local culture and environment.

In Japan

- Sponsored the Go Game for local residents;
- Kept the company's football court open to the public, and organized teenager football games for the community;
- Guided local primary school students to visit the refinery, enabling them to understand more about the petroleum industry;
- Carried out forest protection activities.



- ▶ The Ecuadorian rainforest area, rich in petroleum resources, is covered with unique tropical rainforest vegetation and inhabited by primitive indigenous tribes, but it is the poorest area in Ecuador. The oil region where the Andean Project is located is remote from cities, with no hospitals or basic medical facilities.

We have built community clinics for local indigenous people, of whom more than 8,000 people have access to basic medical services.



- ◀ We donated books to the Confucius Institute at the University of Khartoum in Sudan. We have donated teaching materials and books worth US\$ 100,000 to the Institute since 2015, benefiting more than 40,000 students.

- ▶ In Niger, we, in cooperation with Zinder University, selected 35 local students to participate in the first vocational skills training, thereby reserving technical talents for local oilfield development.



- ◀ In Mozambique, we organized the "Coastal Cleanup" volunteer activities at Maputo Beach. Our employees picked up 225 kg of solid waste in 15 bags, supporting local environmental protection.

Case Study

Collaborative Development with the Community to Drive the Urbanization

Gudawa, which is close to the Ronier Oilfield in Chad, was a small village with a population of less than 500, and without satisfactory and sufficient living infrastructure such as roads, school and water supply. In the dry season, villagers had to relocate to places close to the water source, which made them suffer an unstable life, lacking a decent education or better livelihood.

We visited local communities to understand their needs. For clean drinking water, we implemented the "Sweet Water Community" program. We successively drilled 49 water wells in Gudawa, benefiting 25,000 residents in 39 villages nearby. We also constructed the main road in Gudawa and a public primary school accommodating 300 students in 6 grade. Oilfield development also created job opportunities for local people-up to 969 people in total by the end of 2019.

The prosperity of Gudawa, typically the water wells and school, have attracted numerous people from other villages. Now, Gudawa has developed into a village-level town with more than 10,000 residents. The residents highly praise CNPC's contribution, and the head of Gudawa sent a letter of thanks for CNPC's support.

Local Environmental Protection

We strongly believe in the importance of striking a balance between business development and environmental protection. Therefore, we strictly comply with the laws and international standards on environmental protection in the countries in which we operate, and pay attention to protection of local ecological environments during the production operation.

Case Study

Efficient Recovery and Purification of Associated Gas for Protecting Local Environment

The Andean Project produces 240,000 cubic meters of associated gas per day, which could only be flared or vented directly, apart from the part for heating the oil and gas processing system. That is really a kind of waste.

For the purposes of environmental protection and efficient utilization of energy, as of the end of 2019, we equipped the associated gas recovery and purification units in MPF, Old Mariann and CDP and built the gas power station, with a total installed capacity of 53 MW and a comprehensive utilization rate of associated gas of 98%. Thus, the volume of associated gas flared could be minimized to protect the ecological integrity of the tropical rainforest.

Case Study

Careful Protection of the Oryx Leucoryx

The Oryx leucoryx is native to the Middle East and the Arabian Peninsula. The wild Oryx leucoryx became extinct in 1962 due to human factors such as habitat destruction and excessive hunting. Artificial breeding has been carried out since the 1950s. Saudi Arabia, the UAE and other countries have established relevant protection zones.

While operating in the UAE, we comply with local environmental protection policies and applicable laws and regulations governing animals and plants trading in the country. We carefully protect local rare species, including Oryx leucoryx, flamingo, dugong, green turtle and mangrove forest.

To protect the Oryx leucoryx around the area of our operations, we made a detailed survey and evaluation of the surroundings in advance and understood the travel routes, timing and location of the Oryx leucoryx. Accordingly, our crews designed plans for avoidance, mitigation and transfer.

Case Study

Protection of Marine Ecology in the Libra Project, Brazil

When developing deep-water oil and gas in Brazil, we comply with the Brazilian and international environmental laws, regulations and standards to conduct all-round environmental impact assessment and management for protecting the marine ecology.

The marine environment is very special, requiring more stringent protective measures. Before initiating the Libra project, we initiated the environmental feature acquisition program. We adopted technologies such as the Autonomous Underwater Vehicle (AUV) to monitor the seafloor plankton, flora and fauna, and optimized the design of an underwater recovery system to protect marine flora and fauna as much as we can. Moreover, we kept environmental control and monitoring of the birds around the platform and beach conditions, in order to minimize the environmental impact.

Promotion of Localization

We proactively promote localization and take the procurement of local products and local services as a priority in order to offer local contractors and service providers a chance to participate in the projects, promoting the development of local small and medium-sized enterprises and creating employment opportunities for local communities. In Iraq, CNPC has provided business opportunities worth more than US\$ 400 million and more than 20,000 jobs, recording a localization rate of 85%.

Case Study

Local Personnel Training Program in Chad

Considering the development needs of Chad, through multi-level short-/long-term programs, CNPC has cultivated a number of local technical and administrative talents for the Chad project.

Every year, 10 outstanding high school graduates are selected to study petroleum skills in China. Some local employees of the project are assigned, if necessary, to attend senior expert training programs overseas. Moreover, CNPC established training centers at N'Djamena and the Roiner Oilfield, where the local employees can be trained by international experts.

Case Study

Cultivation of Local Petroleum Talent in the UAE

CNPC is actively cultivating petroleum talents for the UAE. In the offshore and onshore projects, we invest US\$ 1.5 million each year in the Petroleum Institute at Abu Dhabi to train local students, and select 5 local students each year to study for the master's and doctoral degrees in famous Chinese petroleum colleges. The proportion of local technicians in these projects has risen to 57% from zero in May 2013. Following the traditional personnel training mode, CNPC has cultivated a number of good local technicians, facilitating the sustainable development of local society.

Tax Payments According to the Law

CNPC strictly complies with the laws and regulations in the countries where it operates, pays taxes to local governments according to the law, and contributes to the development of local economies. In countries where the Extractive Industries Transparency Initiative (EITI) standard is implemented, such as in Iraq and Mongolia, our local companies actively participate in multi-stakeholder groups and publish information on our projects and tax payments to provide details that far exceed the minimum disclosure requirements prescribed by the EITI. We support and follow the Base Erosion and Profit Shifting (BEPS) initiative and the *CNPC Tax Policy* and pledge to pay tax according to the law in areas where we operate and create value, in order to strive to achieve sustainable development and to contribute to socioeconomic development. In 2019, we paid a total of RMB 73.7 billion in taxes overseas.

Protecting Indigenous Rights

Before the construction of a project, we conduct assessments of the social and economic impact, such as the requirements of the indigenous people, human rights, cultural heritage and involuntary resettlement. We try our best to protect all the rights and interests of the indigenous people. We uphold standard practices in land compensation, and make compensation plans by referring to the opinions of the local governments, our partners, and the local villagers. Specifically, compensation is paid before land use, and the compensation information is released timely to ensure operational transparency.

Case Study

Protection of Indigenous Rights in Block 4 Project, Mozambique

While implementing the Block 4 project in Mozambique, CNPC respects the interests of indigenous residents. We identified the potential impacts of the project on the life of indigenous residents within the onshore LNG industrial park, and planned and designed resettlement villages for 556 indigenous households. The resettlement villages are equipped with mosques, schools and other public facilities as well as agricultural irrigation, chicken farms and other supporting production facilities. Moreover, we carried out social welfare activities including education/training. Up to the end of 2019, CNPC had invested over US\$ 10 million in public welfare activities for indigenous residents.

Case Study

Respecting and Improving the Quality of Life of Indigenous People in Suku Anak Dalam, Indonesia



The Suku Anak Dalam is one of Indonesia's indigenous nomadic peoples, and lives from hunting and fruit in the jungles of Jambi. They have been long secluded from the modern world. CNPC fully respects this indigenous community and their way of life, and hopes that they can have better education and healthcare services.

In conjunction with Indonesia's Social Ministry and KKI Warsi (a foundation of Jambi), CNPC provides the Suku Anak Dalam indigenous community with infrastructures, health care and education services. CNPC built clean water facilities for GurunTuo and Sungai Surian, two villages where over 80 Suku Anak Dalam families reside. CNPC provides medical care and education services. CNPC also provides regular health checks, necessary medicines and education for these indigenous people.

CNPC will continue to provide alternative livelihood training for local indigenous residents and find suitable projects to help them improve their living standards in the future.