Fostering stronger partnerships towards a shared sustainable future
--Practices from CNPC

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China National Petroleum Corporation (CNPC) is an integrated international energy company with businesses covering oil, gas & new energies, refining, chemicals, marketing & new materials, support & services, as well as capital & finance etc. ETRI is the think-tank engaged in strategic decision-making directly subordinated to CNPC.

China's major oil and gas producer and refined products supplier
World’s 3rd largest oil company by PIW
Ranking 5th on Fortune Global 500
I. Sustainability at CNPC
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.

We work with our stakeholders to ensure reliable, sustainable and affordable energy supplies while creating shared value for and with our stakeholders.
II. Our Practices
1. Transitioning to low carbon future

- CNPC has been actively cooperating with the government and companies in the industry chain, and strives to provide clean, low-carbon, safe and efficient energy while meeting future energy demand, in an effort to jointly build a sustainable energy future.

- Low carbon development strategies

- Tackling the energy trilemma
1. Transitioning to low carbon future

Climate and low-carbon transition

Under the three-step approach, i.e. “clean alternatives, strategic replacement and green development”, the Action Plan 3.0 for Green and Low-carbon Development was formulated to introduce four measures: carbon reduction, carbon utilization, alternative fuels, and carbon sequestration. Three action plans, i.e. Green Business Leader Initiative, Clean and Low-carbon Energy Contributor Initiative, and Circular Carbon Economy Pioneer Initiative, and ten energy-saving and carbon reduction projects were launched to facilitate the green and low-carbon transition.

Four measures for low-carbon development

- **Carbon reduction**: Control the sources of carbon emissions, promote energy-saving practices, improve energy efficiency and energy utilization, reduce energy consumption, and bolster the natural gas business.

- **Carbon utilization**: Improve carbon utilization, increase the use of carbon dioxide in the chemical industry and foster relevant industries.

- **Alternative fuels**: Replace the traditional fossil energy, promote the replacement of traditional heating used in oil and gas production with geothermal and solar thermal heating, promote the replacement of coal-fired electricity generation with clean electricity, accelerate the production and large-scale application of hydrogen energy, increase the use of “green power”, and continue to promote electrification.

- **Carbon sequestration**: Explore and improve the economically feasible technological pathways for carbon capture and storage, deploy CO₂ flooding and carbon storage on a large scale, expand “zero-carbon” and “carbon-negative” industries, and enhance the carbon sequestration capacity of the ecosystem.
1. Transitioning to low carbon future

As the sole member of OGCI in China, CNPC is deeply involved in international cooperation to address climate change, and works with other OGCI members to contribute to China’s drive to address climate change and build a green, low-carbon oil and gas industry.

- Signing the Zero Methane Emissions Initiative
- carried out study on roadmap for downstream electrification of the oil and gas industry.
- Participating in the development of international standards for CCUS
- Participating in selection of low carbon technologies, such as direct air capture (DAC) of CO₂, hot dry rock (HDR) geothermal energy and CO₂ mineralization.

CCUS-EOR demonstration project in Jilin Oilfield
1. Transitioning to low carbon future

- reduced the methane emission intensity by 9.76% over 2021
- honored "Model in Green and Low-carbon Development" for 11 consecutive years
1. Transitioning to low carbon future

Boosting gas E&P to ensure stable supply while giving priority to decarbonizing the energy mix

- In 2022, CNPC’s gas production represented a **5.6%** year-on-year increase, and accounted for **66.8%** of China's total natural gas production.
Incorporating biodiversity into our Company’s management system

- Formulated and issued the Ecological Protection Action Plan, the 14th Five-Year Plan for Green Development, the Ecological Ban and other regulations and management systems
- Continuously improved our biodiversity protection system and incorporated biodiversity risk assessments into the whole-life-cycle management of our projects

Carrying out a variety of biodiversity protection practices

- Exploring nature-based solutions (NbS), we strived to create 10 voluntarily- contributing biosphere reserves
- Carried out environmentally- friendly mine construction activities
- Protected, restored and promoted the sustainable use of land
- Protected valuable and old trees and wildlife habitats

Key Measures and Actions Adopted To Protect Biodiversity

Protecting the environment and biodiversity in operation

2. Facilitating a just transition
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Local content

- Local hires account for over 90% in its overseas investment projects
- Created over 100,000 employment for host countries
- Empowering its local employees: 4 overseas employee training centers in Kazakhstan, Iraq, South Sudan and Turkmenistan
2. Facilitating a just transition

Respecting human rights

Rights of Indigenous People

- Prior to the commencement of a project, we conduct assessments of the social, environmental and economic impact in relation to the needs of communities, human rights protection, natural environment and cultural heritage.

- We uphold standard operation and formulate compensation plans by taking into account the opinions of the local governments, our partners and the local residents in order to protect the interests of the indigenous people, eg. compensation of land acquisition.

Overseas Security and Human Rights Protection

- All contracts on operation and management of contractors are strictly performed in accordance with the relevant local requirements and regulations set forth by the relevant authorities. We endeavor to ensure that the rights and interests of both our Company and our employees are maximized and maintained in a fair and equitable manner. We also require security contractors to conduct their work in a responsible and ethical manner and prohibit them from excessive use of force or engaging in human rights abuse.
2. Facilitating a just transition

**Building up local capacity**

- Helping to build/rejuvenate local petroleum industry in Sudan, Niger and Iraq
- Supporting local SMEs- local procurement
- Empowering women and children through training and education
- Enabling to access modern infrastructures--road, electricity, water, telecom, internet, medical care, etc.
2. Facilitating a just transition

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- CNPC Scholarships worth RMB 4.47 million to 685 excellent students
- We earmarked RMB 11 million to support 2,894 financially struggling students from 20 high schools in 8 provinces through the Xuhang Scholarship Program
2. Facilitating a just transition

In Niger: helping to realize energy independence and even oil exporting

Instead of investing in exploration and development of oil and natural gas, which is most profitable, CNPC aims to help the host countries build a complete industrial system through investment in not only upstream but also pipelines and refineries in the downstream.
2. Facilitating a just transition

Madè Island is where the oil terminal of Myanmar-China Crude Oil Pipeline locates.

Tremendous changes have taken place:
- tap water is available in every village, replacing the rain water
- all households enjoy power supply for 24 hours, instead of the previous 3 hours
- no road existed before, but now roads connect all of the villages
- the establishment of 3G telecommunication base stations has ended the days when there was no mobile signal.
- new schools and clinics on the island
Thanks for listening

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