We are always committed to the principle of "people-centered, quality foremost, safety first, environment prioritized" to achieve "zero defects, zero injuries and zero pollution". We regard providing clean energy, minimizing environmental impact and reducing emissions as the strategic foundation for the Company's sustainable development. The Company continues to improve the quality management of product and service, and promote safe, environmentally-friendly and resource-saving operations, in order to promote the construction of an ecological civilization and develop a resource-saving and environmentally-friendly enterprise.

Safe Operation

We actively promote the building of a long-acting safety system and comprehensively enhance our work safety management. In 2018, the Company maintained a stable improvement in safety performance.

Management System and Performance Assessment

In 2018, we enacted and amended nine regulations including Regulations on Management of Production Safety and Measures for the Supervision and Management of Hazardous Chemicals. We enhanced auditing quality of HSE management system, and put more efforts in rectifying problems found in auditing. We revised the detailed regulations on the assessment of safety performance, and strengthened performance evaluation and accountability system for accidents.

Hazard Control

We attach equal importance to both prevention and control of hazards, and build a long-acting mechanism for hazard control, so as to ensure all hazards are timely and effectively treated and enhance the fundamental safety of the Company. In 2018, we continued to conduct treatment of pipeline hazards by carrying out targeted safety inspection on key projects including the Fourth Shaanxi-Beijing Gas Pipeline and Zhongwei-Jingbian Pipeline.

Safety Risk Management

We fully strengthened management and control over safety risks in the production process, implemented a dual-prevention mechanism covering risk prevention and control and hazard identification and treatment for production safety, and established a classified risk prevention and control system to ensure elimination of safety risks. In 2018, we formulated and released the enterprise classification standard based on safety risks, took targeted management and control measures in subsidiaries facing different types of risks, and conducted all-factor auditing and special auditing in subsidiaries concerned. We introduced new methods for safety supervision and management and formulated a working mechanism for joint supervision and management involving local governments and our subsidiaries. We pushed forward the building of a dual-prevention mechanism, and double-checked sources for major risks. In addition, the Company compiled a checklist for management and control responsibility of company-level major safety risks, and formulated and implemented risk prevention and control mechanisms with the aim to effectively prevent and control all types of safety risks.

Supply Chain Safety

We included suppliers and contractors into our safety management, and had an all-process management on their access, selection, training, use and evaluation, so as to prevent and reduce accidents caused by suppliers and contractors.
Personnel safety has always been an overriding priority in our operations. We constantly reinforced the operation of social security management system, fully strengthened social security risk prevention and control, and continuously enhanced emergency response capabilities. In 2018, we fully strengthened systematic management, implemented management on a regular basis, and braced ourselves for changes in local security situations in major countries. There were no fatalities in our overseas projects concerning social security.
**Sustainable Use of Resources**

We attach great importance to the protection and rational utilization of resources. We strengthen the protection of water, conservation of freshwater and rational use of land, and strive to improve energy and material utilization efficiency to minimize resource consumption.

**Water Resources**

We endeavor to improve water utilization efficiency and realize sustainable use of water throughout various links in our production and operation activities. Through strengthening water utilization process management, adopting technologies for water-saving and wastewater treatment and recycling, and integrating water-saving indicators into performance evaluation and other measures, we worked to reduce the use of fresh water. In 2018, we saved 12.13 million cubic meters of water.

**Energy**

We have been striving to reduce the consumption of fossil fuels and increase energy efficiency by reducing energy intensity. We paid high attention to energy conservation at the source, and carried out energy-saving assessments of newly-built, revamped and expanded projects. We promoted the application of energy-saving technology and equipment to boost the efficiency of heating furnaces in oil and gas fields and optimize refining and chemical energy systems. We reinforced energy use management in the production process, and conducted monitoring and evaluation of energy and water-intensive devices and equipment.

**Wastes and Pollutants**

We strictly monitored and controlled discharges of waste and pollutants in the production process, strengthened waste management, and reduced discharges of pollutants in the air, land and water. We actively promoted collection measures and recycling technologies for drilling wastes, and Company operation technologies at oil and gas fields, significantly reducing wastes and pollutants. In 2018, the Company realized 100% recycling and harmless treatment of drilling wastes, 100% clean operation coverage, and 100% implementation of land reclamation plans.

**Land Resources**

On the principle of scientific siting, efficient use, proper protection, and timely reclamation and through innovation in land-saving technologies and management models, we made careful and intensive use of land during production, strictly controlled land use growth, made good use of land in various ways, proactively reclaimed land, carried out environmental treatment and recovery in mining areas, and enhanced land use efficiency. In 2018, we saved 1,253 hectares of land.

**Case Study: Strengthen Pollution Control and Restoration of Soil and Ground Water**

The Company conducted whole-process management and control over solid wastes such as oily sludge and drilling wastes. Drilling wastes in environmentally sensitive areas are collected on site without contacting the soil, and all-based drilling wastes are recycled and disposed of after bio-safety treatment. Underground storage tanks at 11,515 gas stations underwent anti-seepage revamping.

**Eco-environmental Management in Full Life Cycle throughout the Industry Chain**

- **Exploration and Development**
  - We focused on managing the impact on water resources by construction projects and the risk of leakage accidents during pipeline operations. Environmental impact assessments (involving water environment) were conducted, and water conservation and protection concepts and awareness were integrated into construction and operation activities.

- **Pipeline Operations**
  - We improved water consumption efficiency by promoting clean production processes, saving water at the source, and optimizing water consumption systems. We increased the consumption time of circulating water to reduce water supplement, and strengthened steam condensate water recovery to achieve water saving. In addition, we emphasized wastewater treatment and reuse to reduce wastewater discharge and improve the industrial water recycling rate, and enhanced underground pipelines to reduce groundwater leakage rate.

- **Refining and Chemicals**
  - We designed the method for reduction of water pollution, and arranged and completed the technical system for water pollution prevention and control in water-saving and wastewater treatment and recycling. The water qualification rate of the Company’s oilfield wastewater reached 100%, and water discharges increased by 12.4% year on year.

- **Reducing water pollution risks through three-tiered pollution prevention and control system**
  - **Tier 1 prevention and control system**
    - Prevent possible minor pollution risks by setting-up cofferdams, fire dikes in storage tank farms and supporting facilities.
  - **Tier 2 prevention and control system**
    - Prevent possible major pollution risks by setting-up seawater cutting system, waste barrier, anti-overflow and diversion facilities, as well as necessary intermediate accident buffers and supporting facilities.
  - **Tier 3 prevention and control system**
    - Prevent possible serious pollution risks by setting-up terminal accident buffers and supporting facilities.

**Note:**

- In oil and gas development, equal importance was given to both water pollution prevention & control and water recycling. After the oil-water separation and filtration treatment of the recycled wastewater, oil recovery and water re-injection were both realized, preventing groundwater and surface water contamination. By the end of 2018, 100% of oil extraction wastewater in our oil and gas fields was treated, with a rejection rate of more than 93.9%.
- We carried out water system maintenance and revamping, improved the water qualification rate, optimized operation programs, upgraded wastewater discharge and treatment processes to reduce water discharge, and promoted the application of new technologies for water treatment to maximize water conservation. In 2018, the comprehensive qualification rate of the Company’s oilfield wastewater reached 100%, and water discharges increased by 12.4% year on year.
- In 2018, we saved 12.13 million cubic meters of water.

**Energy**

- Compared with 2018, the proportion of natural gas consumption in our total energy consumption increased by 7.21%.

**Wastes and Pollutants**

- While the proportion of raw coal consumption in our total energy consumption decreased by 6.40%.

**Waste Management**

- We consistently made breakthroughs in drilling waste treatment technologies, optimized hazardous waste management, and improved the efficiency of resource utilization. ChinaMud Drilling Engineering Company used microorganisms in solid drilling waste treatment, achieving a degradation rate of over 90% for the oil substances in the wastes, with the indicators of resulting leachate meeting the first-level standard of the national Integrated Wastewater Discharge Standard, and the treated mixture meeting the national standards for soil quality. Compared with conventional solidification treatment, the operation time was down by 30% and cost was down by 20%.

In 2018, with our drilling waste treatment and recycling technologies, the following results were achieved:
- Application to over 7,000 wells, land use down by 726.7 hectares, waste discharge down by 4.83 million tons,
- 16,167 tons of oil-based drilling wastewater were treated, and 9,800 cubic meters of oil-based drilling fluid was recycled,
- 1.5 million cubic meters of excavating foul-back fluid was recycled,
- RMB 800 million of benefits were generated.
Hainan Fushan Oilfield Exploration and Development Co. (hereinafter referred to as Fushan Oilfield) is a subordinate company of CNPC and a fully owned subsidiary of China Southern Petroleum Exploration and Development Corporation. Fushan Oilfield practices green exploration and development as well as clean production. The company invested RMB 60 million to build CNPC’s first upstream waste treatment center, realizing 100% harmless treatment and recycling of wastes. A further RMB 120 million was invested in hazard rectification for oil and gas pipelines to ensure fundamental safety. The company used IoT technologies to build a digital oilfield, realizing automatic data collection and full digital monitoring coverage for the entire production process. Efforts were also made to speed up the exploration and development of natural gas as a source of clean energy. In December 2018, the company passed the acceptance check for green production areas.

In compliance with the country’s laws and regulations concerning environmentally sensitive areas, we strictly forbid new exploration wells or production programs in wetland reserves, key zones, buffer zones as well as red-line ecological areas and land areas, and gradually withdraw from aforementioned areas in our oil and gas development.

Case Study: Ecology Before Economy

The rosy starling is a migrating bird and a protected species in China for its significant ecological, scientific and social values. In May 2018, tens of thousands of rosy starlings made home at our construction site along the Dunmazha-Nalati expressway on the National Highway 218 (G218). The company working on the site, CNPC Xinjiang Petroleum Engineering Company, suspended all their construction activities so that the birds could breed and nurture their young undisturbed. The company also spent RMB 100,000 on steel pipes and green mesh to build shelters for the birds. The wildlife protection and management office of Yili Kazak Autonomous Prefecture in Xinjiang praised this move as a shining example of putting ecology before economy.
Climate Change

We respond to the Paris Agreement adopted by the 2015 United Nations Climate Change Conference, embrace the goal of limiting global warming to less than 2 degrees Celsius by the end of this century. To this end, we actively responded to climate change, devoted ourselves to low-carbon development, and shared the practice of greenhouse gas control with industry peers and all sectors of society.

Carbon Emission Management

We paid close attention to greenhouse gas emissions and included combating climate change in our development plan. In 2018, following the instructions of the National Greenhouse Gas Emissions Accounting and Reporting Technical Guidelines, we improved the running of the information system for greenhouse gas accounting and reporting, coordinated the accounting of greenhouse gas emissions, and completed the greenhouse gas emission inventory for each business area, covering direct and indirect emissions such as fuel combustion emission, production process emission, fugitive emission and greenhouse gas recovery and recycling.

CNPC Greenhouse Gas Emission System and Mechanism

CNPC carried out methane accounting across the entire industrial chain of oil and gas production and methane emission monitoring for key areas of production. The Company’s methane accounting system mainly includes the flare systems, production drainage, dehydration separation, wastewater and sludge disposal, pneumatic controllers, compressors and storage tanks. The Company strengthened its efforts to reduce leakage emissions, venting emissions and flaring emissions, and enhanced methane recovery in major oil and gas fields. In Tarim Oilfield, 48 recycling sites were built with a recycling capacity of 4.2 million cubic meters per day and a recovery rate of 70%.

CNPC Low Carbon Development Progress Chart

**Safeguard measures**
- Infuse low-carbon development into corporate strategy
- Improve funding mechanisms to ensure investment in major targets of the roadmap
- Improve the phasing-out mechanism, and introduce a gradual phasing-out policy for technologies with high energy consumption and high water cut, and for refining equipment with high carbon emission per unit product and low market demand.
- Position the carbon cost assessment mechanism at proper time to guide investment towards businesses with low-carbon emissions.

**By 2020**
- Reduce CO2 emission per unit industrial value-added by 25% compared with 2015, and drive to stop greenhouse gas emissions from increasing in refining and chemical business.

**By 2030**
- Continue to increase the supply of natural gas and other clean energy as much as possible, make sure that domestic natural gas production accounts for 15% of the Company’s domestic primary energy, and effectively control the growth in greenhouse gas emissions by expanding natural gas production capacity, with the greenhouse gas emission volume set to reach its peak earlier than expected.

**By 2050**
- Uphold the principle of low-carbon development and reach international advanced level in low-carbon development, thus making a significant contribution to China’s efforts to honor international accords on climate change and to curtail greenhouse gas emissions.

**Progress in 2018**
- Enhance carbon trading implementation and carbon asset management
- Establish a national database system on low-carbon projects in accordance with the requirements of the National Carbon Emission Management System and the Carbon Emission Management System.
- Conduct greenhouse gas emission accounting
- Improve the information system for greenhouse gas accounting and reporting and prepared the greenhouse gas emission list of all units.
- Conducted accounting and reporting of greenhouse gas emissions from overseas operations.
- Carried out benchmark studies on carbon emission intensity of oil and gas production.
- Improve energy efficiency
- Oil and gas field enterprises optimized their systems, improved operational efficiency, and increased the application scale of integrated supporting measures on energy conservation.
- Refinery enterprises strove to build themselves into a “digital factory and intelligent enterprise”, and promoted the construction of the Energy Management and Control System and Carbon Emission Management System.

**2018 Corporate Social Responsibility Report**

**Responsible Operation**

CNPC carried out methane accounting across the entire industrial chain of oil and gas production and methane emission monitoring for key areas of production. The Company’s methane accounting system mainly includes the flare systems, production drainage, dehydration separation, wastewater and sludge disposal, pneumatic controllers, compressors and storage tanks. The Company strengthened its efforts to reduce leakage emissions, venting emissions and flaring emissions, and enhanced methane recovery in major oil and gas fields. In Tarim Oilfield, 48 recycling sites were built with a recycling capacity of 4.2 million cubic meters per day and a recovery rate of 70%.

**Emission accounting system**
- Built China’s first full-industry chain CCUS base for CO2 separation, capture and flooding in Jilin Oilfield with an annual storage capacity of 300,000 tons.
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- Established OGCI Climate Investments China with partners.
- Developed a comprehensive carbon asset management system and conducted carbon asset management in the Sinopharm Group, Shenhua Group, and China Energy Chemical Group, etc., and developed relevant technologies such as carbon dioxide flooding and storage and the assessment of carbon sequestration potential.
- Built China’s first full-industry chain CCUS base for CO2 separation, capture and flooding in Jilin Oilfield with an annual storage capacity of 300,000 tons.
- We actively participated in various activities under the framework of the Oil and Gas Climate Initiative (OGCI).
- Participated in the development of OGC’s methane emission control objectives and implementation program.
- Established OGC’s Climate Investments China with partners.
- Participated in relevant cooperative research work.
- Senior management of the Company attended OGCI 2018 corporate leadership summit and delivered a speech.

**Improve funding mechanisms**
- Improve funding mechanisms to ensure investment in major targets of the roadmap.
- Improve the phasing-out mechanism, and introduce a gradual phasing-out policy for technologies with high energy consumption and high water cut, and for refining equipment with high carbon emission per unit product and low market demand.

**Phase in the carbon cost assessment mechanism at proper time**
- Position the carbon cost assessment mechanism at proper time to guide investment towards businesses with low-carbon emissions.

**Conduct greenhouse gas emission accounting**
- Conduct greenhouse gas emission accounting
- Improve the information system for greenhouse gas accounting and reporting and prepared the greenhouse gas emission list of all units.
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- Improve energy efficiency
- Oil and gas field enterprises optimized their systems, improved operational efficiency, and increased the application scale of integrated supporting measures on energy conservation.
- Refinery enterprises strove to build themselves into a “digital factory and intelligent enterprise”, and promoted the construction of the Energy Management and Control System and Carbon Emission Management System.
As the only Chinese member of the Oil and Gas Climate Initiative (OGCI), CNPC is deeply involved in international cooperation to address climate change, 

Case Study  

CNPC Working with OGCI in 2018

Active participation in relevant low-carbon standard setting and research under the OGCI framework:

- Low carbon strategy: Participated in the formulation of OGCI’s 2030 Low Emissions Roadmap and OGCI methane emissions control objectives, as well as in the completion of the Study on the Potential of Agriculture, Forestry and Other Land Uses in Reducing Carbon Emission.

- Clean utilization of natural gas: Participated in the verification of methane emission in the full industrial chain of oil and gas production, and monitoring of methane emission in key production processes.

- CCUS technologies: Participated in CCUS commercialization policy research and developed special CCUS communication programs for the Middle East and China.

- Standard setting: Led the development of Carbon dioxide capture, transportation and geological storage - Quantification and verification (ISO/TR 27913), laying the technical foundation for the benefit evaluation of emission reduction and carbon market access of carbon dioxide sequestration projects.

Establishment of OGCI Climate Investments China

CNPC jointly established Climate Investments China with OGCI Climate Investment Fund (CI) to invest in China’s domestic low carbon market, promote research, demonstration and popularization of low-carbon technologies and business models in China, and explore opportunities for low carbon transition in the petroleum industry.

Exchange and Communication With Peers

Senior representatives of the Company attended the OGCI 2018 annual meeting and exchanged professional experience with peers on issues such as the role of natural gas in energy transition in developing countries, improvement of energy efficiency and strengthening of international energy cooperation.

Development of Low-carbon Energy

As an advocate and participant of the low-carbon economy, we actively develop natural gas, coal-bed methane, shale gas, biomass energy and other low-carbon energies, attach great importance to producing and supplying clean products, and work hard to achieve clean production and consumption processes (see Chapter 1: Sustainable Energy Supply for details).

Development and Application of Low-carbon Technologies

With science and technology playing a significant role in controlling greenhouse gas emissions and addressing climate change, we carried out researches on carbon emission reduction technologies such as CO2 flooding and storage, assessment of carbon sequestration potential in salt water layers and oil reservoirs, and CO2 capture for flue gas from the Company’s power plants. Our first CCUS base for the whole process of CO2 separation, capture and flooding was built in Jilin Oilfield. By the end of 2018, its accumulated CO2 storage reached 1,985 million tons. The Supporting Technology of CO2 Flooding and Storage and Its Application won the first prize for technological progress from the National Energy Administration.

Carbon Emission Reduction During Production

While supplying society with clean oil products, we also pay high attention to optimizing our own energy consumption structure. We also cared about carbon emissions and carbon footprint during production and operation. In Huabei Oilfield, Tarim Oilfield and other areas, we used renewable energies such as geothermal energy and solar energy to reduce carbon emissions during production.

Development of carbon capture and sequestration technologies

Construction of carbon capture and sequestration demonstration projects in Jiangxi Reef, Chuxi Reef, Songliao Basin, etc., and development of CO2 flooding and storage, carbon sequestration potential assessment and other relevant technologies.

Huabei Oilfield has formulated its Geothermal Utilization Development Plan of Huabei Oilfield (2014-2025) to facilitate the building of the green and intelligent new city of Xingang New Area. Relying on the advantages of mid and low-temperature geothermal resources of the oilfield, it has built a “geothermal +” economic growth pole to promote the upgrade of local clean energy consumption. In 2016, Huabei Oilfield started to construct ten geothermal heating demonstration zones in Bohai Vocational College, Hualong Production Area, Heqian and Lusian County, aiming to cover 1.84 million square meters of heating area, which could save 50,000 tons of standard coal.

Market-based Mechanism for Carbon Saving

We actively participated in carbon trading activities to achieve carbon emissions reduction through market-based mechanisms. We are the co-founder of the Tianjin Climate Exchange (TCE), the first comprehensive emissions trading institution in China. The energy saving and emissions reduction projects developed by TCE could save more than 200,000 tons of standard coal annually, equivalent to over 500,000 tons of carbon dioxide emission reduction.

Forestry Carbon Sequestration

We actively support carbon sink forest construction and forestation activities in China. We established the China Green Carbon Foundation together with the State Forestry Administration, continuously building carbon sink forests. Meanwhile, we set up the Forestation Committee to ensure continuous forestation in our production areas and living quarters. As of late 2018, green coverage in CNPC’s production areas reached 293 million square meters, representing a vegetation coverage rate of 44.99%. A total of 950,000 employees voluntarily planted 203,202 million trees in 2018.

Low Carbon Research and Standard Setting

Active participation in relevant low-carbon standard setting and research under the OGCI framework:

- OGCI’s methane target: By 2025, reduce the collective average methane intensity of the aggregated upstream gas and oil operations to below 0.25%, with the ambition to achieve 0.2%.

- Methane emission in key production processes: Participated in CCUS commercialization policy research and developed special CCUS communication programs for the Middle East and China.

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Case Study

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Products and Service

Following the quality principle of “Integrity and Excellence,” we strengthen the quality management system and improve process quality control to create brand products. In addition, we continue to promote high-quality development for the Company by consistently improving product, project and service quality.

Quality Control

In 2018, CNPC continued to enhance quality management, focusing on system standards improvement, quality supervision and inspection, and quality culture building.

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<thead>
<tr>
<th>Key work</th>
<th>Content</th>
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<tbody>
<tr>
<td>System standards improvement</td>
<td>Developed and implemented action plan for quality improvement, with clear goals, tasks and implementation approaches.</td>
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<tr>
<td>Quality supervision and inspection</td>
<td>• Conducted full coverage spot checks on the quality of materials purchased by key subsidiaries.</td>
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<td>• Conducted QHSE checks on Panjin Compressor Station, Changsha Branch of the Third West-East Gas Pipeline, and Togtoh Compressor Station</td>
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<td>• Spot-checked 1,395 batches of procured products throughout the year</td>
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<td></td>
<td>• Conducted quality supervision and spot checks on National VI Standard oil products, and received spot-checks from national and local authorities on more than 10,000 batches of products. No unqualified products were found.</td>
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<tr>
<td>Quality culture building</td>
<td>• Held interactive customer activities such as “Customer Experience Day” and “Open Lab Day”</td>
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<td>• Organized QC group activities engaging 150,000 people</td>
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Major measures to ensure quality of oil products in 2018

• We studied and formulated a special spot-check program for the upgrade of oil product quality to National VI Standard, in order to enhance oil product quality management and ensure the quality of oil products offered to consumers;
• Refining and chemical companies accelerated construction of oil product upgrading equipment and strengthened production process quality control of oil products;
• Marketing companies applied strict quality standards on export of oil products, and conducted oil product quality supervision and spot checks.

Product Management

We provide consumers with products according to legal provisions and industrial standards in a responsible way. While providing products, we put emphasis on the influence on consumers and guarantee product safety. Meanwhile, we actively communicate with consumers, publish product safety risk evaluation results and make great efforts to protect consumers’ legal interests.

Quality Products and Services

Providing Quality Products

By strengthening technological innovation and promoting product quality upgrading, we provided applicable solutions for our industry as well as safe, reliable, high-quality and environmentally-friendly products for our customers. All equipment for gasoline and diesel production in our refining and chemical companies were able to meet National VI Standard.

New chemical products

• FMACRP100N and HMCRP100N, special purpose resins for PE tubing produced by Fushun Petrochemical and Sichuan Petrochemical respectively, have passed grading certifications by the National Test Center of Polymer and Chemical Building Materials;
• L5050, special purpose resin for PE-RT tubing produced by Lanzhou Petrochemical, has passed grading certifications by the National Test Center of Polymer and Chemical Building Materials;
• Fushun Petrochemical has achieved notable results in developing the dephosphorization technology for producing ESBR1502E;
• Dushanzi Petrochemical successfully produced a new NdBR product in pilot-test equipment.
Promoting Service Level
We constantly improve consumer experience and provide consumers with satisfactory and efficient services. In 2018, we launched construction of intelligent gas stations to upgrade part of existing stations to multi-energy stations that provide gasoline, natural gas and electricity.

Service network
- Our service covered 32 provinces (municipalities and autonomous regions) and the Hong Kong SAR.
- We owned over 20,000 service stations in China, with an annual retail capacity of 75 million tons.
- We provided services to 1.1 million person-times every day.

Value-added service
- We expanded retail APPs, credit stores and other services.

Scope of service
- 95% of our service stations were equipped with convenient stores and the number of convenience stores selling non-oil products reached 19,000.
- We supplied ethanol gasoline.

Consumer satisfaction
- We took measures such as launching the “Customer Experience Day” to improve service quality continuously.
- We invited third party to conduct “mystery customer visit”, and followed up with rectification measures.

According to the brand ranking and analysis report of the 2018 China Customer Satisfaction Index (C-CSI) released by brand rating and consulting institute Chnbrand, CNPC service stations scored 71.4 points, ranking first for the second consecutive year since 2017.

Customer satisfaction rate for follow up calls of CNPC service hotline 95504 reached 96.1%.

Case Study
Travel with CNPC on Sichuan-Tibet Highway of G318
From April 5th to 14th, 2018, the Company launched the “Travel with CNPC” campaign again, inviting 15 drivers to have a self-drive tour on the Sichuan-Tibet section of the National Highway 318. The participants experienced the hard journey to transport oil products to Tibet, witnessed the responsibilities shouldered by CNPC as an SOE, and passed on the positive energy through the journey.

Supply Chain Management
We actively promote the sustainable development of the industrial chain. Accordingly, we work in a respectful, communicative, honest and cooperative manner to encourage our partners to jointly fulfill our social responsibilities, and provide the society with high-quality products and services.

Following the concept of “law-abidance, openness, competition, merit-based selection, and win-win results”, we have built a bidding management system featuring unified management, graded responsibilities and joint supervision, and a management model characterized by separate management and operation, level and category based management, and professional implementation. We made great efforts to promote the electronic bidding platform to implement the principle of “fairness, justice and openness” and actively promoted transparent bidding and green procurement, in order to realize corporate governance by law and compliance management.

Key Measures for Supplier Management in 2018
- We selected new material suppliers by means of open bidding and qualification review to ensure standard operation with full disclosure, joint participation, and democratic decision-making.
- We used the internet for real-time communication with suppliers.
- We made on-site visits to suppliers, evaluating their ability to develop in a safe, green, environmentally-friendly, and sustainable manner.
- We promoted cooperation with strategic suppliers and established a mechanism for communication on a regular basis.
- We expanded retail APPs, credit stores and other services.
- We invited third party to conduct “mystery customer visit”, and followed up with rectification measures.

Supplier Management Principles and Philosophy
- Open and voluntary, small quantity but high quality, dynamic management, resource sharing, global sourcing, mutual benefits and win-win.
- Unified management system, unified operation flow, unified management standards, and unified supplier database.

Customer satisfaction rate for follow up calls of CNPC service hotline 95504 reached 96.1%.

CNPC ranked first in the "China Total Brand Value Management Grand Awards 2018" in terms of China Brand Power Index (C-BPI) and China Net Promoter Score (C-NPS).

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