



## Public Welfare

We always adhere to combining our business growth with the sustainable development of the host countries in which we operate. We aim to become an outstanding business enterprise in host countries by attaching importance to people's livelihoods 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.



# 4

## Rural Revitalization



In 2021, CNPC

**300 million**  
earmarked RMB 300 million in assistance funds in China

**600**  
implemented 600 assistance projects, including ecological forests for environmental protection, planting and breeding bases and smart granaries

**984 people**  
dispatched 984 assistance managers

**70,500 people**  
trained 70,500 grassroots leaders, prosperity-pursuing pacesetters and technical personnel

**900 million**  
purchased and sold RMB 900 million worth of agricultural products in areas that had been lifted out of poverty

**500,000 people**  
benefiting 500,000 people

Poverty alleviation is an important topic in sustainable development around the world. We have responded positively to China's strategy for rural revitalization and the initiatives of the United Nation's *2030 Agenda for Sustainable Development*. Making full use of our business advantages and based on the characteristics of resources in the recipient areas, we take a variety of measures to enhance the capacity of the local economy for self-development and effectively align efforts to consolidate and expand the achievements in poverty alleviation with efforts to promote rural revitalization. These measures include deepening support for characteristic industries, expanding the scope of intellectual medical assistance, stepping up assistance through boosting consumption, helping local areas create more jobs locally, and continuing to promote the implementation of key projects.

We strive to explore solutions to rural revitalization and make positive contributions as an oil company. In 2021, we earmarked nearly RMB 300 million in rural revitalization and pairing assistance, implemented nearly 600 assistance projects, and carried out various assistance measures in a high-quality manner.

For the third consecutive time, CNPC has been honored by the Ministry of Civil Affairs with the China Charity Award, the highest-level government award in the field of public welfare and charity in China.



At the 17th International CSR Forum hosted by China News Service and *News China*, CNPC was honored as the 2021 Responsible Corporate of the Year.

### Case CNPC Pursues Common Development with Tibet

CNPC has long been committed to securing oil and gas supply, integrating enterprises with localities, and reducing poverty through development of local industries and boosting consumption, making contributions to the high-quality development of Tibet. At the exhibition on the achievements of central SOEs in assistance to Tibet during the "13th Five-Year Plan" held by the SASAC, the Company was highly recognized for its outstanding contributions in completing investment, paying taxes, providing assistance funds for free, reducing poverty by assistance by boosting consumption, and recruiting Tibetan college graduates.

CNPC Tibet Marketing Company has established 173 gas stations across 74 counties, one district area and six cities, supplying 83% of the refined oil in the Tibet Autonomous Region.

We invested RMB 430 million in the YalaXiangbu project. The Gesang spring mineral water produced by the project was sold nationwide through CNPC's more than 20,000 gas stations, creating tens of millions of yuan in revenue for poverty alleviation every year.

During the "13th Five-Year Plan" period, CNPC Tibet Marketing Company spent more than RMB 17 million in 72 projects to help farmers and herdsmen get rid of poverty.

During the "13th Five-Year Plan" period, CNPC's enterprises in Tibet provided more than 1,900 jobs, mainly for local herdsmen and their children, including more than 350 new graduates from colleges and universities in Tibet.



Changting ecological demonstration forest in Fujian Province



### CNPC Writes "Stories of Changting": From Poverty Alleviation to Rural Revitalization

Changting, an old revolutionary base in western Fujian, used to be one of the four areas hit hardest by soil erosion. This area was plagued by barren mountains, turbid waters, barren soil and impoverished people. Over the past nine years, CNPC has worked hand in hand with Changting to successively make mountains green and lift the local people from poverty, achieving leapfrog development in three stages, namely ecological governance, poverty alleviation and rural revitalization.

We spent RMB 40 million to plant more than 770,000 trees, creating the largest ecological landscape forest and wealth-creation forest in soil erosion control in Fujian. Today, surrounded by lucid waters and lush mountains, Changting has been transformed from the worst-hit area for soil erosion in China to a demonstration county for ecological progress, offering the "Changting Experience" in soil erosion control.

The vast expanse of ecological demonstration forest for soil and water conservation built by CNPC has not only improved the local environment, but also brought long-term economic benefits to the local area. Over the past nine years, the forest has generated a total of more than RMB 51 million in revenue, bringing benefits to more than 2,300 people and directly lifting more than 100 people out of poverty.

As a paired-up assistance project, the main units of the Changting Catalyst Project of CNPC Lanzhou Petrochemical have been successively put into operation since 2019. A total of 23,000 tons of catalyst products with excellent quality and performance have been produced, bringing nearly RMB 300 million in revenue. With an estimated production capacity of 50,000 tons per year, the annual output value of CNPC (Changting) Catalyst Co., Ltd. is estimated at RMB 1 billion, which is expected to generate RMB 100 million in profit and tax; the utilization of its resources and chemical raw materials will generate about RMB 40 million in profit and tax, which is expected to increase the economic aggregate of the Longyan area by RMB 1.5 billion.

## Supporting Education

Education is an important cornerstone of national rejuvenation and social progress. Regarding supporting education as an important part of the fulfillment of our social responsibilities, we give young people equal access to education and help them pursue their goals and boost their personal growth. We continue to support education by providing scholarships and grants for students from underprivileged families. In 2021, with a total donation of RMB 4.47 million, CNPC Scholarships were granted to 685 students at 17 colleges and universities.

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



The "CNPC Scholarships" program was established in 2001 and has been renewed every five years. The number of recipient universities has been expanded from 13 to 17. Over the past 20 years, we have helped 14,000 students accumulatively.

## Promotion of Local Development

Industries are the foundation for the development of cities, while cities are where industries are developed. CNPC is committed to stable energy supply for economic development, and its own development is also inseparable from the understanding, support and help of governments, communities and residents. We insist on the principle of open cooperation for mutual benefit, expanding our joint-venture cooperation with local stakeholders. 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, in order to realize "urban development through boosting industries, industrial development through city prosperity, and city-industry integration".

### Case South Xinjiang Gasification Project Boosts Local Economic Development

Tarim Oilfield accelerates the process of "gasification of southern Xinjiang". As 10 pipelines including the branch line in Daqiao Township were completed and put into operation, a dozen towns and villages in Aksu and Kashgar now have access to natural gas, making them models for the building of a beautiful countryside. Relying on major projects in support of Xinjiang, such as providing natural gas to improve people's well-being, the natural gas industry cluster formed in southern Xinjiang has attracted more than 300 enterprises from outside Xinjiang to settle down and has created nearly 30,000 local jobs. So far, Tarim Oilfield has supplied a total of 45 billion cubic meters of gas to five prefectures in southern Xinjiang, making positive contributions to improve the production and living conditions of local people of all ethnic groups, as well as economic and social development.

## Volunteer Activities

We promote and advocate volunteerism, and organized "Gem Flower" Young Volunteer Activities in ecological civilization, rural revitalization, pandemic control and community services, etc.

In 2021, we had 3,027 young volunteer service organizations, with 139,000 young volunteers, conducting 8,969 service activities.

## Contributions to the Development of Overseas Communities

We respect the cultures and conventions of the host countries in which we operate. 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 socioeconomic growth, build a community of shared future, and create socioeconomic value to jointly promote the development and prosperity of local communities.



Outward bound activities for Chinese and foreign employees in Latin America

### Enhancing Communication with Local Communities

We attach great importance to communication with all social parties in host countries, especially the stakeholders. 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, enhance mutual understanding, and achieve a win-win situation in cooperation.

### Manage Our Impact in Local Communities

We strive to make a positive impact on community development through carrying out responsible operations, which is not only through more employment opportunities, more tax contributions, and more business opportunities to local suppliers, but also through protecting the local natural environment, safeguarding the human rights of community residents, and involving ourselves in public welfare undertakings.

#### Case Community Association, a Bridge for All Parties to Communicate

In consultation with the northern and southern communities in the oil province, Andes Petroleum Ecuador Ltd., an oil company partly held by CNPC, established a community association with seven "office desks", namely employment, wages, bidding and tendering, material supply, dispute resolution, environmental protection, and health and safety. All of these "office desks" are composed of community workers from Andes Petroleum Ecuador Ltd., social workers sent by the government and community representatives. All matters involving the relationship between Andes Petroleum Ecuador Ltd. and the communities are resolved by the three parties at the "office desks".

#### Manage Our Impact in Local Communities

	Potential Positive Impact	Potential Negative Impact	How We Mitigate Potential Risks
 Local Communities	Job Opportunities	Land Acquisition, Relocation, Environmental Impact	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 in a timely manner to ensure operational transparency.</li> <li>• We prioritize the hiring of local people, conduct skills training for them, arrange them to participate in project construction and increase their income.</li> <li>• We strictly follow safety and environmental protection regulations, formulate management systems on environmental protection that involve participation of all stakeholders and closely monitor the environmental impact throughout the entire operation. We immediately restore the surface right after the completion of the operation so as to minimize the impact of production activities on the ecological environment.</li> </ul>
 Capacity Building for Local Businesses and Industries	<ul style="list-style-type: none"> <li>• Business Opportunities</li> <li>• Capacity Building</li> <li>• Technology Transfers</li> </ul>	Risk of neglecting local products and services and failing to share advanced technology with the local communities	<ul style="list-style-type: none"> <li>• 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 small and medium-sized enterprises.</li> <li>• We support the talent training program of the petroleum industry within the host country.</li> </ul>
 Community Consultation and Participation	Residents adjacent to operation locations will be given fair access to express their concerns and understand how they will be affected	Risk of neglecting the concerns raised by communities surrounding operation sites	<ul style="list-style-type: none"> <li>• 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.</li> <li>• We have established a joint communication mechanism connecting companies with government associations, companies with community associations, and companies with employees to strengthen engagement with stakeholders.</li> </ul>
 Social Investment	We conduct early consultation with community members when implementing social investment in order to meet actual needs and bring long-term benefits	Risk of social investment overlooking actual needs and failing to bring long-term benefits	<ul style="list-style-type: none"> <li>• We plan reasonable community investment projects based on the local socioeconomic development plans of the host country and the needs of community residents.</li> </ul>

### 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 enhance the literacy of residents and lay the foundation for the sustainable development of the local society.

#### Case Working with Overseas Communities to Fight COVID-19

In 2021, in the face of the raging COVID-19 pandemic, CNPC continued to fight the pandemic in countries where it operates by such means as donating pandemic prevention materials, providing vaccination services, sharing pandemic prevention experience, and establishing joint prevention and control mechanisms with local governments and communities.



We

- Provided funds to local governments and hospitals to purchase medical equipment for pandemic prevention and control
- Donated masks, protective clothing, oxygen equipment and other pandemic prevention and control materials to local communities
- Worked with the local health department to assist the vaccination of surrounding communities
- Distributed daily necessities such as rice, flour, grain and oil to local families in need to help them pull through the pandemic



CNPC International (Niger) helped local residents repair water wells, replace water pumps and install new solar power generators. As of July 2021, the company has built 101 water wells in the local area, effectively addressing water shortages facing local residents.

### Local Environmental Protection

We strictly comply with the laws and international standards on environmental protection in the countries in which we operate, and follow the sustainable development principle of "striking a balance between business development and environmental protection", in order to minimize the impact of production activities on the local natural ecology.

#### Case "Environmental Protection" and "Ecological Conservation" as Top Priority in Chad Upstream Project

The upstream project of CNPC International (Chad) Co., Ltd. is located in Chari-Baguirmi, south of Chad's capital N'Djamena, an area full of tropical grasslands. The project is committed to ecological restoration and biodiversity protection. It makes full use of post-treatment qualified sewage water from the camps to water bushes and jungles, significantly expanding the green area around the oilfield camps. Through the "pit-free treatment" of drilling waste, the project has reduced, recycled and reused pollutants.



In 2021, we carried out a variety of community public welfare activities overseas

#### Kazakhstan

- Made donations to Aktobe Region to fund public welfare activities such as building local table tennis sports centers, funding local small and micro businesses, and purchasing saplings to support greening
- Supported sports and cultural development in Shymkent, and provided funds for local youth tennis competitions; improved boxing training venues and purchased equipment; supported the development of local rhythmic gymnastics and football; provided long-term funding to Shymkent Children's Ballet School and funded its clothing and performances

#### Iraq

- Helped the building of infrastructure in Halfaya, conducted demand research, gradually launched public welfare projects such as education, medical care, and livelihood facilities, provided food for community residents and helped them maintain roads and build infrastructure such as bridges, culverts, high-voltage lines and ditches; helped build a number of mobile homes and provided school buses and school supplies; donated electrical appliances and furniture to local community clinics, and donated money to patients

#### Chad

- Implemented the "Sweet Community" plan to help local people build wells to provide surrounding communities with access to drinking water
- Participated in and supported the "Peace Cup" Half Marathon, the National Women's Day Celebration, the "Chinese Bridge" Chinese Proficiency Competition for Foreign College Students Chad Finals, and the National Anti-Malaria Publicity in recent years
- Provided assistance to sickle cell anemia hospitals, orphanages and other institutions

#### Indonesia

- Earmarked special funds to improve the education, medical health, environmental sanitation, infrastructure and living conditions of community residents every year
- Won dozens of social responsibility awards from the central government, local governments and associations of various kinds in Indonesia in the past three years

### 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.

#### Case Employment Opportunities for Local Residents in Ecuador

Andes Petroleum Ecuador Ltd. assists the government in building the "employment database" and employment files for community residents, trains community residents in employment skills, and gives priority to people from the Amazon region in recruitment. In recent years, the company has seen a rising proportion of employees from the Amazon region, at about 70% in 2021, providing employment to more than 700 local people.

### Tax Payments According to Law

We strictly comply with the laws and regulations in the countries where we operate, pay taxes to local governments according to law, and contribute to local economic development. In countries where the Extractive Industries Transparency Initiative (EITI) standard is implemented, such as Iraq and Mongolia, our local companies actively participate in the 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 2021, we paid a total of RMB 61.47 billion in taxes overseas.

### Protecting Indigenous People's Rights

Before the construction of a project, we conduct assessments of the social, economic and environmental impact, such as the requirements of the indigenous people, human rights, cultural heritage and involuntary resettlement. We make compensation plans by referring to the opinions of the local governments, our partners and the local villagers. We try our best to protect all of the rights and interests of the indigenous people.



Providing training on environmentally friendly batik craft for women

#### Case Improving the Life of Indigenous People in Indonesia and Protecting the Local Cultural Heritage

CNPC International (Indonesia) actively improves its relations with the government, communities and people. Every year, it earmarks special funds to improve the education, medical health, environmental sanitation, infrastructure and living conditions of community residents. In the past three years, it has won dozens of social responsibility awards from the central government, local governments, and associations of various kinds in Indonesia. The Suku Anak Dalam Support Project won the Outstanding Community Development Award from the Ministry of Social Affairs of the Republic of Indonesia; the Traditional Batik Women Support Project won the Gold Award of Indonesia Sustainable Development Goals Award (ISDA) granted by the Indonesian Corporate Social Responsibility Business Association in September 2021.

