

2 Responsible Operations



- ◎ **HSE System**
- ◎ **Environmental Protection**
- ◎ **Production Safety**
- ◎ **Human Resources**

The most important resources in this world are people and the environment. As a responsible corporate citizen, we pledge to conduct our operations in a safer, more environmentally-friendly and efficient way in order to strike a balance between energy development and environmental protection.

Wherever we operate in the world we consistently implement the HSE system. All our employees, suppliers, and contractors are committed to ensuring the health and safety of our staff and protecting the environment. Always putting people first, we strive to achieve the goal of zero accidents, zero injuries, and zero pollution. To that end, we have and will continue to improve HSE management, carry out HSE training, create HSE culture, and foster overall transparency of in this field.

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Responsible Operations

● HSE System

The headquarters of the company has formulated a complete HSE management system to govern its global business operations. Based on the *HSE Management System Guide* released in 2004, this system serves as an institutional guarantee to preserve the health and safety of our staff and protect the environment.

The HSE management model that CNPC follows is Plan, Do, Check and Action. It has seven key elements: a) leadership and commitment, b) HSE guidelines, c) planning, d) organizational structure and resources and documents, e) implementation and operation, f) checking and correction, and g) management assessment. The seven elements interact to upgrade the management process.

The company has taken several steps to increase support and guidance for HSE management in its Kazakh business operations. These include formulating *Methods on HSE Supervision and Management* in 2007, creating an HSE manager post, and specifying the responsibilities of HSE managers. At the same time, the company has equipped all its subsidiaries and controlled companies with HSE directors and assigned HSE coordinators to all joint projects.

The Health, Safety and Environment (HSE) management system is an important indicator of any modern oil company's commitment to fulfilling its social responsibilities.

Health refers to the mental and physical health of a person.

Safety means improving working conditions in order to minimize risks to employee health and company property.

Environment is defined as the sum of all the natural factors that relate to and impact human activities and production.



Seven key elements of HSE management

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© Environmental Protection

We scrupulously abide by our core principle of “Caring for Energy, Caring for You” in all our operations in Kazakhstan. In compliance with new laws and regulations promulgated by the Kazakh government, we have given priority to protecting ecological environment and improving the efficiency of natural resource utilization. Moreover, we have actively promoted the use of environmentally friendly technologies and taken various measures in order to minimize our environmental footprint. Our efforts include improving energy efficiency, resource recycling, ecological restoration, and emissions reduction.

Environment Management

We strictly comply with all relevant Kazakh laws and regulations, including, the *Law on Environmental Protection*, *Law on Air Protection*, *Law on Protection of Water Resources*, *Law on Land*, *Law on Ecology*, *Law on Protection of Animals and Plants*, *Law on Underground Resources and Natural Resources*, *Regulations on Environmental Standards for Pollutants Emissions into Air*, *Air Environment Control and Industrial Rules for Petroleum Industrial Enterprises*, and *Guideline for Environmental Protection from 2001 to 2005* (promulgated by Aktobe). We have formulated and improved our environmental management plans and implemented unified environmental protection standards among our staff and partners, thus harmonizing energy development and environmental protection.



1. Environmental Impact Assessment

All of CNPC's projects in Kazakhstan – whether for exploration or development, refining or petrochemicals, pipeline transportation or engineering services – are required to undergo an Environmental Impact Assessment (EIA). At least two plans are devised, with the most ecologically friendly plan ultimately chosen.

Kazakhstan-China Pipeline LLP is a case in point. Before the start of any project, we make a detailed environmental protection plan taking into consideration features of local hydrology, geology, climate, landform and transportation. The plan includes a project overview, preliminary EIA, environment monitoring, and environmental protection measures. After the project has commenced, we direct full-time or part-time supervisors to inspect the implementation of our environmental protection plans and field operations and set a deadline for correction when issues arise. Moreover, we also hire a third party to independently supervise the implementation of the plans and submit progress reports to the relevant government authorities.

In August 2007, PK's plans to transform the Shymkent refinery unanimously passed an EIA conducted by representatives of local residents, the Ministry of Energy and Mineral Resources, and an environmental consulting agency.

2. ISO14001 Certification

To improve our environment management capabilities, the company has required all subsidiaries in Kazakhstan to pass ISO14001

certification. To date, three subsidiaries – PK Shymkent refinery, Buzachi Operating Company, and Northwest Pipeline Company – have reached this goal. CNPC AktobeMunaiGas, Kazakhstan-China Pipeline LLP, and Kumkol Resources Company affiliated to PK have also made progress towards ISO14001-2004 certification.

3. Effective Precautions

In 2008, all of our projects in Kazakhstan took effective precautions to prevent environmental pollution. Any projects that failed to meet environmental requirements were rejected, suspended or, in some cases, abandoned. We also set strict environmental standards for contractors involved in cooperative projects, requiring them to formulate environmental protection training plans as specified in the risk assessment report. In addition, we thoroughly scrutinized all the environment-related documents of the contractors, including HSE plan, environment management plan, and ecological protection plan, among others.

4. Unified Processing of Wastewater and Other Wastes

We are committed to developing and applying wastewater and water treatment technologies to conserve water and reduce wastewater discharges. Liquid and solid waste and domestic sewage are sorted and treated at separate treatment plants.

Comprehensive Utilization of Natural Gas

The company has taken steps to make more efficient use of associated gas. Our efforts have led to multiple environmental and social benefits. Our enhanced oil and gas processing capability has enabled us to increase output; the recovery of associated gas for power generation has improved energy efficiency; and the injection of extraneous oilfield gas into the ground has reduced environmental pollution.

1. CNPC AktobeMunaiGas Natural Gas Comprehensive Utilization Project

CNPC AktobeMunaiGas has completed the following projects: Zhanazhol-KC13 160 kilometers natural gas pipeline, Zhanazhol Gas-fired Power Plant, Kenkiyak-Zhanazhol oil and gas blended transportation pipeline, liquid hydrocarbon recovery facility, and the first phase of the Third Zhanazhol Oil and Gas Processing Plant. Completion of these projects has improved the company's processing capability and led to more efficient use of associated gas. In 2008 the company processed 3.08 billion cubic meters of associated gas - a dramatic increase from the 16 million cubic meters processed in 1997. The utilization rate of associated gas has improved from 20% to 62%.

In June 2006, construction began on the CNPC-invested Third Zhanazhol Oil and Gas Processing Plant by AktobeMunaiGas. This project was conceived with the purpose of the processing associated gas and gas-cap gas that exceeded the processing capacity of the existing oil and gas processing plants in order to minimize environmental pollution and resource waste caused by flaring. Besides achieving these goals, this new processing plant



has maximized the use of such valuable natural resources as lightweight oil, natural gas, sulfur and propane.

The designed annual capacity of the Third Zhanazhol Oil and Gas Processing Plant is 6 billion cubic meters of natural gas, and 1.5 million metric tons of gas condensate. The whole project, which involves three phases, is expected to be completed in 2010. The first phase, whose annual capacity is 2 billion cubic meters of natural gas, was completed and made operational in late 2007. Since then it has played a positive role in improving the ecological environment near the operation site. The Third Zhanazhol Oil and Gas Processing Plant has since become a model for the large-scale recovery and utilization of associated gas.

2. PK Natural Gas Comprehensive Utilization Project

In April 2008, the first phase of PK Natural Gas Comprehensive Utilization Project was completed and made operational. The project was conducted in full conformity with the Kazakh government's environmental standards for oilfield natural gas emissions. The first phase has also laid the groundwork for both improved oil field pressure level maintenance and higher recovery efficiency. Flaring of oil-associated gas has been reduced from 126 million in 2007 to 67 million cubic meters in 2008. The successful completion of this environmentally friendly project won plaudits from the Kazakh ministries of Energy and Mineral Resources, Social Security, the Kyzylorda government and local residents.

The second phase of the project is currently underway. The Ayskum oilfield and Kyzylkiya oilfield of PK Kumkol Resources Company have realized gas reinjection, and the Maibulak oilfield is in the process of building a gas-fired power plant. Completion of these projects will reduce air pollution caused by flaring, and lead to more efficient resource utilization, which will have tremendous implications for environmental protection and sustainable development of the oilfield.

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Ecological Protection

We consistently strive to minimize the possible impact of our operations on ecological environment and bio-diversity of Kazakhstan. In all of our business operations throughout the country, we do our utmost to avoid intruding into ecologically sensitive areas. Furthermore, we tailor our construction activities to the unique needs of the environment in which we operate, thus greatly enhancing the efficiency of our protection efforts.

Kazakhstan contains abundant land resources, but precipitation levels are low in most areas. As such, the country's sustainable development depends on efforts to curb desertification. To this end, PK utilized its advanced biological restoration technology in a three-year project to restore vegetation to a 4.2-acre section of polluted land.

Kazakhstan is also home to more than 800 species of animals and 4,700 species of plants. However, environmental degradation has greatly threatened the country's biodiversity in recent years. The pipeline constructed by Northwest Pipeline Company traverses many biologically diverse areas, with 16 species of reptiles, 210 species of birds, 40 species of mammals, and two species of amphibians. Through the construction and operation of the project, we have strived to minimize harm to both vegetation and animals living within the vicinity.

Ecological Protection Measures Taken by Kazakhstan-China Oil Pipeline Project

CNPC and KazMunaiGas cooperated to build the first section of the Kazakhstan-China Oil Pipeline running from Atasu in Kazakhstan to Alashankou in China. Construction of the pipeline commenced in September 2004 and was completed and made operational in December 2005. The pipeline crosses hilly areas, sand dunes, swamps, alluvial plains, rocks, rivers, villages, towns, cities, paved roads and railways, creating tremendous engineering challenges throughout the construction process. Despite these difficulties, the company placed a high premium on the protection of soil, vegetation, and wild animals, and the restoration of landforms.

Among our many efforts, we avoided building camps and limited construction area. We also tried, whenever possible, not to occupy farmland and other fertile areas. Action was immediately taken to remedy any damage caused. While digging pipe ditches, we were certain to return the topsoil to its correct place.

During construction, employees were forbidden from lighting fires in the vicinity of weeds and shrubbery in order to minimize the impact on wild animals' habitats. When digging the pipe ditch, we created a temporary passage for animals so that their natural movements to and from



water sources would be unimpeded. Before backfilling a pipe ditch, we made sure there were no trapped animals, rescuing any we found in harm's way.

After completion of the project, we tried our best to restore the land to its original characteristics. Water source access for wild animals was a key concern. During construction, waste sand, rocks and earth were piled in a designated place for easy restitution after work was completed. To prevent soil erosion, we reinforced the river banks if the pipeline crossed a river. After backfilling the pipe ditch, we restored the gullies and valleys to ensure the smooth flow of water.

◎ Production Safety

Safe operation is our top priority. It is the precondition and basis for the company's long-term cooperation with Kazakhstan. To this end, we strictly adhere to all Kazakh laws pertaining to safety, labor protection, safe production and emergency response. Always putting safety first, we pursue a target of zero accidents, zero injuries, and zero pollution. We integrate safety management into every aspect of our operations in order to ensure the safety of our employees, partners, and neighboring communities. No serious safety accidents have occurred during the course of our activities in Kazakhstan.

Safety Management

Safety management is the key to safe production. Over the past 12 years, we have made protecting people and the environment our first priority. To this end, we have made ongoing efforts to strengthen regulation and adopt new measures to realize safe production.

1. Promulgation of Management Rules

The company has promulgated a number of management protocols aimed at enhancing the effectiveness of the safety management system in Kazakhstan. For instance, Kazakhstan-China Pipeline LLP drafted the *HSE Management System Guide and HSE Code of Conduct* taking into account the particular characteristics of pipeline construction. CNPC AktobeMunaiGas issued the *Order on Establishment and Implementation of the Safe Production and Environmental Protection Accountability System*, and specified safe production responsibilities for major posts. All levels of the company – from the general manager to front-line staff – share responsibility for the success of HSE management, including compliance, inspection, approval, confirmation and accountability.

2. Improving Emergency Response System

Aside from improving the HSE management system, we have also taken steps to enhance the effectiveness of the emergency response system.

Improving emergency response plans

CNPC has taken several important steps to improve the emergency response system. In

2004, the company promulgated the *Emergency Response Plans for Major Unexpected Accidents*. In 2005, the company completed five emergency response plans aimed at preventing the release of hydrogen sulfide during drilling. To strengthen the management of certain risks, the company promulgated the *Safety Risk Appraisal System for Overseas Projects*. This document was created to deal with potential risks from terrorist attack, armed riots, and personal safety and production accidents. The system comprises five grades of control measures, with each grade corresponding to a different level of emergency.

Our emergency response plans are guided both by immutable safety principles as well as the local realities in which our operations are conducted. Emergency response methods designed by the headquarters to assess safety and environmental risks form the core of the emergency response system. However, locally-based companies supplement these rules by conducting risk assessment taking into account the specific safety considerations of their operations.

For example, CNPC AktobeMunaiGas has a general emergency response plan called *Emergency*

Response Plans for Natural Disaster, Production Accidents and Terrorist Attacks. Aside from this comprehensive document, each workshop and project also has its own specific emergency response plan. Moreover, all of its subsidiaries are equipped with *Emergency Response Simulation Exercise*. These response plans have subsequently been modified where deemed necessary. In 2008, for example, the company held a discussion about decision-making and implementation procedures for ignition in case of uncontrollable blowout, the results of which were included in an amendment to the *Emergency Response Plan for Well Control*.

Holding emergency response exercise

The company attaches great importance to emergency rescue. The scope of our efforts goes beyond the oilfield to include dormitories and offices. We have built emergency rescue teams and strive to increase their emergency response effectiveness. Recent improvements include increasing the frequency of exercises as well as strengthening exercise assessment.

3. Strengthening Safety Education

The company continues to provide training to its staff in order to increase safety awareness

and emergency response effectiveness. In 2008, for instance, all of our employees in Kazakhstan were required to undergo safety training. PK, in particular, has set a goal of zero major safety accidents, zero major environmental pollution events, and zero injuries or fatalities. For its outstanding contribution to international rescue training, PK was awarded by the Ministry of Emergency Situations of Kazakhstan.

Aside from workplace training, the company also organizes activities such as "Safe Production Month" and "Safe Production Day". The company has also held HSE exhibitions, distributed copies of the *HSE System Management Guide*, and organized other activities to help popularize HSE knowledge and create a favorable HSE climate.

In recent years, we have increased exchanges between Kazakhstan-based enterprises in order to share HSE knowledge. We have also selected employees to come to China for HSE training at oilfields, refineries and the Beijing Firefighting Command Center.



Traffic Safety

Traffic safety is also an important responsibility for the company, especially given the severity and length of the Kazakh snow season. In line with the traffic safety requirements for 2008, the company required all its enterprises in Kazakhstan to establish explicit goals and take effective measures to improve the management of traffic safety. By the end of 2008 there had been no major traffic accidents in any of our Kazakhstan-based enterprises.

PK, for instance, organized specialized service companies to repair and maintain roads in oilfields and hired security companies to check passing vehicles for safety risks. Among its other efforts, the company carried out traffic safety inspections, increased training programs and public awareness efforts, erected road signs, and set traffic safety performance indicators for all its contractors. In 2008, the company achieved marked progress in traffic safety: only eight traffic accidents were reported, representing a decline of 80% over the previous year.

1. Strengthening and Building Institutions

All our enterprises in Kazakhstan have taken measures to strengthen traffic safety management in accordance with the *Methods on Traffic Safety Management and Regulations on Traffic Safety Management*. For its part, CNPC AktobeMunaiGas formulated several key documents, including *Methods For Traffic Safety Management, Methods For Long-distance Vehicles Management, and*

Measures Regarding Traffic Safety in the Winter. Kazakhstan-China Pipeline LLP has also drafted key documents – including *Implementation Rules on Traffic Safety Management* – as well as established licensing and traffic safety accountability systems. Strict implementation of these rules and regulations has effectively reduced traffic accidents.



2. Promoting Use of VTDR

As part of its rigorous driver management system, the company has promoted the use of vehicle traveling data recorders (VTDRs). CNPC AktobeMunaiGas, Buzachi Operating Company

and Kazakhstan-China Pipeline LLP have installed more than 200 VTDRs. To reduce the hazards posed by poor road conditions and pipe construction, Kazakhstan-China Pipeline LLP has produced and distributed a map of accident blackspots.

Contractor Safety

As an international oil company, most of our production and operation inherently involve participation of contractors. As such, the safety management of contractors is an integral part of the company's HSE management program. We conduct effective management of contractors throughout all phases of work so that accidents can be prevented at the source.

In 2008, all our Kazakhstan-based enterprises made plans for the safety management of contractors. Aside from conducting thorough inspections, we also worked closely together with contractors involved in key projects to create appropriate safety plans. We have expanded the scope of our safety management of contractors to include more front-line monitoring.

1. Strict Selection

The company has designed a multi-step process to select the best contractors. First, selection of contractors must go through public bidding. This takes into account not only quality and price, but also the ability to meet HSE requirements. Second, the contractor must consent to the company's management rules and have its own HSE management system in place. Third, the contractors must provide qualification certificates for the people performing the job. Finally, the equipment of the contractors must pass quality assessments.

2. Strengthening Management

All the enterprises affiliated with CNPC in Kazakhstan place a high premium on the safety management of contractors. First, these enterprises formulate management regulations, for instance *Regulations on HSE Management by*

Contractors. Second, they strengthen supervision of key facilities, construction procedures, and other relevant standards and practices. Third, they establish a system for evaluating contractor performance in line with operating conditions and international norms. This involves awarding well-performing contractors, and, where necessary, helping others take corrective measures to reduce and prevent accidents.

3. Communication and Interaction

In recent years, our operations in Kazakhstan also attach weight to communication and interaction with contractors to increase their safety awareness and ensure contract enforcement. We work in concert with contractors to find mutually agreeable solutions to issues such as safety and anti-terrorism.

◎ Human Resources

Our employees are our most valuable resource. We put people first, and our labor policy is based on equality and non-discrimination. We take employee health and safety seriously, understand the importance of training, promote localization, and promote respect for different cultures.

Labor Policy

CNPC puts people first, and respects and safeguards the legitimate rights and interest of our employees. We comply strictly with Kazakh laws and regulations on labor, work safety and labor protection, and with international labor conventions and norms.

We pursue equality, non-discrimination, open recruitment, and equal pay - regardless of nationality, race, sex, religion or culture. We prohibit any form of child labor, forced labor or discrimination. We actively encourage the employment of women and help facilitate localization. We try to build and improve trade unions structures, and sign and enforce collective labor contracts.

Our salaries encourage best performance, and we offer a competitive compensation, social insurance, allowances, subsidies and paid leave to our employees. We give importance to career planning and provide facilities for employee training and education. Besides, our employment and promotion of employees is open and fair and ensures they can advance in their careers.

Localization and Diversification



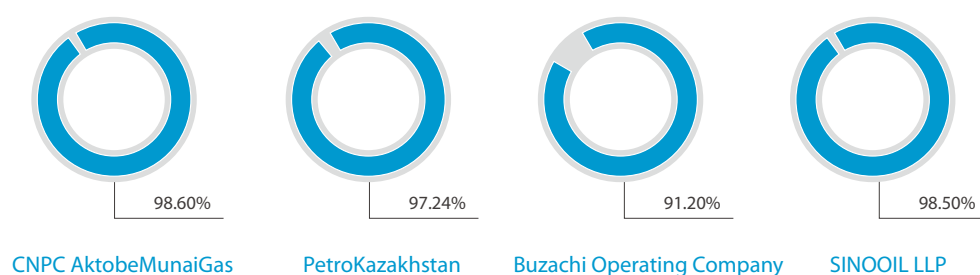
The corporate culture of CNPC is open and inclusive. In our business operations in Kazakhstan, we have been following the principle of labor localization and integration of diverse cultures. Our employees, who come from more than 10 nationalities, work together in harmony, and more than 97% of employees in major oil and gas investment businesses are drawn from the local talent pool.

We respect different customs and religious freedom, and follow Kazakh customs in food, marriages, funerals and festivals. During important national festivals and holidays, we organize grand get-togethers to celebrate with the local employees.

We have created various platforms to remove linguistic and cultural barriers between employees from China, Kazakhstan, Russia and the West. The traditional Nauryz (Kazakh New Year) has become a common festival for the company's staff. During the Chinese Spring Festival, we invite foreign employees to join the celebrations for a feel of traditional Chinese culture so that mutual understanding can be enhanced.

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Proportion of Local Labor in Major Business Investments in 2008



Education and Training

We put a lot of emphasis on developing human resources and on channeling the quality and talents of employees into a sustained driving force for the long-term growth of the company. The company is committed to career planning, and to this end provides opportunities for training and education to all employees. The education and training programs are well-thought out and based on the needs of career planning. We have long-term cooperative ties with reputable colleges, universities and specialized training agencies in Kazakhstan and foreign countries, who provide training in technology, management, sales, HSE, quality supervision, business and foreign languages.

Every year, we select outstanding Kazakh employees for training in Kazakhstan, China or a third country. We have been holding a three-week management training for Kazakh managers at a training center of the China University of Petroleum (Beijing) for many years so that local managers can study business practices, and also organize visits to CNPC-affiliated oilfields in China for business exchanges.



CNPC AktobeMunaiGas has established a systematic training mechanism for its employees and devised a detailed annual training plan to ensure that 20 -25% of its employees can participate in all the different training programs by rotation. The company facilitates international exchanges and offers training opportunities to senior managers to improve their decision-making capabilities and sharpen their strategic vision. The company also provides management training

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opportunities to about 450 middle-level managers every year. Based on its technical and business needs, since 2004 the company has been arranging for about 1,200 technicians from 114 types of job to participate in different training programs, including competitions in computer applications,

and electrical and welding techniques. These have been received enthusiastically by our employees. In 2008, CNPC AktobeMunaiGas accumulatively trained 3,703 employees, with the total training time standing at 296,240 hours.

I have full confidence in the development of the company



Elina was one of the first CNPC-sponsored young Kazakhs to study in China. She worked very hard in university and graduated from the China University of Petroleum (Beijing) with an outstanding academic record as a student of business in 2001. One year after she came back to Kazakhstan, she volunteered to work for CNPC and joined CNPC AktobeMunaiGas. She has worked as an administrative assistant, assistant manager of the planning department and translator. She went on to become assistant director of sales, and dealt with laws, personnel and planning. Sponsored by CNPC, she is now studying at the University of International Business in Almaty for an MBA.

"In 1997, I was fortunate to be one of the first batch of CNPC-sponsored students to study in Beijing. When I came to China, I found it was developing very rapidly, quite different from what I had imagined and what people had talked about..."

CNPC has a cohesive and pioneering team. One has promotion opportunities as long as one works hard. Of course, there are work pressures, but everybody wants to do a good job...

The company emphasizes employee training. Based on one's role, the company provides different training programs to improve one's skills...

Because of the financial crisis in 2008, some companies have downsized or given their employees long leave. CNPC has not, and will never do this. I have full confidence in the long-term development of the company. In the coming days, I hope I can become familiar with more areas, and make full use of my potential to create more value for the company."

Elina, CNPC AktobeMunaiGas

Occupational Health

We spare no efforts to monitor the health of our employees and their workplaces to prevent occupational diseases, and practice comprehensive occupational health management. Since commencing our business operations in Kazakhstan, no major occupational disease or radiation accidents have taken place.

The company also helps its employees become aware of occupational health issues through training. We assess the risks and potential dangers at the workplace, equip employees with protective facilities, and comply strictly with healthcare and vacation regulations. The company offers special subsidies to people in high-risk posts. We also take preventive steps to prevent occupational and seasonal infectious diseases and ensure the safety of drinking water. All employees are put through regular occupational health checks. All employees of the Buzachi Operating Company, Northwest Pipeline Company, Kazakhstan-China Pipeline LLP and SINOIL LLP are covered by these checks.

Improving Employees' Working and Living Conditions

The company attaches importance to improving the working and living conditions of its employees, particularly those working at the front. We try our best to create favorable working and living conditions so that our employees can give their best to their work.

We encourage employees to exercise during their leisure time and to this end we have allocated money for some fitness equipment and to organize sports activities.

Kazakhstan-China Great Wall Drilling Company Improves Employees' Working and Living Conditions

The Kazakhstan-China Great Wall Drilling Company is a joint-stock company of CNPC Great Wall Drilling Company and CNPC AktobeMunaiGas. Working with its trade union, we have assessed the needs of its employees, raised their salaries, and invested in improving their working and living conditions.

In 2008, salaries increased by an average of 10%, and the food subsidy was also raised. Besides, the company equipped two drilling crews with two new barracks, and bought eight dormitories for two other crews. It also built a new dormitory for women and a new bakery.



On December 23, 2008, the Kazakhstan-China Great Wall Drilling Company was honored for its enforcement of labor contracts by the Ministry of Labor and Social Protection of Kazakhstan.

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Cultural integration contributes to success of PK

In 2005, CNPC took over the operation and management of PetroKazakhstan Inc. At that time PK was faced with a lot of difficulties and its employees were concerned about the future. More than 4,000 employees from more than 10 countries like Kazakhstan, US, Canada and China were grappling with their many differences in terms of language, culture, religion, customs, lifestyles and values. Bridging these differences and promoting harmonious relations among employees from starkly different backgrounds became key to the stable takeover and development of PK.

Communication and Exchanges

We have built a culture of mutual trust based on effective communication in PK. We hold staff meetings to listen to their suggestions and complaints. We use our website and bulletin boards to report major issues and decisions and answer staff questions to the best of our ability.

We also organize language training and encourage collective activities to facilitate employee communication. Training in Chinese, Kazakh, Russian and English is provided throughout the year. The training also provides insights into Chinese, Kazakh and Western traditional cultures, and this has greatly enhanced mutual understanding. We also organize outings on holidays, and hold banquets and parties to boost cultural exchanges within the company.



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Mutual Respect

After acquisition, CNPC did not force its management style or corporate culture on its employees. Instead, it tried to learn from the original management style and corporate culture of PK, and promote the integration of Chinese, Kazakh and Western cultures. By fostering mutual respect, we helped staff to settle disputes in a spirit of friendship and understanding. Enjoying work means braving difficulties, being optimistic, and translating work challenges into meaningful personal experiences. The management rewards staff contributions and whoever shows results receives company-wide recognition.

Based on the corporate culture of CNPC, the company has added new meaning to the acronyms of CNPCI (CNPC International) and PKI (PetroKazakhstan Inc).

C: Commitment to corporate and individual growth;
 N: Nature friendly and environmentally responsible;
 P: Performance driven;
 C: Compliance and integrity;
 I: Innovation and best practices;
 PKI: Provide energy, Keep high performance, International team.

This business philosophy is not only easy to remember, but also epitomizes modern corporate governance, whose basic principles are putting people first and harmonious development. Together with respect for and tolerance of cultural differences, it defines a new PK corporate culture.

Increase in Value

Communication and exchanges have enabled our staff to have a better understanding of the growth of PK, and gradually integrate the new mission and vision of the company into their daily work. With better understanding, their sense of identity, belonging, dignity and loyalty have grown dramatically, enabling us to build a cohesive and plural international management team.

"The value of the company is created by our staff, and competent staff can provide space for the effective operation of the company.

After restructuring of the company, we have drawn up over 20 policies on recruitment, training, rewards etc. based on great disparity in age, experience and cultural background of our staff, and we have set up a new compensation system to encourage our staff to show their strengths. This has created an enabling climate for all the staff to realize their own career dreams. In the past several years, the company has made progress in staff respect and integration of diversified cultures, which has enabled us to be a leader in terms of management among Kazakh enterprises."

Elmira Kusainova, Human Resources Manager, PetroKazakhstan Inc.



Cultural integration has finally turned into an integration of experience and technologies. Within a short span of three years, we have overcome difficulties caused by acquisition, and achieved substantial results in improving profitability and fulfilling our social responsibilities, becoming an influential local company. In December 2008, PK won the highest honor that a foreign company can receive, the silver "Paryz 2008".