

## Protecting Indigenous Rights

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

### Case

#### Living Improvement for Aboriginals in Nenets Autonomous Okrug

The Nenets are aboriginal reindeer herders mostly inhabiting Siberia and migrating around the Arctic tundra. They live on nothing but reindeer meat, with bread as a rare food. While operating in Yamal, we strive to help local aboriginals improve their social and living standards and ecological environment.

#### Ecosystem conservation

We respect the natural environment and biodiversity in the Arctic. We use multiple techniques (e.g. pile foundations for structures) to protect the permafrost. We keep long-term monitoring of the discharge of waste water, waste gas and solid waste, according to the environmental monitoring plan.

We try to protect the biodiversity in the work area. We have prepared the local biodiversity action plan according to the Equator Principles, specifying the protective measures for animals/plants and the ecosystem across the area. In partnership with the Arctic Council, we have launched the "Healthy Tundra", a campaign to leverage the traditional knowledge and skills of indigenous residents to promote ecological restoration. Our contribution to improving the ecosystem in the Arctic region has been recognized by the international community.

#### Financial assistance

Every year, the Nenets migrate with their reindeers across the Yamal Peninsula – to the northernmost in summer and the southernmost in winter, two ranches thousands of kilometers apart. In 2020, after negotiations with the aboriginals, we built 13 crossing points for reindeer migration in our project area, 5 points more than originally planned, greatly facilitating the long-distance reindeer migration. In addition, we transported aboriginals for 10 times via helicopters, and provided 10 tons of gasoline, 30 tons of diesel and 280 cubic meters of wood fuel to help improve local living conditions.

#### Social development plan

We assist the Nenets Autonomous Okrug in developing its social development plan for aboriginals, in order to improve local employment, early childhood education and medical care.



## Outlook for 2021

In 2021, the world economy will pick up as the COVID-19 vaccine rollout ramps up and relatively loose fiscal and monetary policies provide some support for economic recovery. China will witness normal economic performance along with the regular epidemic prevention and control and normal macroeconomic policies. Despite the complex and volatile domestic and international environment, we will make progress while maintaining stability, commit ourselves to the strategy of innovation, resources, market, internationalization, and green and low-carbon development, and keep enhancing our sustainability, so as to open up new prospects for the building of a world-class integrated international energy company and contribute to the global energy transition, China's energy revolution and China's aim to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060.

We will unswervingly deepen the reform according to the three-year action plan. We will translate our achievements in deepening reform into strengths in professional development and market-oriented operation. We will optimize and improve six major systems of corporate governance, and continue to enhance our governance efficiency.

We will foster development advantages and consolidate our resource base. We will make efforts to maintain steady growth in domestic crude oil production and rapid growth in natural gas production and to push for the clean, low-carbon transition. We will strengthen integrated and coordinated development of upstream and downstream sectors, domestic and overseas operations, and production, refining, marketing, storage and trade, so as to create new drivers for the Company's value enhancement and sustainable development and the Company's ability to ensure national energy security.

We will press ahead with the Three-year Action Plan for Special Ratification of Work Safety, improve the QHSE management system, and promote energy efficiency as the resource of first priority under the green and low-carbon development strategy. We will develop a timetable for peak carbon emissions, actively explore technologies and measures for carbon neutrality, and promote pollution prevention and ecological protection. We will take efficient control measures to improve the quality of products, projects and services. We will strive to play a leading role in delivering clean energy and promoting ecological progress, and steadily improve our safety and environmental performance.

Being "people-centered", we will actively rely on talents to make the Company strong. We will protect the legitimate rights and interests of employees, build effective platforms for their development, improve their working and living conditions, and care about their physical and psychological health. We will ensure that the corporate development offer greater benefits to all the employees in a fair way.

We will remain committed to public welfare through educational donations, disaster relief and staff voluntary activities. Through project development and construction, we will promote local employment, boost local economic and social development, and contribute to the full implementation of the rural strategy as a petroleum company.

The year 2021 marks the start of China's "14th Five-Year Plan". In the new stage, we will adopt the new development philosophy and integrate into the new development paradigm. Also, we will strive for new and steady horizons for self-reliance and self-improvement in science and technology, higher business performance, green and low-carbon transition, and corporate governance. We will step up efforts to build a world-class integrated international energy company, so as to make fresh contributions to China's national energy security and economic and social development.