

# Sustainable Development Management

## Concept of Sustainable Development

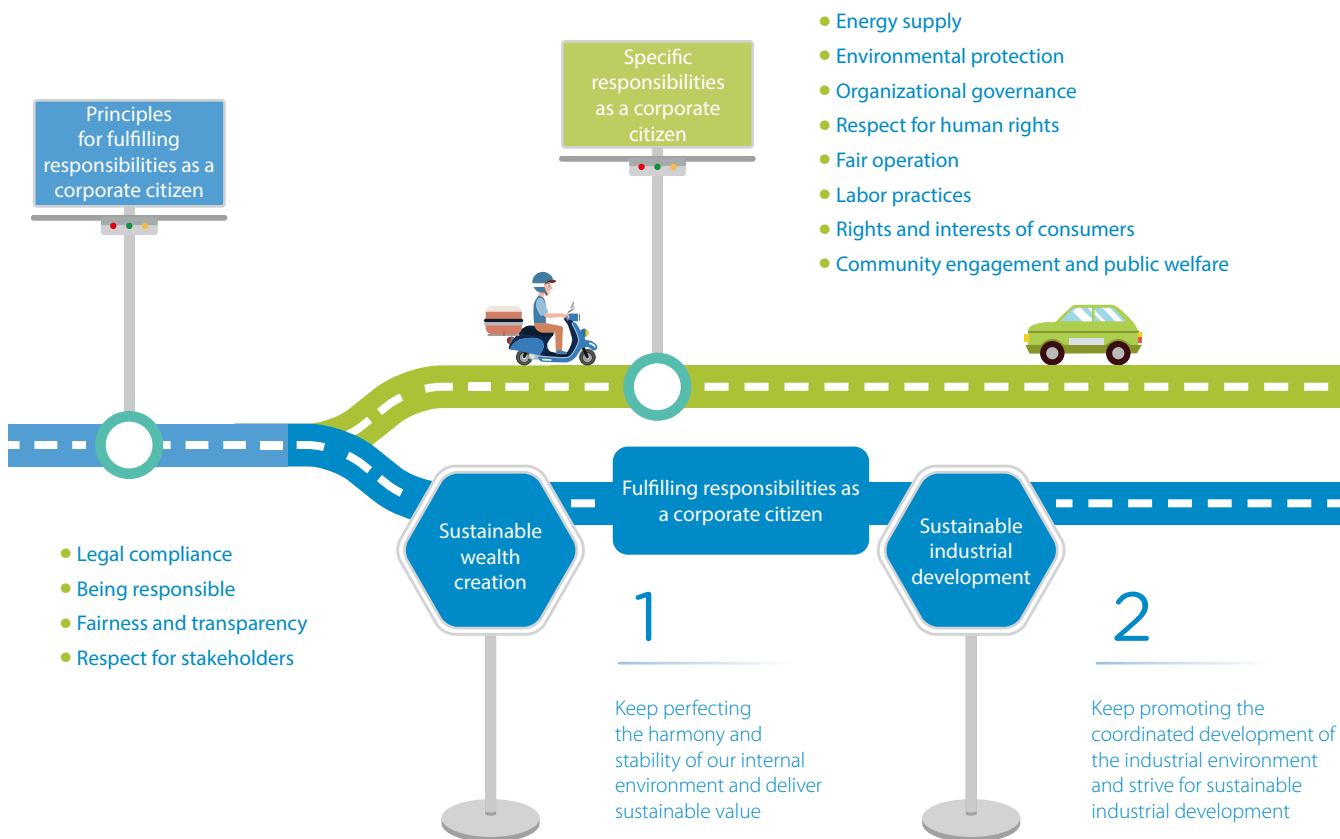
For a company, fulfilling corporate social responsibility is not only a necessary path to achieve economic, environmental and social sustainability, but also an inevitable choice for its own sustainable development; it is not only an external requirement to adapt to economic and social development trends, but also an internal requirement to enhance its sustainability; it is not only an important way to change its development mode and achieve scientific development, but also a strategic requirement for expanding its internationalized operation.

Upholding our "Caring for Energy, Caring for You" corporate mission, we aim to achieve the organic unity of economic, environmental and social responsibilities, and strive to become an outstanding global corporate citizen with higher profitability, stronger influence, and a greater reputation in society. We have never relented in our efforts to implement our social responsibilities, adhere to legal operation, be honest and trustworthy, conserve resources and protect the environment, insist on the people-oriented principle and build a harmonious enterprise, in order to make return to society and realize value sharing.

## Management Mechanisms

At CNPC, we regard it as a fundamental task to establish and improve the social responsibility management mechanism for advancing responsible management. Focusing on system establishment, organizational structure and capability building, we have established a set of comparatively comprehensive social responsibility management mechanisms.

## Corporate Citizenship Governance



## System Building

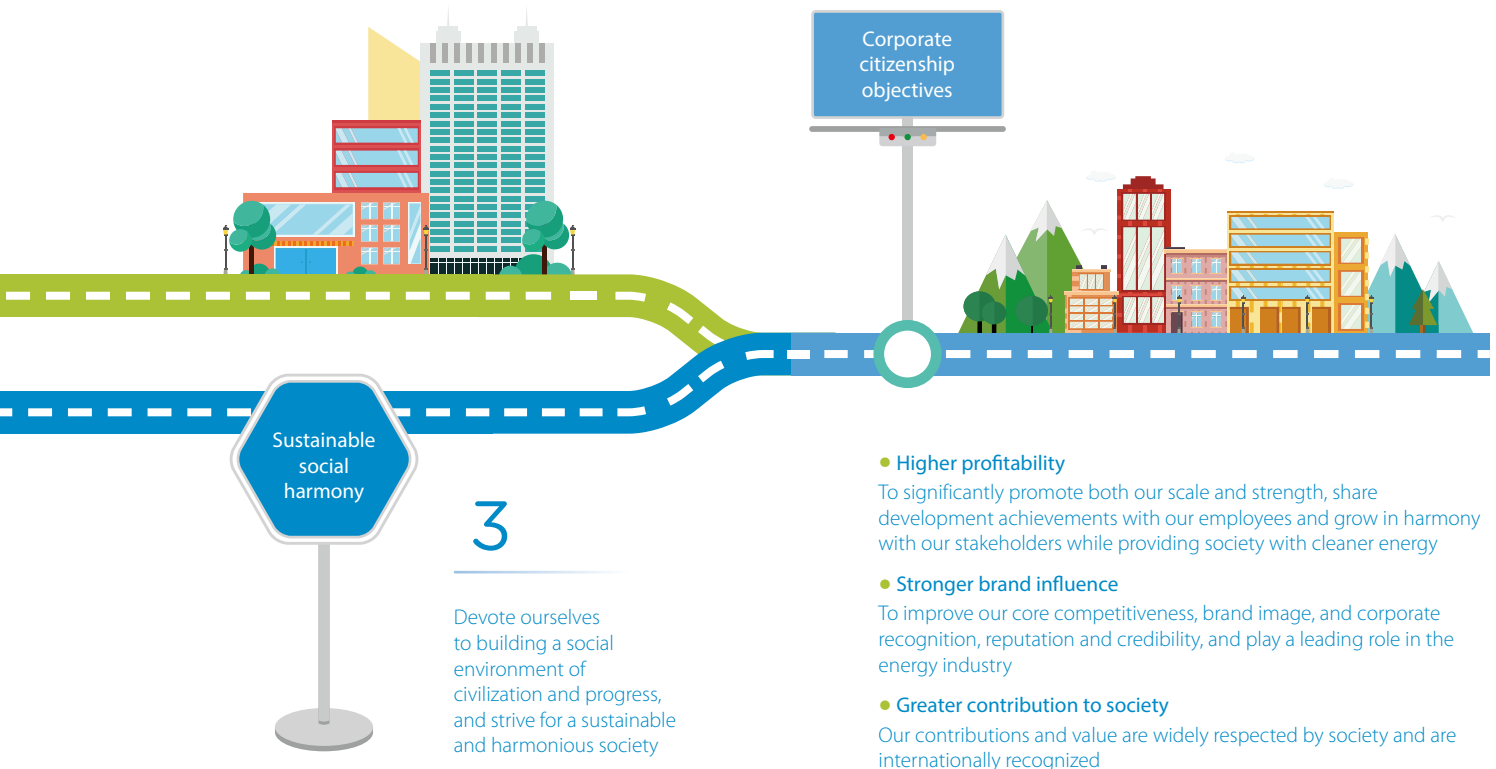
We have developed working rules and regulations on economic, environmental and social responsibilities, laying a solid foundation for the fulfillment of social responsibilities. In 2019, we continued our efforts to build and improve social responsibility management systems and promote social responsibility management according to the *Guideline on Better Fulfilling Corporate Social Responsibility for the SOEs by SASAC* and *Guideline of CNPC on Fulfilling Social Responsibility*.

## Organizational Structure

CNPC has established the Social Responsibility Management Committee to make major decisions on social responsibility policies and planning. The Committee is composed of heads of headquarters functional departments. Meanwhile, we have established an External Experts Committee and regularly hold meetings to solicit professional advice on social responsibility management and best practices, and to provide support for our decision-making. Under the General Office of the Company, we have set up the Social Responsibility Office for CSR implementation, which is responsible for organizing and coordinating the planning and implementation of our social responsibility work. A working mechanism has been established, in which the Committee takes the lead, departments in charge organize the work, business sectors take respective responsibilities and affiliates are fully engaged. This has effectively ensured the progress of our social responsibility standards and planning.

## Capability Building

We actively carry out research in the field of social responsibility, promote CSR education and training, as well as CSR communications with relevant organizations at home and abroad, in order to continue enhancing CSR awareness and our capability to fulfill responsibilities among all employees. In particular, special research has been carried out to provide a useful reference and basis for the implementation of independent public welfare projects.



## CNPC and the UN SDGs

The UN SDGs explicitly call on all businesses, with their creativity and innovation, to address the challenges on the way to sustainable development. The SDGs also present opportunities for business-led solutions and technologies.

Many countries have begun to set forth their plans to achieve these goals and develop and implement the schemes or plans that are consistent with the SDGs. The SDGs call for worldwide action among governments, businesses and civil society.

CNPC is a strong supporter for the SDGs. We believe that we can play a big role in fulfilling them.

SDGs	Action and Results
 <p><b>No poverty</b></p>	<p>We carried out poverty alleviation activities to help end all forms of poverty.</p> <ul style="list-style-type: none"> <li>• We invested RMB 850 million in public welfare undertakings globally</li> <li>• We invested RMB 152 million in China for targeted poverty alleviation. All 10 targeted counties have successfully eliminated poverty.</li> </ul>
 <p><b>Zero hunger</b></p>	<p>We took actions to restore farm land, boost agricultural production and supply water to rural areas.</p> <ul style="list-style-type: none"> <li>• We provided assistance in spring plowing, summer planting, summer harvesting, summer field management, and autumn harvesting</li> <li>• We assisted in the construction of an agricultural park in Taiqian County, Henan Province</li> </ul>
 <p><b>Good health and well-being</b></p>	<p>We communicated to the public a healthy lifestyle, and provided free medical services. We paid great attention to employee health, and implemented the Employee Assistance Program (EAP).</p> <ul style="list-style-type: none"> <li>• The occupational health examination rate reached 99.62%. The psychological hotline provided services for about 1,200 hours</li> <li>• We assigned 63 medical workers to Wuhan for fighting against COVID-19</li> </ul>
 <p><b>Quality education</b></p>	<p>We invested RMB 82.69 million in supporting education. In addition to traditional programs, we carried out the Teacher Training Program and the Xuhang Program.</p> <ul style="list-style-type: none"> <li>• We granted CNPC Scholarships of RMB 3.99 million to 635 excellent students</li> <li>• The Xuhang Program provides subsidies and scholarships for 3,000 poor senior high school students every year</li> </ul>
 <p><b>Gender equality</b></p>	<p>We upheld gender equality, respected and protected female employees' legal rights and interests, and paid attention to the demands of female in poverty-stricken areas, to help them enjoy a better life.</p> <ul style="list-style-type: none"> <li>• We advocate for an employment policy based on equality. The proportion of female employees within our company is 32.36%</li> <li>• We implemented public welfare projects like "Where is My Mum Going" in Jiangxi, providing skill training and job opportunities for local women</li> </ul>
 <p><b>Clean water and sanitation</b></p>	<p>We improved water use efficiency, and strengthened water resources management and water pollution control.</p> <ul style="list-style-type: none"> <li>• We implemented water resources management throughout the industry chain</li> <li>• We implemented the "Sweet Water Community" program in Chad</li> <li>• We saved 10.84 million cubic meters of water</li> </ul>
 <p><b>Affordable and clean energy</b></p>	<p>We developed new energy, improved energy efficiency, and enhanced our ability to supply natural gas.</p> <ul style="list-style-type: none"> <li>• We developed and utilized geothermal resources in Huabei Oilfield, and Kenya, and joined hands with our partners to establish hydrogen and gas refueling stations</li> <li>• The sales volume of natural gas accounted for 61.9% of the domestic market share</li> </ul>

SDGs	Action and Results
 <p><b>Decent work and economic growth</b></p>	<p>We created job opportunities for local people according to applicable labor standards and gave priority to local contractors in economically underdeveloped areas.</p> <ul style="list-style-type: none"> <li>• We have a total of 1,419,500 employees</li> <li>• We recruited 2,711 college and university graduates</li> </ul>
 <p><b>Industry, innovation and infrastructure</b></p>	<p>We attached great importance to technological innovation capability building, and supported infrastructure construction in economically underdeveloped areas.</p> <ul style="list-style-type: none"> <li>• The 100-million-tons production capacity project and the efficient development of carbonate reservoirs in the Middle East were awarded the First Prize of the National Science and Technology Progress Award</li> </ul>
 <p><b>Reduced inequalities</b></p>	<p>We had no child employment and forced labor, and no form of discrimination in gender, region, religion, nationality, etc.</p> <ul style="list-style-type: none"> <li>• The proportion of female employees is 32.36%</li> </ul>
 <p><b>Sustainable cities and communities</b></p>	<p>We built roads and other infrastructures in economically underdeveloped countries/regions, to help improve the living conditions of local people. We paid attention to air quality.</p> <ul style="list-style-type: none"> <li>• Our subsidiaries achieved "zero coal consumption" in the Beijing-Tianjin-Hebei region and its surrounding areas</li> </ul>
 <p><b>Responsible consumption and production</b></p>	<p>We intensified our efforts in clean energy supply, sustainable management of natural resources, hazardous chemicals management, and pollutant discharge reduction.</p> <ul style="list-style-type: none"> <li>• The sales volume of natural gas accounted for 61.9% of the domestic market share</li> <li>• The emissions of major pollutants continued to decline</li> </ul>
 <p><b>Climate action</b></p>	<p>We embrace and support the goal of the <i>Paris Agreement</i>. We included combating climate change in our corporate strategy, and actively responded to climate change.</p> <ul style="list-style-type: none"> <li>• We set the goals for low-carbon development</li> <li>• We established a dedicated low-carbon management office</li> <li>• We promoted clean low-carbon technologies</li> </ul>
 <p><b>Life below water</b></p>	<p>We activated the environmental feature acquisition program, and carried out environmental control and monitoring projects, to protect local marine ecological environment and biodiversity.</p> <ul style="list-style-type: none"> <li>• We protected marine ecological environment in Brazil</li> </ul>
 <p><b>Life on land</b></p>	<p>We complied with local environmental protection policies, and animal and plant trading laws and regulations, and protected local rare species.</p> <ul style="list-style-type: none"> <li>• We protected the Arabian Oryx in the UAE</li> <li>• We protected the Przewalski's Horse in Xinjiang</li> </ul>
 <p><b>Peace, justice and strong institutions</b></p>	<p>We promoted economic development, and pursued peace and growth.</p> <ul style="list-style-type: none"> <li>• We strengthened overseas security management. There were no security-related fatalities in our overseas projects</li> </ul>
 <p><b>Partnerships for the goals</b></p>	<p>We cooperated with host governments and partners to address challenges in energy sustainable development.</p> <ul style="list-style-type: none"> <li>• We strengthened interconnectivity by putting the China-Russia East Natural Gas Pipeline into operation</li> <li>• We conducted international trading, with a reported trading volume of 540 million tons</li> </ul>