



# 2020 SUSTAINABILITY REPORT

CHINA NATIONAL OFFSHORE OIL CORP.

CNOOC Sustainability Report 2020



**CNOOC**

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中国企业社会责任报告  
评级专家委员会  
Chinese Expert Committee on CSR Report Rating

Our Quality Energy for Your Blue Sea and Sky

## Report Introduction

Following its launch in 2005, this is the 16th consecutive issue of annual sustainability report of China National Offshore Oil Corporation. It is an accurate reflection of our fulfillment of economic, environmental and social responsibilities undertaken in 2020. Some pertinent information about the report is as follows:

**Reporting Entity:** China National Offshore Oil Corporation

**Alternative Reference:** China National Offshore Oil Corporation is herein also referred to as "CNOOC", "the Company", "we", "our" or "us".

**Reporting Period:** January 1 to December 31, 2020. In order to ensure the continuity and comparability of the information disclosed, the applicable period for certain information may be extended forward or backward accordingly.

**Reporting Cycle:** The timescale of this report is a calendar year.

**Reporting Principles:** To meet the needs of the stakeholders and general public by disclosing key information of the Company in a true, objective, timely and comprehensive manner.

**Data:** All 2020 data disclosed herein is annual statistics. In case of discrepancies with the data in the annual report, the latter shall prevail. Unless otherwise specified, all amounts are expressed in Renminbi (RMB).

**Reporting Scope:** Unless otherwise specified, all information disclosed in the report is from official documents, statistical reports and reports of fulfillment of responsibilities by CNOOC and our subsidiaries. The information has been reviewed by our management, supervision department and various subsidiaries. Moreover, information about CNOOC's management framework, management process for sustainable development and our subsidiaries, please refer to the sustainability and annual reports over the years.

**Improvements:** In order to reflect the fulfillment of CNOOC's responsibilities in a more objective, comprehensive and intensive manner, the compilation of this report is based on site investigation on the responsibility fulfillment of CNOOC's affiliates and the

selection of real cases. Opinions and suggestions from stakeholders are also incorporated to give an active response to their concerns. The report is presented with the themes of "Our Quality Energy for Your Blue Sea and Sky" and three issues of "Promoting Economic Growth, Enhancing Environmental Protection, and Driving Social Progress" to demonstrate CNOOC's sustainable development. In addition to the independent chapter of "CSR Report Overseas", five special issues about social responsibility are highlighted in the report: CNOOC's 13th Five-Year Plan, CNOOC's decisive victory in poverty alleviation, Key offshore oil&gas projects, The Three-Year Action Plan for Environmental Protection Upgrading in Bohai Oilfield, CNOOC in action to fight the COVID-19 epidemic.

**References:** This report is prepared on the basis of the SDGs and *Ten Principles* of the United Nations *Global Compact*, the *Guidelines to the Central Government-owned Enterprises on Fulfillment of Corporate Social Responsibilities* and the *Guidelines to the State-owned Enterprises on Better Fulfillment of Corporate Social Responsibilities* issued by State-owned Assets Supervision and Administration Commission of the State Council of People's Republic of China with reference to the *Sustainability Reporting Guidelines* of the Global Reporting Initiative (GRI), the *Sustainability Reporting Guidelines of Oil and Natural Gas Industry (2015)* jointly issued by the International Petroleum Industry Environmental Conservation Association (IPIECA) and the American Petroleum Institute (API), the *Guidelines on China's Corporate Social Responsibility Reporting (CASS-CSR 4.0)* by the Corporate Social Responsibility Research Center of the Economics Department of Chinese Academy of Sciences and the *ISO 26000 Social Responsibility Guide (2010)* by the International Standards Organization.

**Language:** This report is published in both Chinese and English. In case of discrepancies, the Chinese version shall prevail.

**Accessibility:** This report is available in print and digital formats. To obtain one copy of the report, please e-mail to report@cnooc.com.cn or login to www.cnooc.com.cn to download. See also CNOOC WeChat Public Account of this report.



### THE LOGO OF CNOOC

The corporate logo of China National Offshore Oil Corporation (CNOOC) encompasses the basic design elements comprising the letters that make up the Company's initials CNOOC, enclosed by the blue curves and ripples that represent China's seawaters. The design in red, formed by the capital letters CNOOC, depicts an offshore drilling rig silhouetted against the rising sun, symbolizing prosperity in the offshore oil industry of China.



### ABOUT THE COVER

Wang Junjie, is a quality inspector in the construction division of CNOOC Engineering.

In order to guide graduates from targeted poverty alleviation areas out, CNOOC launched a series of employment measures to encourage and help poverty-stricken college students, and carries out targeted recruitment every year, Wang Junjie is one of them. From Zhuozi County, Inner Mongolia, he, through more than a year of exercise, has grown into a qualified inspector.

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## Chairman's Letter

Dear all,

The year 2020 was an extraordinary year to CNOOC. At the historic crossroad of the "Two Centenary Goals", facing the combined impact of low oil price and the COVID-19 pandemic, we the CNOOC staff responded with tenacity, making collective efforts to fight against the pandemic, to increase reserves and production, to tackle challenges of low oil price, to ensure safe production, and to reach poverty alleviation objectives. With willpower exercised and competence elevated on the way we tided over the difficulties, we shouldered our responsibilities and made contributions to China's advances in science and core technologies.

Committed to serving the country with energy, CNOOC intensifies efforts in exploration and development of oil and gas, and fully implements the Seven-Year Action Plan for increasing reserve and production. In 2020, CNOOC achieved oil and gas output of over 65 million tons of oil equivalent were produced in China. The Company's domestic crude oil production increased by 2.4 million tons year on year, accounting for more than 80% of China's total increment. Offshore oil and gas production has turned out to be an important energy growth driver. In order to strengthen the coordinated development throughout the industrial chain, CNOOC actively promoted the construction of our natural gas production, supply, storage and marketing system. The Company's domestic

natural gas sales volume was 59.9 billion m<sup>3</sup>, securing stable supply of natural gas during the heating season.

CNOOC actively tackles climate change and builds up a green and low-carbon industrial chain covering oil and gas fields, refineries, power plants, LNG receiving terminals, fabrication yards and ports. The Company actively explores green transformation and development, differentiates its layout in the new energy industry centering on marine resources, and take bold moves in building up a clean, low-carbon, safe and efficient energy system. With greater determination, scaled-up efforts and more practical measures, CNOOC has set up a leading group in efforts to realize China's targets of peaking carbon dioxide emissions and achieving carbon neutrality. In 2020, CNOOC's first offshore wind power generation project was combined to the grid for power generation, the "Three-Year Action Plan for Environmental Protection Upgrading in Bohai Oilfields" was completed, 5 subsidiaries were newly awarded as national "Green Factories", and all 10 units involved into the pilot carbon trading market fulfilled all annual compliance requirements. The Company over fulfilled its targets of assessment on energy conservation and emission reduction, and made breakthroughs in green sustainable development.

Focusing on the latest science and technology revolution and industrial transformation, CNOOC implements the innovation-

driven strategy to break through key technology difficulties in various fields throughout the industrial chain, so as to continuously improve production and operation by technological innovation. Major breakthroughs and applications of many core technologies were made in 2020. For instance, the independent ultra-HTHP logging technology effectively supported the exploration and development of HTHP oil&gas reservoirs like the Bozhong 19-6. The rotary steering and logging-while-drilling system was commercially applied in a large scale. Major breakthrough was made in the core technology of extra-large LNG storage tanks of 220,000-270,000 m<sup>3</sup>. Concentrating on digitalization and intellectualization, CNOOC pushed forward the construction and application of the 5G+ Industrial Internet, and built smart oilfields, engineering projects and factories. As a result, the rate of unmanned operations on offshore platforms has reached 11.3%. CNOOC Mall, the Company's e-commerce platform, has witnessed an accumulative turnover of more than RMB 240 billion. These achievements demonstrates that innovation has become a powerful engine for high-quality development of offshore oil business.

Adhering to the principle of "overcoming difficulties, building resilience, empowering locals with the means to prosper, and establishing a long-term mechanism", CNOOC reduced poverty in a targeted way through our endeavors in developing local industries, promoting education, increasing consumer spending on products from poor areas, and creating jobs in poor areas. The Company sought for practical results with proper assistance, so as to sustain growth of the local economy and enable locals to continuously prosper. CNOOC has worked in poverty alleviation for 26 years, and has successfully completed the task of poverty alleviation by investing more than RMB 750 million in help funds, contributing RMB 1.6 billion to the central enterprise poverty alleviation fund in all six counties and cities out of poverty. CNOOC will stick to poverty alleviation duties, policies, assistance, and oversight after the poor counties are removed from the poverty list, enhance political responsibility, consolidate the achievements of poverty alleviation, and continue to advance effective integration of comprehensive poverty alleviation and rural revitalization strategies. The Company is committed to creating a better future together with the counterpart assistance counties and cities.

Facing the sudden outbreak of COVID-19 all over the world, CNOOC's immediately responded to it and lost no time in constructing the defense line with collective and comprehensive measures by establishing "Three Systems" and realizing "Five Coverages". CNOOC's Chinese employees had "zero infections" outside Hubei province. The staff of CNOOC rushed to support the anti-epidemic front line through various channels, opened up a new production line of epidemic prevention materials, in order to ensure material supply for the front line. Many employees diligently stuck to their posts, carried out production and business activities in an orderly manner, continued to break through key projects, to ensure that people's energy demand in daily lives and economic construction were met. With strong implementation, CNOOC was devoted to winning the victory over the epidemic and achieving the goal of economic and social development.

CNOOC keeps up with national policies, social development and people's needs, and takes improving people's livelihood and well-being as the fundamental purpose of the Company's business development. CNOOC Public Welfare Foundation invested in projects regarding targeted poverty alleviation, marine protection and public welfare, and continuously carried out public welfare

activities. With the goal of building harmonious mining communities, enterprises and society, CNOOC built up the "Blue Force" brand for youth volunteer activities, established the system of volunteer service teams, managed projects in a scientific way, standardized activity organization work, and diversified service fields. CNOOC "Cuckoo" volunteer group was awarded the "Best Volunteer Organization" by the Publicity Department of the CPC Central Committee, and CNOOC was the only central enterprise to win the award. CNOOC will continue to commit itself to people's livelihood, and share the development fruits with people.

CNOOC holds a global view and adheres to internationalization strategy. The Company is actively engaged in international oil and gas cooperation in the "Belt and Road" regions. Oil and gas production in such regions accounts for nearly 40% of the Company's overseas total production. CNOOC proactively shoulders more responsibilities of green development, and endeavors to play as a model of internationalization in pursuing mutual benefits and win-win cooperation. As a member of the UN Global Compact, CNOOC strictly abides by the laws and regulations of the UN and host countries where its business is located. The Company strengthens safe and compliant operations, explores new green development paths according to local conditions, optimizes the overseas employment system, and promotes mutual development with the local. CNOOC adopted the principles of "One Policy for One Country" and "One Policy for One Person". Its overseas subsidiaries shared their anti-epidemic experience with the local, and "CNOOC solutions" obtained remarkable effects. CNOOC is willing to join hands with people around the world, and contribute its strength to the construction of a community of shared future for all humankind.

Dear friends, CNOOC grows and thrives relying on the sea. Standing at a new historic starting point, we will keep up our stride on the new journey, shoulder new responsibilities, open a new chapter of high-quality development during the 14th Five-Year period. CNOOC will break the waves and sail out in the journey of building a world-class energy company with Chinese characteristics.

Chairman Wang Dongjin



## President's Letter

Dear all,

The year 2020 was full of extraordinary challenges. Unprecedented global changes intertwined with the once-in-a-century pandemic. Facing the devastating impact of COVID-19 and low oil price, CNOOC has forged ahead to meet the challenges, stuck to the responsibility of safeguarding national energy security, focused on enterprise development to serve the society and ensure people's wellbeing, and pursued the harmony of economic growth, environmental protection and social progress.

CNOOC actively integrated itself into the national maritime power strategy, vigorously increased reserves and production, and continued to provide high-quality energy for the sustainable development of the society. In 2020, CNOOC achieved total oil and gas output of 108 million tons of oil equivalent, of which 65.3 million tons of oil equivalent were produced in China, and the trading volume of oil products amounted to 128 million tons, all reaching records high. The Company produced 11.71 million tons of refined oil products, imported 29.75 million tons of LNG, generated 20.7 billion kWh of natural gas-fired power, and paid RMB 81.6 billion for taxes. CNOOC gave full play to the advantages of its integrated natural gas industrial chain, facilitated online sales services, promoted infrastructure construction, gave top priority to people's livelihood projects, and made every effort in ensuring natural gas supply in winter.

CNOOC regards operation safety as the principle and safety management as the cornerstone of its high-quality development. The Company consolidates main responsibilities of all levels in order to ensure continuous safe production. In 2020, CNOOC comprehensively promoted the Three-Year Action Plan for Special Rectification of Safe Production, which laid a solid foundation for increasing oil and gas reserves and production. The year-round production safety remained generally stable without major production safety or environmental protection accidents, creating the best performance in recent years.

CNOOC actively responds to the Paris Agreement and tackles climate change, and embraces the low-carbon transformation in the energy industry with an open mind. The Company adheres to the green and low-carbon strategy, actively promotes the research and deployment of the action plan for peaking carbon dioxide emissions and achieving carbon neutrality, and incorporates indicators on energy-saving and low-carbon efforts into the goals of the Company's 14th Five-Year Plan. In 2020, we invested RMB 399 million in implementing 92 transformation projects for energy-saving, and saved 226,000 tons of standard coal, with a comprehensive energy consumption of 0.3341 tons of standard coal per RMB 10,000 turnover. The emissions of sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and chemical oxygen demand (COD) decreased by 22%, 14% and 15%, respectively, year on year. The Company

will unswervingly practice, promote and contribute to green development.

CNOOC respects, follows and protects nature. The Company strives to explore harmonious development between human and nature, balance and coordinate economic development and ecological protection during the process of production and operation, for a prosperous, clean and beautiful world. CNOOC Public Welfare Foundation has invested more than RMB 110 million in supporting professional institutions to carry out marine environmental and ecological scientific research and advance technological development, giving full play to its positive role in promoting biodiversity conservation and sustainable utilization.

CNOOC continuously increased investment in funds, projects and talents to improve local infrastructure, access to clean drinking water, public service capacity, and medical and health conditions, and resolved prominent problems in counterpart assistance areas. The Company stimulated inherent driving forces and self-development abilities of the poor areas to promote local industries and facilitate the effective integration between poverty alleviation and rural revitalization. In 2020, CNOOC invested more than RMB 115 million in poverty alleviation in counterpart assistance areas. All six pairing poverty-stricken counties and cities have shaken off poverty ahead of schedule. CNOOC Poverty Alleviation Office was awarded "National Advanced Group for Poverty Alleviation", and Luo Xinzeng, a CNOOC poverty alleviation official, won the title of "National Advanced Individual for Poverty Alleviation".

In the face of the sudden outbreak of COVID-19, CNOOC gave top priority to ensuring the life and safety of the Chinese people and all CNOOC employees, upgraded scientific epidemic prevention measures, and achieved "no infection" of its Chinese employees outside Wuhan. During the epidemic period, the Company operated at full capacity to produce epidemic prevention materials, worked against time to open new production lines, and donated over 60,000 tons of various medical supplies and more than RMB 60 million for epidemic prevention and control. More than 120 domestic offshore oil and gas fields, major refineries, LNG receiving terminals and fertilizer plants of CNOOC maintained their production to support social and economic performance and meet people's energy needs.

Regarding talents as the most valuable asset of the Company, CNOOC actively promotes the talent cultivation strategy, and creates a personnel mechanism with equal opportunities and fair rules. The Company also does best to create a positive and inclusive enterprise culture and environment for talent development. In 2020, CNOOC made strong moves in the "3+1" Program for talent cultivation and started the first selection of strategically important talents. The Company always advocates achieving balance between work and life, constantly improves employees' sense of gain, happiness and security, in order to provide the strongest support for the sustainable development of the Company.

Committed to serving society, creating harmony and bringing benefits to people, CNOOC shares the reform and development achievements with the whole society. The Company has established a regular communication mechanism with communities. All new projects have gone through the environmental and social impact assessment. CNOOC Public Welfare Foundation has carried out special public welfare projects for a long time, such as college student grant, legal aid, Water Cellar for Mothers, health express

and hearing rehabilitation action, focusing on vulnerable groups and weak links of public service from multiple perspectives, so as to promote harmonious development, prosperity and stability of the society.

CNOOC adheres to the cooperation spirit of "consultation, contribution and shared benefits". The Company continuously improves cooperation with countries along the "Belt and Road" in oil and gas business. CNOOC strictly abides by the laws and regulations of the host countries where its business is located, attaches great importance to ecological protection around operating areas, creates career promotion channel for employees overseas, and works hand in hand with local communities, in order to boost the green and sustainable development of host countries. In 2020, the Company pushed forward its overseas business in a safe and steady manner. A total of 31.87 million tons of crude oil and 10.5 billion m<sup>3</sup> of natural gas were produced overseas, and 2 new overseas discoveries ranked among the world's top 10 oil and gas discoveries. The Company comprehensively promoted overseas epidemic prevention and control and safe production, and established a three-level overseas epidemic prevention and control management system, aiming at fully ensuring the safety and health of employees and achieving "zero infection" of Chinese employees on offshore platforms. CNOOC has been developing along with China's reform and opening-up, and will continue to uphold the concept of openness and cooperation, work together with its partners to pursue development of a shared future.

The blueprint has been drawn and much remains to be done. It's time to break the waves and sail out for our journey ahead. CNOOC will open a new stage for high-quality development, write a new chapter of fulfilling social responsibility, and make unremitting efforts to meet people's growing needs for a better life!

President Li Yong

## About Us

### Company Overview

China National Offshore Oil Corporation, the largest offshore oil&gas producer in China, is a state-owned mega company operating under the control of the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China (SASAC). On February 15, 1982, the Company was established with the approval of the State Council, and it changed its Chinese registration name on November 1, 2017, while transforming from an enterprise owned by the whole people into Company Limited (wholly state-owned). The Company's registered capital is RMB 113.8 billion, with 5 domestic and overseas listed companies. The main business covers oil & gas exploration and development, professional technical services, refining product sales and fertilizers, natural gas production and power generation, and financial services. The Company was ranked 64th in 2020 Fortune Global 500 and 30th in Petroleum Intelligence Weekly (PIW)'s World's Top 50 Oil Companies. The main business performance remains at the forefront of Central Enterprises, and was rated as A-level by the SASAC for 16 consecutive years. Moody's and Standard & Poor's rated the Company with credit ratings of A1 and A+, and the outlook is stable.

**64<sup>th</sup>**  
Fortune Global 500

**30<sup>th</sup>**  
PIW's World's Top 50 Oil Companies

### "1534" Overall development ideas

**1**  
Focusing on "One goal"

The world's first-class energy company with Chinese characteristics

**5**  
Actively promote "Five strategies"

Innovation-driven, internationalization, low-carbon and green, market-leading, talent cultivation

**3**  
Give full play to "Three functions"

The vanguard to make technological breakthroughs  
The main force to increase oil and gas production  
The stabilizer and ballast for steady growth of national economy

**4**  
Strive to realize "Four leap forward development"

From conventional to unconventional  
From traditional oil and gas to new energy  
From offshore to onshore  
From the traditional management model to a modern, digitalized and intelligent model

### Sustainable Development Management

As one of the specific implementers of the national energy strategy and marine strategy, CNOOC shoulders the crucial mission of national energy security, developing marine resources and protecting marine ecology, and devotes to "Our Quality Energy for Your Blue Sea and Sky". The Company has applied the concept of sustainable development to daily operation in dimensions of organization, institution and management process, and promptly evaluates, adjusts and improves the effectiveness and results of its sustainability strategy. As a participant of the UN Global Compact, CNOOC adheres to the "Ten Principles" in human rights, labor standards, environment and anti-corruption and takes effective measures referring to the 17 sustainable development goals (SDGs) in Transforming Our World: The 2030 Agenda for Sustainable Development, proposed by the UN. CNOOC made every effort to fulfil social responsibilities according to the characteristics of its business in order to achieve the 2030 SDGs.

### Vision

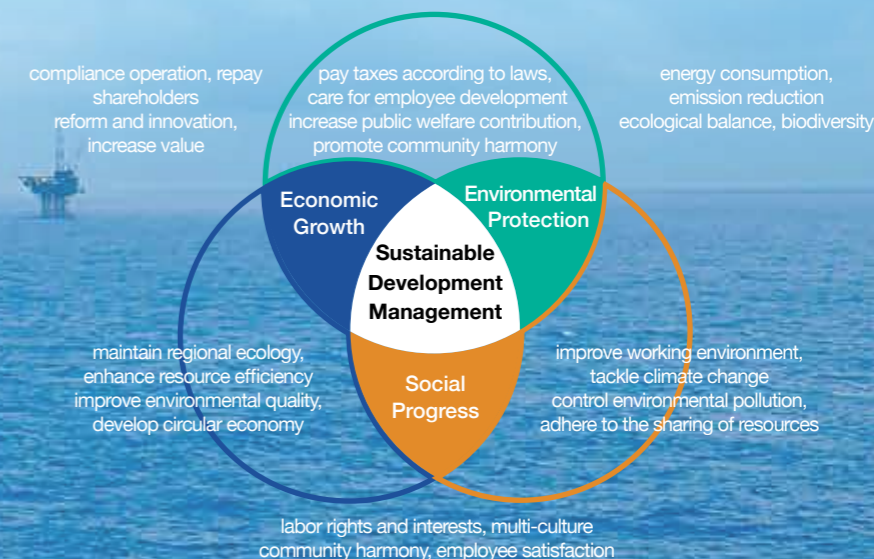
Energy for All

### Philosophy

People-oriented, responsibility, win-win cooperation, credibility, innovation

### CNOOC Spirit in the New Era

Patriotism, responsibility, struggle and innovation



## Corporate Compliance Operation

### Compliance Management

Adapting to the requirements of strengthening compliance management under new circumstances, CNOOC solidly promotes the modernization of corporate governance system and governance capacity, strengthens compliance management from four dimensions of system construction, organization, operation mechanism and compliance culture, and improves full-process compliance risk control mechanism, including risk prevention before the event, dynamic tracking in the event and accountability after the event. The Company issued the "Notice on Further Strengthening the Construction of Compliance Management System", "Compliance Management Regulations" and "Employee Integrity & Compliance Manual", and established a compliance management system with main line of system construction. The Company advocates and cultivates the compliance concept of "compliance creates value, compliance starts from action", "compliance is everyone's responsibility, compliance starts from management", and gradually transforms them into employee's conscious actions.

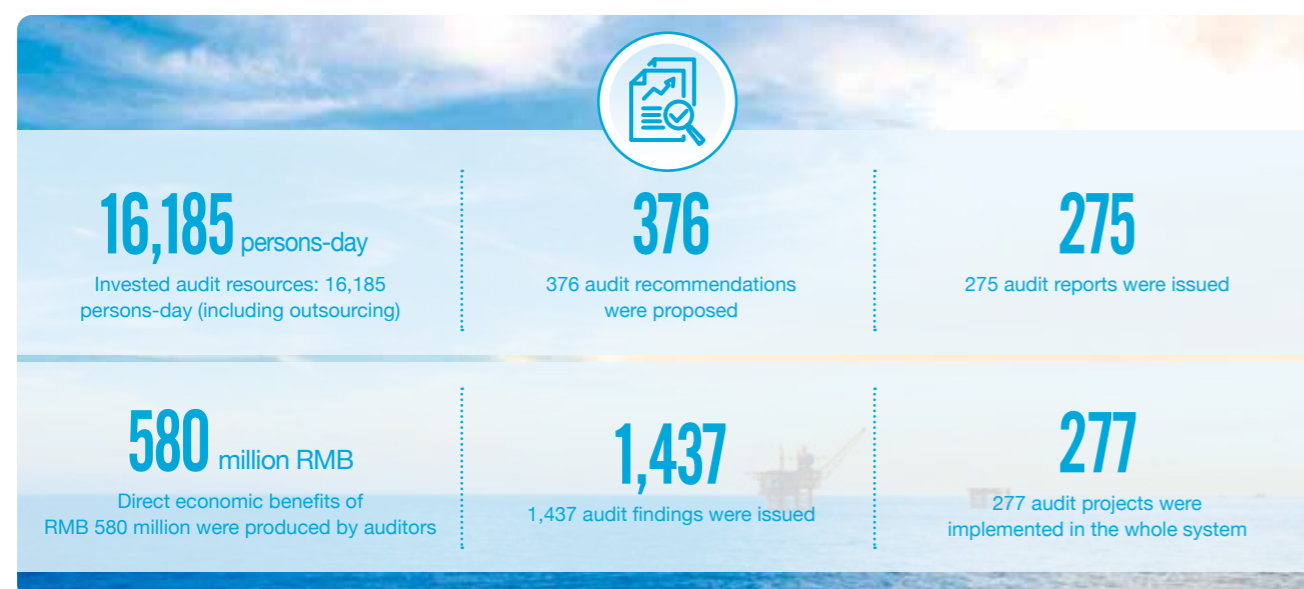
### Anti-corruption

CNOOC kept tough stance on corruption, maintained high-pressure situation of punishing corruption and resolutely corrected all kinds of violations of laws and the Company's regulations with an iron hand. The Company paid high attention to minor cases and promptly reminded employees of the tendency problems, besides enhancing anti-corruption awareness on a daily basis and strengthening hierarchical Integrity Vocational Education for

preventing crises before they emerge. Focusing on key areas and key works, CNOOC conducted special projects and built corporate constitutions to make continuous efforts to address both symptoms and the root cause. Adhering to the unity of tangible and effective coverage, the Company gave full play to patrol inspection and accredited agencies, thereby building a full coverage supervision network to ensure that power is effectively supervised and restricted.

### Internal Audit

With the goal of building a "centralized and unified, comprehensively covered, authoritative and efficient" audit supervision system, CNOOC vigorously promoted audit system reform and construction, further reinforced the audit force in headquarters and strengthened the supervision effectiveness of "upper auditing lower", so as to improve the specialization and professionalism of audit teams. With the orientation of problem, risk and strategy, the Company kept enforcing audit work with science and technology, focused on the effective implementation of major national policies and measures, as well as the Company's development strategy, actively promoted full coverage of internal audit supervision, strengthened the audits over overseas assets, major investment projects and major risk areas, adhered to finding problems and audit rectification, gave full play to the role of internal audit in "enhancing internal control, preventing risks, improving benefits and promoting development", in order to contribute value to build an international first-class energy company with Chinese characteristics.



## Key Performance Indicators

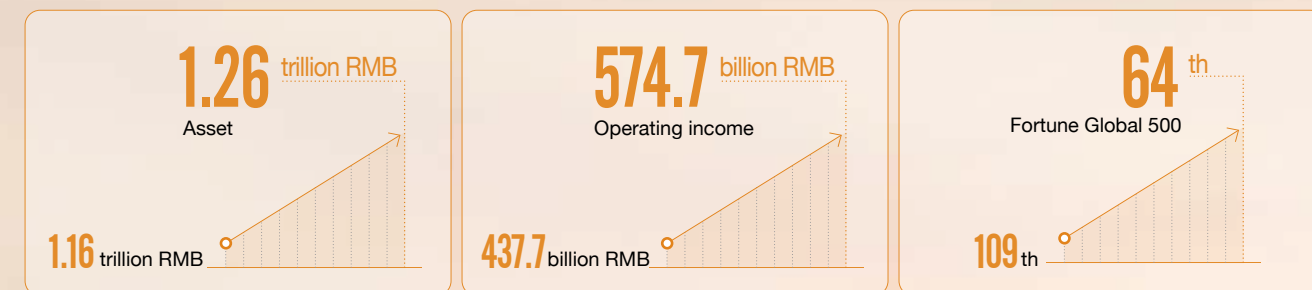
	Item	2018	2019	2020
Economic Growth	Crude Oil Output / Domestic Output (10,000 tons)	7,406/4,201	7,916/4,301	7,729/4,542
	Natural Gas Output / Domestic Output (100 million m <sup>3</sup> )	277/160	279/173	304/199
	LNG Imports (10,000 tons)	2,642	2,769	2,975
	Processed Crude Oil (10,000 tons)	4,132	3,756	3,664
	Crude Oil Trading Volume (10,000 tons)	10,323	10,929	12,783
	Bitumen Output (10,000 tons)	624	684	529
	Ethylene Output (10,000 tons)	158	209	211
	Methanol Output (10,000 tons)	152	156	156
	Fertilizer Output (10,000 tons)	402	413	428
	Natural Gas-Fired Power Output (100 million kWh)	216	226	207
	Direct Contractor Casualties (people)	3	0	1
	Employee Casualties (people)	1	2	1
	Recordable Injury Events (cases)	83	91	70
	R&D Investments (RMB 100 million)	58.4	66.8	68.0
Environmental Protection	Science and Technology Employees (people)	8,337	8,530	8,616
	Energy Conservation and Emission Reduction Investments (RMB 100 million)	3.7	3.8	3.99
	Comprehensive Energy Consumption per RMB 10,000 Turnover (tons of standard coal equivalent)	0.3548	0.3471	0.3341
	Energy Savings (10,000 tons of standard coal equivalent)	25.3	27.8	22.6
	Sulfur Dioxide Gas Emission (tons)	4,174	2,645	2,826
	Chemical Oxygen Demand (tons)	9,117	8,809	7,875
	Nitrogen Oxides Emission (tons)	919	911	871
	Ammonia Nitrogen Emission (tons)	61	30	38
	Headcount (10,000 people) <sup>1</sup>	9.4	9.04	8
	Rate of Conclusion of Employment Contracts	100%	100%	100%
Social Progress	Rate of Social Insurance Coverage	100%	100%	100%
	Percentage of Employees Joined the Labor Union	100%	100%	100%
	Percentage of Female Employees (%)	19	19	18
	Incidence of Occupational Disease (cases)	3	9	0
	Rate of Physical Examination for Occupational Health	99.5%	99.87%	99.95%
	Average Training Duration per Employee (hours)	74.34	94.86	161
	Employee Turnover Rate	2%	1.5%	1.3%
	Charitable Donation (RMB 10,000)	10,983	14,562	22,309
	Tax and Fees (RMB 100 million)	1,147	1,289	816.14
	Number of Foreign Employees	4,671	4,771	3,885
Localization Rate of Overseas Employees	79%	80%	75%	

Note: <sup>1</sup> Headcount includes the number of foreign employees.

## CNOOC's 13th Five-Year Plan

Not only for building a moderately prosperous society in all respects, the 13th Five-Year is also crucial for us to advance towards China's second Centenary Goal. CNOOC actively integrated into the major strategies of the Party and the State, implemented the new energy security strategy of "Four Revolutions and One Cooperation", deepened the main industry development of oil&gas, and accelerated green and low-carbon transformation and upgrading, so that the industrial layout embarked on a new starting point and new breakthroughs were achieved in sustainable development. The role of "stabilizer" and "ballast stones" in the national economy was further played, and the role of main force in increasing domestic oil&gas reserves and production was further highlighted. During the 13th Five-Year period, CNOOC has achieved breakthroughs one after another in the course of building an international first-class energy company with Chinese characteristics, marking an extraordinary five years.

### Promotion of overall influence



### Oil&gas resources guarantee

#### Major breakthrough in oil&gas exploration

- Proven geological reserves of oil **1.3** billion tonnes.
- Proven geological reserves of natural gas **500** billion m<sup>3</sup>.
- The total output of crude oil is **383** million tonnes, the total output of natural gas is **136.5** billion m<sup>3</sup>.
- A number of large and medium-sized oil&gas fields, such as "Bozhong 19-6" and "Kenli 6-1", have been discovered successively, and the reserve resource base has been further consolidated.

### Green and low carbon transformation

- CNOOC issued and implemented the "Green Development Action Plan".
- The Company cumulatively imported LNG accounted for nearly **50%** of the country's imports over the same period.
- In 2020, the natural gas supply of the Company accounted for **18%** of national market.
- The installed capacity of natural gas-fired power generation increased to **8.31** million KW.
- CNOOC's first offshore wind power project was successfully put into operation.
- The projects for using LNG as shipping fuel on the Yangtze River as well as the Pearl River were launched.

### Innovation-driven development

- CNOOC deployed **35** major scientific and technological projects in **7** fields.
- The Company won **8** National Science and Technology awards, including **2** first prizes and **5** second prizes for scientific and technological progress, **1** second prize for technological invention.
- **11** oil&gas fields in production completed the transformation for unmanned operation.

### Integration into national strategy

#### CNOOC thoroughly implemented the strategy of building a "strong marine power"

- The ultra-deepwater drilling vessels of "Hai Yang Shi You 981" and "Hai Yang Shi You 982" and the deepwater pipe-laying vessel "Hai Yang Shi You 201" have formed the main fleet for deepwater operations.
- The Company's deepwater oil&gas exploration and development capacity has been greatly improved. "Lihua 16-2" oilfield group and "Lingshui 17-2" deepwater large gas fields have achieved self-supported development and construction.

#### Actively implement the "Belt and Road" initiative

- The proportion of oil&gas production in the "Belt and Road" regions has increased to nearly **40%** of overseas total production.
- Access to the Abu Dhabi offshore project.
- Successfully built the core process module for the Yamal project in Russia.

#### Strive to win the "three tough battles"

- CNOOC took effective measures to prevent and resolve various major risks, and issued employee integrity compliance manual.
- The Company obtained decisive victory in poverty alleviation. The **6** counterpart poverty-stricken counties/cities successfully withdrew from the poverty-stricken list in 2020.
- The Company implemented the "Three-Year Action Plan for Environmental Protection Upgrading in Bohai Oilfield", strengthened the source control of carbon emission and achieved energy saving of over **1** million tonnes of standard coal.

#### Actively integrate into national strategies for regional development

- CNOOC signed **29** strategic cooperation agreements with provincial and municipal governments in Tianjin, Guangdong, as well as central enterprises like CSSC to promote further strategic cooperation with local governments and central enterprises.

### Feeding back the society with empathy

- CNOOC has totally invested more than RMB **750** million since undertaking the task of poverty alleviation.
- Help Xiahe County and Hezuo City in Gansu Province, Baoting County and Wuzhishan City in Hainan Province, Zhuozi County in Inner Mongolia and Nima County in Tibet to alleviate poverty.
- The Company donated more than RMB **60** million in total for battling the COVID-19 outbreak.
- In the past five years, the Company has invested RMB **169** million in marine ecological environmental protection and other charitable activities.
- A special fund of RMB **98** million was allocated to help families of employees in difficulty.

### Consolidate the opening-up pattern

- The phase II chemical project of CNOOC and Shell Petrochemicals was successfully put into operation, and the phase III contract was realized by Cloud signing.
- CNOOC participated in China International Import Expo for three consecutive years, with a turnover of USD **30** billion.
- **36** foreign cooperation projects have been signed.
- Obtained external venture exploration investment of nearly USD **1** billion.

## CNOOC's decisive victory in poverty alleviation

Adhering to the basic strategy of targeted poverty alleviation, CNOOC brings empathy and energy across mountains and seas, and makes all-out efforts to help alleviate poverty. We strengthen the implementation of responsibilities, make great efforts in poverty alleviation through industry, education, consumption and employment, and seek for practical results with precise assistance. Thanks to several generations' unremitting efforts in poverty alleviation, we have finally found the poverty alleviation pathway with CNOOC characteristics. In 2020, all six poverty-stricken counties or cities supported by CNOOC have shaken off poverty, and 700,000 people started their better lives. The Company has won the highest evaluation of "Great" by the Leading group of poverty alleviation and development of the State Council for three consecutive years. CNOOC Poverty Alleviation Office was awarded "National Advanced Group for Poverty Alleviation".

Taking off the label of poverty-stricken area is not the end, but a starting point of new life and new struggle. With the requirements of continuously bearing responsibility, maintaining major policies, as well as providing assistance and oversights to poverty alleviation work, CNOOC will continue to advance effective integration of comprehensive poverty alleviation and rural revitalization strategies, and work out long-term and short-term mechanisms for tackling both symptoms and root causes, in order to create a better new life together with the counterpart supporting counties and cities.

### Precisely promoting poverty alleviation by developing industries

Developing industries is fundamental to alleviate poverty. Adhering to the poverty alleviation principle of "relieving difficulties, eradicating poverty, promoting blood-making function and establishing a long-term mechanism" and adjusting to local conditions, CNOOC conducted various industrial projects, such as planting and breeding, poverty alleviation workshops and tourism camps in counterpart supporting areas. Many industrial projects were located near villagers' living area, so that brought more projects that are industrial into poor areas to boost poverty alleviation.

### Precisely promoting poverty alleviation through consumption

CNOOC called on all staff to participate and established a three-level coordinated mechanism with the Company taking responsibility for overall planning, the poverty alleviation office assuming overall responsibility and subsidiaries for program implementation. CNOOC Catering Company was set to be the main implementation unit. The "315" characteristic work mode was formed in five integrated aspects such as product standards, testing, R&D, branding and marketing. Multiple channels such as online shopping mall, offline experience stores and external cooperation, took comprehensive measures for poverty alleviation through consumption.

### Precisely promoting poverty alleviation through education

It is an important task for poverty alleviation and an important way for blocking the poverty transmission between generations to help children in poverty stricken areas to receive good education. CNOOC has improved educational conditions in poverty-stricken areas by increasing donation to students and education, organizing charitable assistance and pairing assistance activities, helping poverty-stricken students in all stages of school to complete their studies, and contributed to the development of education in poverty-stricken areas.

### Precisely promoting poverty alleviation through job creation

In order to guide the graduates from designated areas to "go out", CNOOC introduced a series of measures to encourage and help graduates from poverty poverty-stricken to find jobs. Targeted recruitment has been carried out in six pairing assisting areas, from desolate plateau to vast Blue Ocean, from remote countryside to broad stages, more and more graduates from poverty stricken families join the big family of CNOOC in this way.



**6**  
CNOOC has undertaken the task of targeted poverty alleviation and aid to Tibet in six national poverty-stricken cities and counties



**750** million RMB  
Accumulative investment of assistance funds



**26** years  
working in poverty alleviation



**58**  
Cadres and technicians dispatched for poverty alleviation and aid to Tibet



**400** kinds  
Poverty alleviation product



**15,000** students  
Support poverty-stricken college students to complete their studies



In the performance evaluation on designated poverty alleviation work organized by the Leading Group of Poverty Alleviation and Development of the State Council, CNOOC received the highest evaluation of "Great" for three consecutive years.



#### Xiahe County

The Company purchased more than **1,100** tents and allocated them to herdsmen, built **2** ecologically civilized well-off villages, **2** township-level nursing homes, **2** kindergartens and **1** tourism camp.



#### Hezuo City

The Company funded building 1 Municipal Hospital of Chinese and Tibetan medicine, **4** township clinics, **20** ecologically civilized well-off villages, as well as **6** animal husbandry and veterinary stations.



#### Zhuozhi County

The Company constructed rural roads, infectious wards, kindergartens, people's drinking wells and other livelihood projects; and provided supports to the county's e-commerce platform, vegetable processing and other industrial projects.



#### Baoting County

Educational facilities have been successively built in many schools such as Baoting middle school, Nanmao middle school, Xiangshui middle school; dilapidated houses have been renovated in **8** towns and villages; drinking water safety problems have been solved in **8** villages.



#### Wuzhishan City

The Company built educational infrastructure like the First Primary School and the Red Star School, established the "Young Phoenix" Student Assistance Fund and helped more than **1,000** girls from poverty stricken families finish their high school education, built **18** drinking water projects and developed photovoltaic projects for poverty alleviation in **13** poor villages.



#### Nima County

The Company conducted dozens of infrastructure projects, including three-level main roads in center county, County hotels, cultural hotels, teaching buildings of primary and secondary schools, as well as herdsmen's houses, and carried out management improvement and employment skills training projects for village-level cadres, grassroots medical practitioners and municipal cleaners.

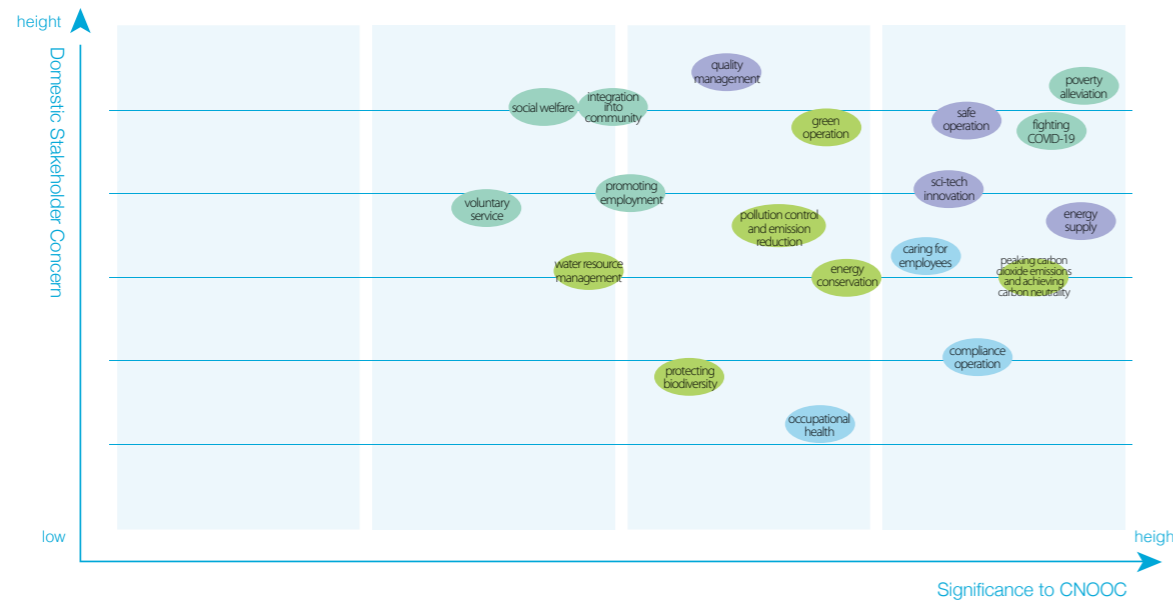


## Responsibility Communication

Fully communicating with stakeholders and understanding their expectations and requirements are the basis for CNOOC to fulfill its social responsibility and achieve sustainable development.

CNOOC has built a service and communication system for stakeholders, including governments, employees, shareholders, customers, industry partners, suppliers and contractors, financial institutions, media, communities and non-governmental organizations, etc. We pay close attention to their concerns in the formulation and implementation of our strategies, policies and plans. We also take various measures of information disclosure to echo their concerns. A series of key performance indicators are used to ensure our actions and communication with stakeholders effective.

### Topic Identification



### Information Disclosure Manner

#### Paper Media



#### CNOOC's new media matrix



## Communication with Stakeholders

In 2020, CNOOC kept on the theme of "Our Quality Energy for Your Blue Sea and Sky" and undertook sustainable development through three dimensions of "Promoting Economic Growth, Enhancing Environmental Protection and Driving Social Progress". The Company organized various forms of exchange activities for stakeholders, widely collected opinions and suggestions of stakeholders and responded to their concerns through various channels. Some concerns were presented as main topics in this report.



"Blue force team steadily carries out the training in a down-to-earth manner. The teaching mode combining theoretical knowledge and practical operation is very easy to accept. Now we are all confident to go out and get rich with our own hands. Thanks to CNOOC's sincere aids, the practical assistance provides us opportunities for employment and development, and creates a platform for dreams to come true."

—Government of Xiahe County, Gansu Province

"CNOOC actively fulfills social responsibilities, takes the initiative in international cooperation on epidemic control, and actively supports Chinese embassy and consulates in Brazil in organizing the "International Anti-epidemic Cooperation Seminars". The Company has made significant contributions to enhancing the traditional friendship between the two peoples and deepening the comprehensive strategic cooperative partnership between China and Brazil".

—Consulate General of China in Rio de Janeiro

"In the face of the sudden and severe epidemic, the hospital's conventional reserve of protective materials was insufficient to deal with, which caused huge difficulties in epidemic prevention and control. Under the call of the Blue Force Youth Volunteer Association of CNOOC EnerTech, the Youth League Committee of Engineering Technology Branch of CNOOC EnerTech raised a donation of RMB 214,836.41 for our hospital to support the procurement of protective materials. We highly appreciate this kind donation from the Engineering Technology Branch of CNOOC EnerTech and would like to pay high tribute to you!"

—Jingzhou city Central Hospital

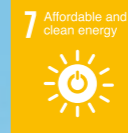
"China BlueChemical has good safety and production management level, as well as sufficient cash reserves. It is recommended that China BlueChemical should consider merger and acquisition opportunities in the industry, increase research and investment in new projects, maintain high dividend policy, consider stock repurchase and other measures, so as to create more value returns for shareholders".

—Charles Bond, Fund Manager of INVESCO (UK)

"Sincere thanks to CNOOC's Cuckoo Volunteer Team for their assistance over the years. Volunteers often come to visit the children and make loving lunches to improve their meals. They invite medical staff to do physical examination for the children and sensory rehabilitation experts to teach the nurses and improve our professional skills."

—Mr. Li, Director of Dagang Sunflower Autism Rehabilitation Center

## Promoting Economic Growth

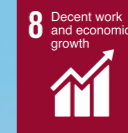


7 Affordable and clean energy

**304**  
natural gas output  
(100 million m<sup>3</sup>)

**422**  
sales of LNG  
(100 million m<sup>3</sup>)

**207**  
natural gas-fired power  
(100 million kWh)



8 Decent work and economic growth

**12,624**  
total assets  
(RMB 100 million)

**5,747**  
turnover  
(RMB 100 million)

**80,058**  
staff  
(people)



9 Industry, innovation and infrastructure

**68**  
R&D investment  
(RMB 100 million)

**8,616**  
science and technology employees  
(people)

**256**  
granted invention Patents



12 Responsible consumption and production

**7,729**  
crude oil output  
(10,000 tons)

**12,783**  
oil trade volume  
(10,000 tons)

**3,664**  
processed crude oil  
(10,000 tons)



## Ensuring Energy Supply

As an important practitioner and pioneer in the high-quality development of marine economy, CNOOC has unwaveringly promoted the seven-year action plan for increasing reserves and production, enhancing domestic oil&gas exploration and development efforts, and ensuring national energy security. Focusing on large and medium-sized oil & gas field exploration, CNOOC promoted the exploration process from three levels: strategic deployment, strategic breakthrough and strategic discovery, strengthened the concept of value exploration, optimized exploration investment portfolio, and intensified risk exploration in new areas, to ensure energy supply and sustainable development. In 2020, CNOOC produced 77.29 million tons of crude oil and 30.4 billion m<sup>3</sup> of natural gas, imported 29.75 million tons of LNG and generated 20.7 billion kWh of natural gas-fired power.

### Oil&Gas Exploration

CNOOC confronted challenges head-on, aimed at key basins, key areas and zones, and increased exploration efforts in new areas and new fields. In 2020, new domestic exploration discoveries remained at high level. 13 commercial discoveries and 19 potential commercial discoveries were obtained, 41 oil & gas fields were successfully evaluated. The overseas exploration area is 75,200 km<sup>2</sup>, with a net area of 35,600 km<sup>2</sup>.

#### Cluster evaluation of "Kenli 6-1" 100-million-tonne-scale oilfield

In the face of the impact of the epidemic, CNOOC efficiently coordinated and completed 18 exploratory wells in only 40 days, conducted low-cost cluster exploration and successfully evaluated the "Kenli 6-1" oilfield. "Kenli 6-1" oilfield is the first large oilfield of 100-million-tonne-scale discovered in the Laibei low uplift area of the southern Bohai Sea, which marks a major breakthrough in the exploration of shallow lithological reservoirs in the southern Bohai Sea, embarks on a new stage in lithological exploration in the southern Bohai Sea, and strengthens the confidence in exploring large-scale lithologic reservoirs.

#### Breakthrough of inner buried hill exploration in the Bohai Sea

In 2020, CNOOC continuously expanded the evaluation of the "Bozhong 19-6" enclosure, and obtained high-yield oil&gas flow from the Archaean exploration under Mesozoic coverage area of "Bozhong 13-2" structure. The overall proven reserves are expected to be built into a 100-million-tonne-scale oil&gas field. Breakthroughs in the exploration of inner buried hills of "Bozhong 13-2" structure will further consolidate the reserves foundation of "Bozhong 19-6" large condensate gas field, and expand the new exploration field of inner buried hill.

#### Exploration of "Huizhou 26-6" 50 million tons of oil&gas fields

On June 29, 2020, a major discovery of "Huizhou 26-6" was made in the eastern South China Sea, which is expected to become the first large and medium-sized condensate oil&gas field in the shallow water area of the Pearl River Mouth Basin. The successful exploration of "Huizhou 26-6" hydrocarbon-bearing structure marks that CNOOC has obtained the first commercial high-yield oil&gas flow in the new field of ancient buried hills in the eastern South China Sea.

#### Field breakthrough of natural gas exploration in the western South China Sea

The first commercial breakthrough was obtained in the Meishan formation of Ledong-Lingshui sag, deep-water area of the Qiongdongnan Basin in the western South China Sea, with thick high-quality gas layer being discovered in Huangliu formation and Meishan formation. The achievement greatly boosts the whole development of "Lingshui 25-1" gasfield and reveals great exploration potential of this field by laying a solid foundation for increasing natural gas reserves in deep-water area of the Qiongdongnan Basin.

**77.29** million tons

Annual production of crude oil

**30.4** billion m<sup>3</sup>

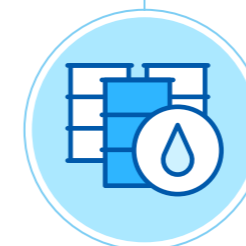
Annual production of natural gas

**29.75** million tons

Annual import of LNG

## Oil and Gas Production

CNOOC adheres to the innovation-driven strategy, implements safe and efficient lean management, and optimizes technical solutions and contract models. In order to ensure national energy security, the Company takes effective measures to increase production according to local conditions and maintain high production time efficiency and high utilization efficiency of oil wells. In 2020, by enforcing technological innovation and management innovation, 730 offshore drillings were completed efficiently, reaching a record high of drillings number. The speed and efficiency raising made great achievements in increasing storage and production, with best key technical indicators and lowest drilling costs in the last five years.



#### Pilot Area Project in "Bozhong 19-6" condensate gas field was put into operation

In October, 2020, the pilot area project in "Bozhong 19-6" condensate gas field, a 100-billion-m<sup>3</sup>-scale Gasfield in the Bohai Sea, was safely put into operation. The overall construction period is still 6 months shorter than conventional projects, creating a record of shortest construction period in offshore oil&gas field construction and becoming a demonstration project of ultrashort period construction for offshore natural gas development in China. After full completion, the whole gas field will greatly alleviate the shortage of gas in North China and provide important support for the green and low-carbon development of the Beijing-Tianjin-Hebei region.

#### The daily output of "Liuhua 16-2" oilfield group exceeds 10,000 tons

As the deepest oilfield group in China for now, "Liuhua 16-2" oilfield group consist of "Liuhua 16-2", "Liuhua 20-2" and "Liuhua 21-2". In 2020, "Liuhua 20-2" and "Liuhua 16-2", have been successfully put into operation, and with a daily output of over 10,000 tons become the most productive oilfield group in the eastern South China Sea.

#### "Dongfang 13-2", China's largest offshore HTHP gas field, was put into operation

"Dongfang 13-2", the largest offshore HTHP gas field in China, was successfully put into operation. After more than 30 years' hardwork by CNOOC, the scientific and advanced nature of HTHP gas field exploration and development technology has been further verified in the successful commissioning of "Dongfang 13-2". The peak annual gas production is expected to exceed 3 billion m<sup>3</sup>, and can satisfy the needs of one million people for 15 years.

#### "Lvda 21-2" oilfield was put into operation

The WHPB platform of "Lvda 21-2" oilfield, China's first large-scale offshore heavy oil thermal recovery demonstration platform, was successfully put into operation in the Bohai Sea in 2020. The demonstration platform innovatively integrates dozens of offshore heavy oil thermal recovery development technologies with characteristics of CNOOC, including sand control and completion technology, high temperature downhole safety control technology, intelligent and miniaturized thermal recovery equipment technology.

#### The total oil production of Sanlv oilfield is more than 30 million m<sup>3</sup>

On December 11, 2020, Sanlv oilfield group, has been put into operation for 15 years, and has produced totally more than 30 million m<sup>3</sup> of oil equivalent. The oilfield group located in the Liaodong Bay area of the Bohai Sea, consists of "Lvda 10-1" oilfield, "Lvda 4-2" oilfield and "Lvda 5-2" oilfield.

## Key Offshore Oil&Gas Projects



### "Lihua 16-2 / 20-2" oilfield group development project

"Lihua 16-2" oilfield group development project is the first self-operated deepwater oilfield project in China, with a peak annual output of 4.2 million m<sup>3</sup>.

With China's largest operation water depth exceeding 410 meters, the FPSO "Hai Yang Shi You 119" is independently designed, built and integrated in "Lihua 16-2" project, and can process 21,000 m<sup>3</sup> of crude oil and 540,000 m<sup>3</sup> of natural gas every day, which is equivalent to an oil&gas processing plant covering an area of 300,000 m<sup>2</sup> on land. It is a real "super offshore factory".

- The first self-operated deepwater oilfield group in China
- All underwater development mode is adopted for the first time
- New breakthrough in high-end construction technology and comprehensive capabilities of large-scale FPSO

### "Lingshui 17-2" gasfield group development project

"Lingshui 17-2" gasfield group development project is the first self-operated 1,500 meters deepwater gasfield development project in China, and encounters a great many challenges in technology, management and engineering experience.

- The first self-operated deepwater large gasfield in China
- The first semi-submersible production platform for condensate storage

### Regional development project of "Lvda 21-2" and "Lvda 16-3" oilfields

The regional development project of "Lvda 21-2" and "Lvda 16-3" oilfields is a first-class key project in the Seven-Year Action Plan. The project is completed and put into operation on schedule, which is of great significance for the production planning in 2020 and the 14th Five-Year period of Bohai oilfield. "Lvda 21-2" WHPB platform is the first large-scale heavy oil thermal recovery demonstration platform in China.

- The first integrated heavy oil thermal recovery demonstration project
- Steam Huff and Puff Thermal Recovery Process

### Test Area Development Project in "Bozhong 19-6" condensate gas field

Test Area Development Project in "Bozhong 19-6" condensate gas field has proven natural gas reserves of more than 100 billion m<sup>3</sup>, which is the largest oil&gas discovery in the Bohai Bay Basin in the past 50 years. The successful development of "Bozhong 19-6" condensate gas field will greatly enhance the natural gas supply capacity in North China. The project of "Theoretical Technology and Major Discoveries for Deep Large-Scale Packaged Condensate Gas Field Exploration in Bohai Bay Basin" won the first prize of the 2019 National Science and Technology Progress Award.

- Natural gas reserves of over 100 billion m<sup>3</sup>
- Capacity to meet the needs of a population of one million for over one hundred years
- "Top Ten Geological Prospecting Achievements" of the Geological Society of China in 2019

### "Dongfang 13-2" HTHP gas field project

The "Dongfang 13-2" gas field is the largest offshore HTHP gas field in China, with a peak annual gas production of over 3 billion m<sup>3</sup>, which can satisfy the needs of one million people for 15 years. After more than 30 years' efforts of CNOOC, the scientific and advanced nature of HTHP gas field exploration and development technology has been further verified in the successful commissioning of "Dongfang 13-2" gas field, it is of great significance for further development of offshore oil&gas resources.

- The largest offshore HTHP gas field in China
- Innovating the theory of HTHP gas accumulation
- The largest drilling platform in the western South China Sea

## Refining and Chemical Production

Being committed to building an oil refining industry with international leading level, CNOOC implements specialized management, group operation and integrated market management of production, sales and research. The oil refining and ethylene production capacity of the Company ranks the third in China, forming two integrated refining and chemical industrial bases of Daya Bay in Huizhou and Daxie in Ningbo. The company has established a relatively complete sales network of refined oil products in South China, East China and North China, with increasing industry and market recognition and brand value. In 2020, CNOOC processed 36.64 million tons of crude oil, produced 11.71 million tons of refined oil products, 5.29 million tons of bitumen, 1.40 million tons of lubricants, and 2.11 million tons of ethylene.

**36.64** million tons

Processed 36.64 million tons of crude oil

**5.29** million tons

Produced 5.29 million tons of bitumen

**2.11** million tons

Produced 2.11 million tons of ethylene

### China's largest light hydrocarbon aromatization plant was put into operation

On July 10, 2020, the light hydrocarbon aromatization plant of Daxie Petrochemical was successfully put into operation, with a capacity of 500,000 tons per year. This plant is the largest light hydrocarbon aromatization plant in China. The commissioning of the plant can broaden the source of aromatics raw materials in China, improve product diversity, and will help meet the demand for high-quality chemicals in the Yangtze River Delta region.

### Signing for Huizhou Petrochemical Phase III Ethylene project of CNOOC and Shell Petrochemicals

On May 17, 2020, Huizhou Petrochemical Phase III Ethylene project of CNOOC and Shell Petrochemicals held a "cloud signing" ceremony for strategic cooperation framework agreement with audience from Guangzhou, Beijing and The Hague in Netherland. Based on the total ethylene capacity of 2.2 million tons/year in phase I and phase II projects, new capacity of 1.5 million tons/year will be added.

### China's first 1,000-ton heavy aromatics demonstration plant for light chemical industry was put into operation

On November 1, 2020, China's first 1,000-tonne heavy aromatics demonstration plant for light chemical industry was successfully put into operation in CNOOC Zhoushan Petrochemical. This technology helps fill the domestic gap in the field of processing Heavy Aromatics to Light Aromatics.

### The project for 400,000 tons/year light gasoline etherification plant was started smoothly

On August 10, 2020, the project for 400,000 tons/year light gasoline etherification plant was successfully started in Huizhou Petrochemical, marking that the first main plant for products structural optimization and quality upgrading officially stepped onto site construction stage.



## Service Network

CNOOC continued to develop the marketing network for petroleum products and optimize the network structure through the transformation from "having" to "having better", from "increasing quantity and scale" to "improving development quality, investment efficiency and overall profitability". In 2020, the company sold 22.39 million tons of refined oil products and actually operated 1,068 gas stations.



### Haijiang Transformer Oil Served UHV Power Grid

On June 24, 2020, Taizhou Petrochemical won a bulk order for Haijiang brand HI50X DC converter transformer oil. The product will serve the "Sichuan Yanzhong-Jiangxi Nanchang ±800 kV UHVDC Transmission Project" -a UHV grid project of State Grid-for the first time, providing lubricating oil for the core main transformers.

### Dongying Port Company guaranteed "maximum storage" of offshore crude oil

On May 23, 2020, 30,000 tons of "Jinzhou 25-1" offshore crude oil was piped to Weibang reservoir, marking that Dongying Port Company succeeded in its first offshore crude oil commercial storage business. Dongying Port Company guaranteed "maximum storage" of offshore crude oil.

### "CNOOC 36-1" Asphalt helped the resumption of road construction in Beijing

In 2020, Zhonghai Asphalt has supplied more than 70,000 tons of "CNOOC 36-1" asphalt to Beijing market. The products were applied in Beijing's national highway projects, the supporting highway project and the waterproofing project for Beijing National Stadium (Bird's Nest) for 2008 Olympic Games, the supporting highway project for 2022 Winter Olympics, the renovations of Beijing Chang'an Avenue for the 60th and 70th anniversary of the National Day, and the projects of Beijing Capital International Airport project and Beijing Daxing International Airport.

### CNOOC Oil & Petrochemicals adopted a new e-commerce sales mode

CNOOC Oil & Petrochemicals accelerated the cultivation of new forms and new business models, sped up the construction of informatization, digitization, and intellectualization, and fully realized online transactions in refined oil products, asphalt, and chemicals. In 2020, the cumulative turnover of CNOOC Oil & Petrochemicals exceeded RMB 140 billion in CNOOC Mall, with trading volume exceeding 35 million tons and the number of customers exceeding 9,200.

## Ensuring Natural Gas Supply

CNOOC always implements the green and low-carbon strategy, attaches great importance to the development of natural gas industry. The Company strengthens the exploration and development of offshore natural gas, expands the scale of LNG industry, promotes the development of unconventional natural gas, gives full play to the advantages of natural gas industrial chain integration, continues to supply more green, low-carbon, diversified, and environmentally-friendly high-quality energy sources, in order to contribute green power to building a beautiful China.

CNOOC Gas & Power Group actively raised supply resources, enhanced the development of LNG market, fully promoted the mutual guarantee and supply between imported LNG and domestic gas production, facilitated online sales services, developed pipeline gas market and promoted infrastructure construction, in order to keep the people warm in winter.

### Multiple gas sources to ensure gas supply

CNOOC made every effort to ensure sufficient natural gas resources, coordinated the upstream to maximize the production and transportation of offshore natural gas and Coalbed Methane, and actively raised LNG resources to import. In 2020, CNOOC produced 59.9 billion m<sup>3</sup> of natural gas and imported 29.75 million tons of LNG.

**10** million m<sup>3</sup>  
Daily natural gas production

#### Daily gas production broke through 10 million m<sup>3</sup> in CUCBM

On December 19, 2020, the daily natural gas production of CUCBM exceeded 10 million m<sup>3</sup> for the first time, ranked first among China's coalbed methane enterprises, and became a landmark achievement of CNOOC's unconventional oil&gas.

**40** million m<sup>3</sup>  
Total natural gas production

#### The total output of natural gas in the eastern South China Sea broke through 40 billion m<sup>3</sup>

On December 1, 2020, the total output and transportation of natural gas in the oilfields of CNOOC Shenzhen Branch in the eastern South China Sea broke through 40 billion m<sup>3</sup>. The natural gas transportation volume accounts for nearly one third of the total consumption in Guangdong Province.

**200** million m<sup>3</sup>  
Daily supply of natural gas

#### Daily supply of natural gas reached a record high during heating season

From November 25 to 28, 2020, CNOOC's daily natural gas supply exceeded 200 million m<sup>3</sup> for four consecutive days. On December 4, the daily supply reached 223 million m<sup>3</sup>, refreshing the record of 207 million m<sup>3</sup> during the heating season of 2018-2019.

### Multi-channels to strengthen the supply guarantee

CNOOC strived to maintain LNG receiving stations and natural gas pipeline network facilities, strengthened the connection and cooperation with the State Pipeline Network Group, actively mobilized resources, improved infrastructure capabilities, and made prudent preparations for natural gas supply in winter.

#### The Zhejiang LNG phase II project was put into operation

On November 30, 2020, LNG from the LNG carrier TRINITY ARROW was poured into the D tank of the Zhejiang LNG receiving station phase II project, marking that the first 160,000 m<sup>3</sup> LNG tank of CNOOC, constructed under the "1+1+1" tripartite cooperation mode, succeeded in operation at first trial run. As a national key project of natural gas production, supply, storage and marketing, the project will effectively improve the storage and transportation capacity of receiving stations upon completion.

#### Strengthen cooperation with PipeChina

In 2020, CNOOC signed agreements with China Oil & Gas Piping Network Corp. (PipeChina) on alternative transportation, and ensured natural gas pipeline supply in heating season to downstream users in 10 provinces, including Hunan, Hubei, Henan, Shandong, and Guizhou, effectively meeting the increasing demands in North and East China.

#### FSRU ensured winter gas supply in North China

On November 1, 2020, the FSRU "Hope" docked at the shore of Tianjin LNG receiving station. With its total capacity of 170,000 m<sup>3</sup> and regasifying and transmission capacity of 14 million m<sup>3</sup> per day, it provided steady clean energy for thousands of households in North China.

### Explore new service model from multiple perspectives

CNOOC Gas & Power Group provided users with one-stop service of pre-, in-and after-sales on two online platforms, i.e. the CNOOC e-commerce platform and Shanghai Petroleum and Natural Gas Exchange.

#### Digital marketing to create CNOOC ecosystem of natural gas online marketing and operation management system

CNOOC Gas & Power Group accelerated the launch of CNOOC Mall, realized gas and LNG on line sales in June 2020, complemented with flexible and diversified sales strategies and digital systems, and launched marketing activities such as "Cloud Quick Buy" and "HiXGO", so as to further improve sales performance and gradually build up CNOOC ecosystem of natural gas online marketing and operation management system. In 2020, annual online trading volume of CNOOC Gas & Power Group Trading Company reached 22.2 million tons, a year-on-year increase of 54%.

#### Cooperation with SHPGX

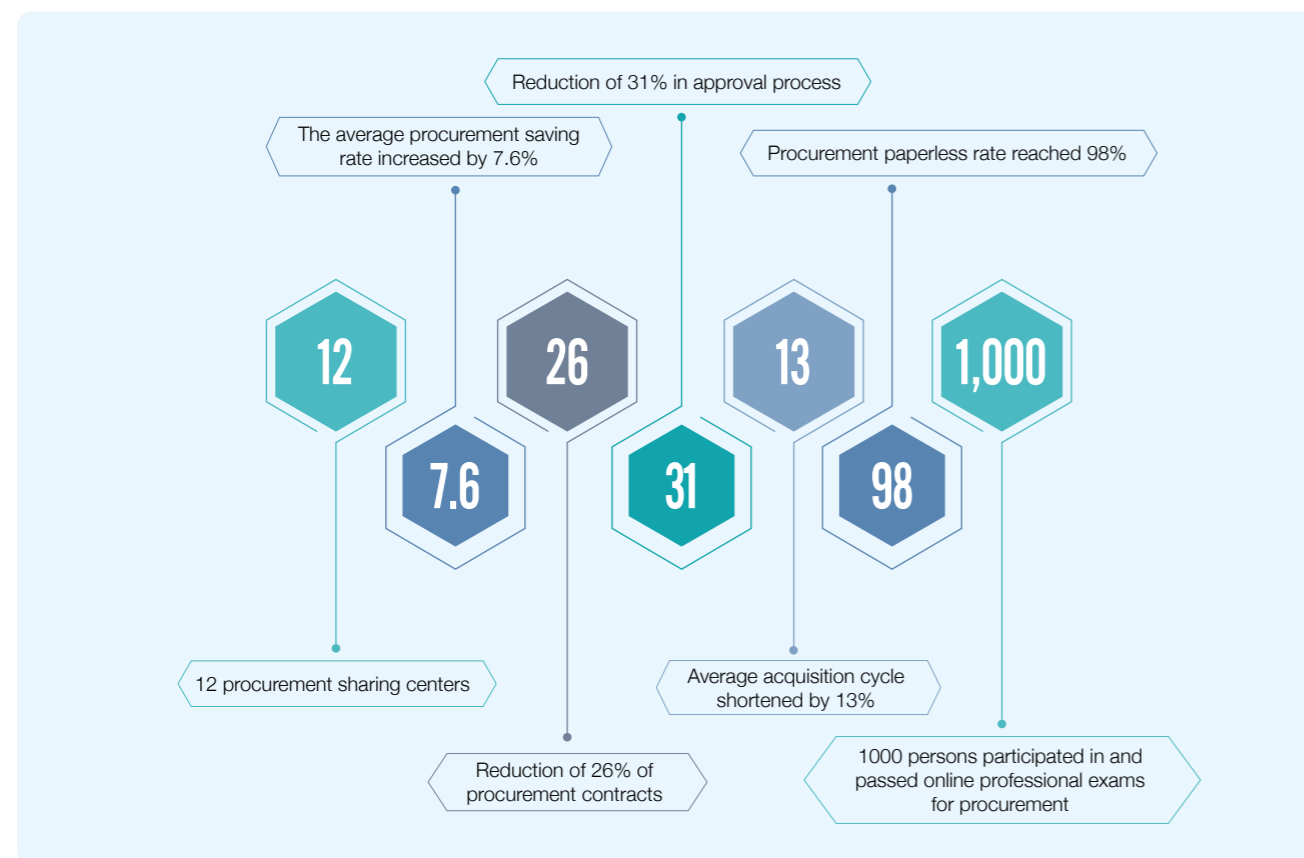
The new mode of CNOOC's natural gas supply guarantee for the winter, figures out market supply and demand situation much earlier and more accurately through online bidding transactions. In 2020, in cooperation with Shanghai Petroleum and Natural Gas Exchange (SHPGX), CNOOC innovatively realized the smooth launch and implementation of innovative products of "offshore Gas Landing", launched the first "Carbon Neutral LNG Cargo" auction, signed and implemented the "one stop service for LNG import".

#### "Online service" for ensuring natural gas supply

During the winter heating season, a brand new "AI+staff services" call system newly built by CNOOC Gas & Power Group realized 7×24 Lifecycle Service for pre-sale, in-sale and after-sale. By using trading platforms such as CNOOC Mall and through multi-mode procurement channels such as "contract+spot market", users could quickly purchase gas by commanding with one click, so as to solve their urgent needs in time.

## Supply Chain Management

CNOOC continues to build up a safe and stable supply chain, enhance its independent and controllable capabilities, constantly improves the level of marketization, strengthens and bolsters areas of weakness, so as to lay a solid foundation for the development of industrial chain. In 2020, the Company continued to promote supply chain optimization and upgrading, extended the scope of procurement functions to both ends of supply and demand, initially formed a management system of "group strategic management and control, two-level centralized procurement, and shared services at grassroots level", encouraged innovation of procurement mode and methods, and established a new digital global supply chain management system.



### Digital and intelligent transformation of COSL warehousing logistics

By means of integrating video surveillance of land warehouses and remote mobile recorders, COSL has promoted the visualization project for warehouse management, and strictly controls the safety and quality of material management. The video monitoring systems have been constructed in 21 warehouses and mobile recorders has been piloted in Shenzhen and Zhanjiang sub centers. COSL also launched the smart warehousing project to improve warehouse management efficiency and data analysis ability by using information technology, digitization, big data analysis and other technical means.



Actively responding to the new challenges brought by the epidemic to the Company's material procurement and supply chain management, CNOOC gave full play to the advantages of informatization platform, vigorously promoted the wide application of remote electronic bid evaluation, and carried out "no meeting" procurement. There were already 12 categories on e-commerce platform and the trading amount increased by 44%.



CNOOC further clarified the supply chain positioning of "global purchase, global supply", formulated the reform plan of overseas procurement management, strived to integrate domestic and overseas resources, and established "end-to-end" procurement channels with minimum total cost.



CNOOC increased the scale and quality of centralized procurement, implemented centralized procurement for high-frequently used materials. CNOOC promoted joint procurement, gave full play to the comparative advantages of all parties, and shared procurement experience and resources.



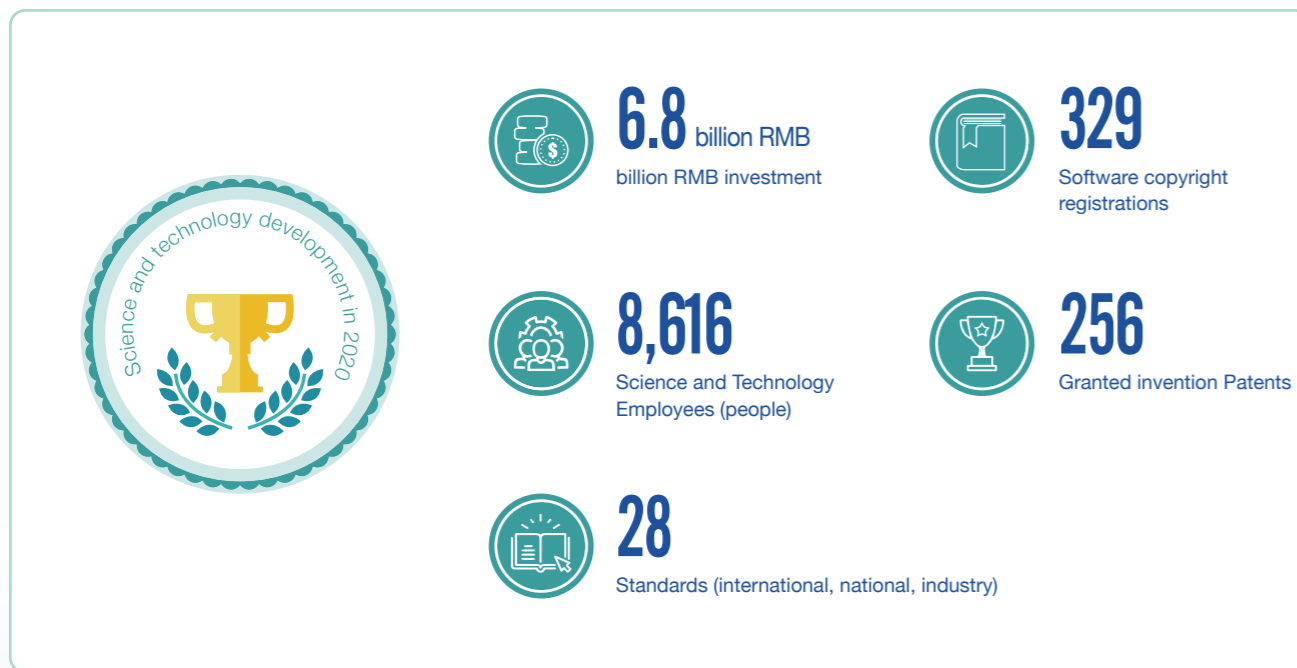
CNOOC shifted the focus for inventory optimization from overall destocking to improving inventory quality and vigorously promoted the neutralization of overstocked materials of more than three years.



- CNOOC launched the supplier registration system to improve the openness and competitiveness of procurement.
- CNOOC strengthened contract execution management and corrected the shortcomings of supply chain management.
- The Company strengthened supplier performance assessment and implemented classified and hierarchical management.
- The first-level and second-level libraries were removed to promote the sharing of supplier resources.
- A long-term mechanism for risk prevention and control of untrustworthy suppliers was established and 514 untrustworthy suppliers, 116 suppliers who illegally used CNOOC's resources and 252 suppliers with collusion and breach of contracts were centralized to clean up.

## Emphasizing Sci-Tech Innovation

CNOOC shoulders the important task of scientific and technological innovation in the New Era, actively implements the innovation-driven strategy, and strives to break through important technologies in the field of offshore oil. Majoring in oil&gas business, the Company established and improved the scientific and technological system of "one entirety, two levels, three systems, four teams and five major projects" and the innovation mechanism of "guaranteed investment, strong incentive, proper management and scientific assessment". The formulation of the "Outline of CNOOC's 14th Five-Year Plan for Scientific and Technological Development" provided strong scientific and technological support to implement the "Seven-Year Action Plan" for increasing reserves and production as well as the "1534" overall development strategy. The Company strives to promote high quality development and contribute more to ensuring national energy security.



## Technical Innovation

### Independent ultra-HTHP logging technology boosts mid-deep oil&gas exploration

The ESCOOL HTHP grand slam well logging series has achieved acoustic, electrical, and nuclear logging capabilities under conditions of 235°C/175Mpa, and improved the HTHP performance of CNOOC well logging technology. The completion of high-temperature logging operations on 25 wells in 2020 will effectively support the exploration and development of HTHP oil&gas reservoirs such as "Bozhong 19-6", and boost the mid-deep oil&gas exploration in the Bohai Sea.

### CNOOC completed roofing of independently designed and constructed LNG storage tanks, the largest LNG tanks in China.

On September 26, 2020, the four 220,000 m³ LNG storage tanks independently designed and constructed by CNOOC were completed roofing in Yancheng, Jiangsu Province. With the largest single storage tanks capacity and the largest single construction scale of national LNG reserve base in China.

### Successful application of diesel aromatics adsorption and separation technology

On July 9, 2020, the diesel adsorption and separation technology jointly developed by Tianjin Chemical Research and Design Institute of CNOOC and China Kunlun Contracting& Engineering Corporation, was successfully applied in Binzhou, Shandong Province. The technology subverts the processing of traditional refining industry, and creatively separates fuel oil into higher purity chemicals, which can effectively enhance the processing value of oil products.

### Release of international standard led and drafted by Chinese Coatings industry

In January 2020, the international standard ISO 23169:2020 "Paints and Varnishes-Field Test Methods for Quality Assessment of Interior Wall Coatings" developed by CNOOC EnerTech Changzhou Coating Chemical Research Institute was officially approved and released. The test method for this standard is originally developed by China, but it is also suitable for international promotion owing to its scientific design.

### Fully Automatic welding technology for vertical seam of LNG inner storage tank

COOEC took the lead in researching and mastering the full-automatic welding technology for vertical seams of LNG storage tank, and applied for 4 invention patents, filling the technical gap in the field of LNG storage tanks. Compared with the traditional manual welding process, this technology has the advantages of high quality, high efficiency and low cost, fundamentally solves the problem of "welding fume" in manual welding and realizes "green" healthy welding.

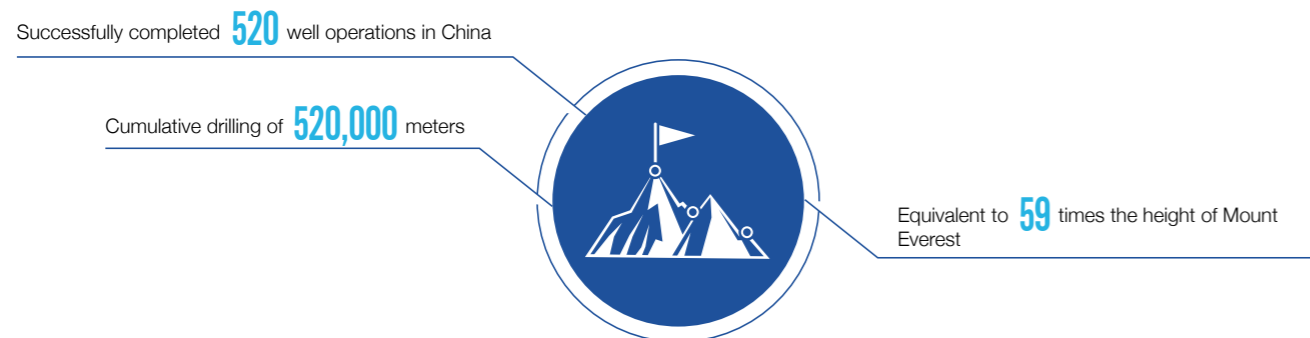
### CNOOC's independent Hailiang® small-track-distance streamer acquisition equipment

In 2020, CNOOC completed the assembly of 6-cable geophysical exploration prospecting vessel with its independent Hailiang® small-track-distance streamer acquisition equipment, which forms the first domestic marine geophysical exploration capability with small-track-distance of 6×6 km and was put into application, filling the domestic technical gap in this field.



### Independent research and development of rotary steering and logging-while-drilling system, officially ranked in the forefront of the world

Independent research and development of rotary steering and logging-while-drilling system, officially ranked in the forefront of the world. In the rotary steering and logging-while-drilling system independently developed by CNOOC, the high-rate pulse remote transmission telemetry technology has achieved an important breakthrough in the Nanpu block of Bohai oilfield, with an increase of transmission rate by 24 times and the drilling efficiency by 20% compared with the same period last year. By the end of 2020, the technology had been successfully applied in 520 well operations in China, with a cumulative drilling of 520,000 meters.

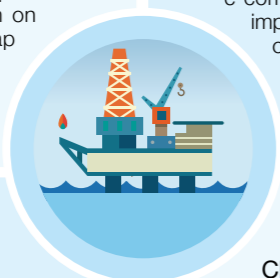


### Intelligent and Digital CNOOC

CNOOC actively conforms to the new development trend of global energy industry, strives to create digital capabilities for perception, insight, intelligent control, collaborative sharing, interconnection and innovation, constructs a digital ecosystem of vertical and horizontal connection, and internal and external integration, and builds up "Intelligent and Digital CNOOC", to improve the group control ability, promote cost reduction and efficiency enhancement, prevent major risks in safe production and operation management, advance business transformation, upgrading and innovative development, and realize the leap from traditional management mode to modernization, digitalization and intellectualization. In 2020, CNOOC was the only central enterprise to win the Jury Prize of "2020 Dingge Award-China Digital Transformation Pioneer List", the greatest honor for enterprises in the industry.

#### Building "information highway" for CNOOC in the New Era

CNOOC strengthened the construction of IT infrastructure by building group-level cloud platform and promoting new systems to function on cloud. The Company has realized the leap from IaaS to PaaS for cloud applications.



#### Create "marketing ecosystem" with CNOOC characteristics

CNOOC strengthened the construction of management information system. As self-operated comprehensive energy e-commerce platform, "CNOOC Mall" has been promoted to implementation. By the end of 2020, the cumulative turnover of "CNOOC Mall" has exceeded RMB 240 billion.

#### Building "smart brain" for offshore oil&gas exploration and development

CNOOC accelerated the progress of intelligent oilfield construction. The Company actively carried out pilot transformation for unmanned and less humanized offshore platforms. 29 platforms have finished transformation for unmanned operation. After transformation, the platforms are expected to reduce operating costs by about 15% each year.

#### CNOOC continues to strengthen network information security

The Company has actively established the management system of "dynamic command, joint defense and control" and network security system with safe operation as the core, and gradually realized the transformation from passive defense to dynamic perception and defense in depth.

### The first test of optical-fiber-grade marine-land microwave communication succeeded

On November 24, 2020, the first test of optical-fiber-grade marine-land backbone microwave communication succeeded in CNOOC Shenzhen Branch. Results of this test were close to the theoretical calculation, which indicated that an optical-fiber-grade microwave communication system could be built in the oilfields in the eastern South China Sea. Technically, the system can realize a marine-land backbone transmission bandwidth of up to 1,000 megabytes upon upgrading, an increase by more than 10 times of the bandwidth of existing transmission network, and enhance the transmission capacity of marine-land backbone network, laying a solid foundation for the construction of smart oil&gas fields.

### Successful application of fully automatic welding robot in COOEC

Developed independently by the welding technological team of COOEC, the fully automatic welding robot process has been successfully applied in welding construction of modules column reinforcement ring structures of projects like "Lvda 4-2" and "Bozhong 26-3", changed the inefficient status of traditional manual welding, and greatly improved welding construction environment. The process provides a strong guarantee for promoting welding automation in Ocean Engineering steel structure, and plays a demonstrative role in the promotion of intelligent and efficient equipment in the field of marine steel structure welding.



### Smart Oilfield

#### Equipped "super brain" for Bohai oilfield

Based on "Kenli 3-2" oilfield, the "Kenli 3-2" WPFB platform has been developed as an intelligent platform. Since successful trial production in August 2020, the platform has achieved remarkable results in intelligent applications and multi-dimensional promotion on management mode. Without vacation all year round, intelligent inspection robots can accurately fetch all kinds of instrument parameters, intelligently diagnose and analyze abnormal conditions of equipment, detect smoke, temperature and humidity of spot environment, and intelligently summarize collected information to generate "reports". The "Kenli 3-2" WPFB platform has also set up three active defense systems, including oil spill prevention, intrusion prevention and video surveillance to ensure the environmental protection during oilfield development.



#### Promote standardization, automation and intelligent design for offshore oil&gas platforms

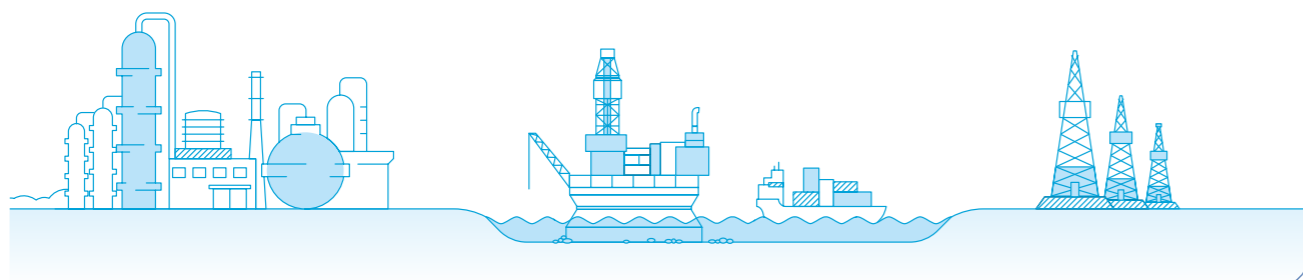
With the goal of achieving "unmanned wellhead platform, less humanized central platform, and land-based decision-making center", CNOOC Tianjin Branch fully promoted the popularization and application of platform standardization, automation and intelligent design, and broke through the constraints of existing development and management mode. Special paper compilation on standardization and intelligent were carried out in two pilot projects, namely the projects of shallow-water oilfield "Kenli 6-1" and "Bozhong 19-6" condensate gasfield group phase I in the Bohai Sea. The Company also explored standardization and automation design for deepwater oilfield "Enping 10-2" and "Enping 20-4".

#### Information upgrade for unmanned transformation on the "Panyu 10-2" platform

CNOOC Shenzhen Branch selected the "Panyu 10-2" platform as pilot for the information upgrade for unmanned transformation. In 2020, on the basis of unmanned transformation, further informatization upgrade was carried out on the platform. Through equipment upgrade and transformation, intelligent functions such as remote thermal imaging monitoring and early warning, CCTV fire and gas linkage, and intelligent robot inspection for anti-explosion were realized. The completion of informatization upgrade for automation transformation on the "Panyu 10-2" platform enhanced the intelligent level and further improved the productivity of the oilfield.

#### 5G+Industrial Internet of Things boosting smart oilfield construction in full swing

On December 28, 2020, the phase I of "5G+ Smart Offshore Platform Pilot Project" was successfully developed and commissioned into trial operation in Wenchang gasfield in the western South China Sea. As the first pilot of CNOOC, Wenchang gasfield took the lead in promoting the construction of 5G+industrial Internet of things. By means of new generation wireless communication technology, a private 5G network was established and covered the offshore platform. On this basis, the project carried out information and intelligent business applications, and gradually realized the applications of Internet of things such as integrated communication, intelligent inspection, intelligent storage, machine vision, personnel positioning and remote diagnosis.



### Pioneering Innovation

In line with the trend of energy transformation and the practice of green and low-carbon strategy, CNOOC has organized and carried out special research on key technologies for medium and long-term new energy development, and conducted analysis on technological and development paths of offshore wind power, natural gas hydrate, geothermal energy, hydrogen energy, marine energy and energy storage. The Company continued to promote the layout and technology research in new energy field, carried out research and development on core technologies of offshore wind power, and established CNOOC's first Chinese offshore wind resource database. The Company also launched major R&D projects on key technologies for low-carbon and high-efficient hydrogen energy and carried out geothermal resource evaluation and targeted area optimization.



#### Platform technology for ocean thermal energy development and comprehensive utilization of deep seawater

CNOOC Research Institute launched the project "Platform technology for ocean thermal energy development and comprehensive utilization of deep seawater" and is developing China's first technology package for development and utilization of Ocean Thermal Energy to advance the realization and sea trial of 50 KW Ocean Thermal Energy conversion, in order to lay a foundation for meeting the energy demand during China's far-reaching marine economic development.

#### Research on the application of CCUS Technology

CCUS is an important means to achieve large-scale emission reduction and recycling of carbon dioxide. CNOOC Research Institute carried out feasibility analysis on the application of carbon dioxide storage and carbon dioxide flooding technology in offshore oil&gas fields, studied the overall scheme for carbon dioxide engineering utilization, and laid a technical foundation for carbon neutralization.

#### 3D simulation experimental device for large-scale exploitation of natural gas hydrate completes functional experiments

3D simulation experimental device for large-scale exploitation of natural gas hydrate, independently developed by CNOOC Research Institute, has completed functional experiments. The device can carry out experimental simulations of natural gas hydrate exploitation under various complex reservoir conditions, and verify the exploitation technologies and plans of different types of natural gas hydrate. With many remarkable characteristics such as the function of internal and external layered pressure control, the highest pressure, the largest scale, the most complete monitoring function and the most abundant simulative exploitation modes, the device is the first publicly reported in the world, will support the natural gas hydrate-related technological innovation and enhance CNOOC's core scientific and technological competitiveness in this field.

## Intensifying Safe Operation

We will ensure workplace safety and protect people's lives. CNOOC thoroughly implemented Xi Jinping's expositions on production safety and the directive spirit of "fundamentally eliminating hidden accidents", and took the opportunity of solidly launching the three-year action plan for special rectification of production safety, to establish the concept of safe development and further consolidate the main responsibility for production safety. The Company continued to strengthen the rigid constraints of safety system, enhance basic work of safety production, give play to the influence of safety culture, and build strong safe defense for the high-quality development of CNOOC. During the hard time of epidemic control and resumption of work and production, CNOOC delivered a qualified answer sheet with "zero infection" on offshore platforms and "no suspension" for key projects.

### Safety Culture

CNOOC continues to promote the safety culture construction of "people-oriented, implementation and intervention". Taking the "Safe Production Month" activity as platform and the theme activity of safety culture construction as carrier, CNOOC has carried out in-depth safety culture activities adapted to local conditions and continuously strengthened safety leadership. The company promoted the implementation of safety responsibility interview with leading cadres for the first time, in which Leaders took the lead and set examples, and extended to main responsible persons and safety directors of subordinate units, forming a strong atmosphere of paying close attention to safe production. The safety awareness of employees is constantly improving, and the concept of safe production is internalized into heart and externalized into actions by more and more CNOOC people.

### CNOOC launched "Well Control Day" activities

In order to enforce well control and blowout prevention and establish positive concept of well control, CNOOC decided to take April 20 in each year as its "Well Control Day" on the 10th anniversary of the Deepwater Horizon blowout accident in the Gulf of Mexico. The first Well Control Day was themed on "building strong defense line with active well control", and six-one activities were carried out on that day, namely "one launching ceremony on well control day, one safety discussion on well control, one knowledge competition on well control, one special inspection for well control, one emergency drill for well control and one publicity class for well control".



#### HSE Core Value

Safety First

Environment Foremost

People-oriented

Equipment Intact

#### CNOOC safety culture

people-oriented, implementation and intervention

### Safety culture activities



#### "Safety Class" lectured by company leaders

613 leaders at all levels lectured safety class, with an audience of more than 33,000 people



#### Safety responsibility performance interview with leading cadres

1,710 leading cadres at all levels from 16 subsidiaries were interviewed



#### Network knowledge competition on Safety and environmental protection

40,372 employees participated in the competition through matches and knowledge learning



#### Selection of excellent project cases for safety culture construction

12 subsidiaries submitted 76 excellent project cases



#### Discussion on hidden danger investigation

More than 5,100 discussions were organized, with more than 69,000 participants and 23,000 contractors participating in. 14,384 hidden dangers were investigated and 13,525 rectification issues were completed.



#### The Essay Contest of "hidden danger Inspection microscope" and the picture Contest of "health and safety every day" were held.

The organizers received 1,296 essays and 1,330 pictures, more than 8,000 employees directly participated in the activity.

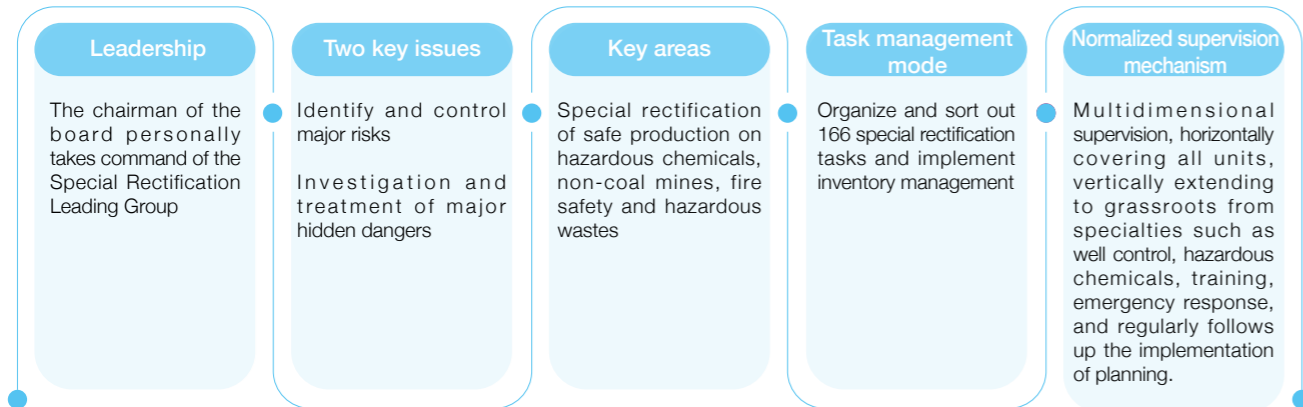


## Safe Production

With the goal of "resolutely preventing major accidents and comprehensively preventing all accidents, and always pursuing 'zero death'", and by means of special supervision and superior audit, CNOOC takes the three-year action plan for special rectification of safe production as starting point, further strengthens the implementation of "six responsibilities", improves the construction of double prevention mechanism of risk classification control and hidden danger investigation, carries out special promotion activities on high-risk matters, establishes work permit management system covering all operations, implements maritime safety management system and access inspection mechanism, and take multiple measures to consolidate the basic management of safety production. The year-round production safety situation remained generally stable without major production safety accident.

### CNOOC's Three-Year Action Plan for Special Rectification of Safe Production

CNOOC takes the "Three-Year Action Plan for Special Rectification of Safe Production" as starting point, makes overall arrangement and phased implementation, and strives to promote overall safety management of the Company to a higher level by eliminating fundamental, essential and long-term potential safety hazards, so as to lay a solid foundation for the Company's high-quality development.



#### Action in 2020

Implemented multidimensional full-coverage inspection over 12 production units and key professional fields, found 1,190 problems, and urged 96.4% to complete the rectification at the end of 2020.

**96.4%**  
Rectification rate

### The strongest voice in CNOOC's response to COVID-19 epidemic



After the outbreak of COVID-19, CNOOC closely tracked and implemented epidemic prevention and control measures and safety production responsibilities in the front line of production. All the work was not suspended by the epidemic, and the responsibility of fully ensuring national energy security was never relaxed for a moment. While maintaining the record of "zero infection" in offshore oil&gas production facilities, breakthroughs have been constantly made in key engineering projects. Focusing on both epidemic control and safe production, CNOOC delivered a qualified response with practical actions.

### Science and technology boosts intrinsic safety to a new level

Huizhou support base of COSL oilfield chemical business department continues to seek for automation and intelligent means in shore-based management, and strives to improve the performance of on-site safety management. The base has successively realized the automation of mud station control, built up base security visualization platform and equipment intelligent management platform, and continuously improved the functions of these intelligent platforms.



### Safe operation of ammonia plant in Fudao Company set a national record

In 2020, Fudao Company of China BlueChemical made great efforts to improve product quality and economic benefits. As of November 4, the ammonia plant in fertilizer Division II of Fudao Company has achieved a long-term operation for 553 days, rewriting the national long-term operation record of ammonia plants using natural gas as raw material.

### Personnel positioning system

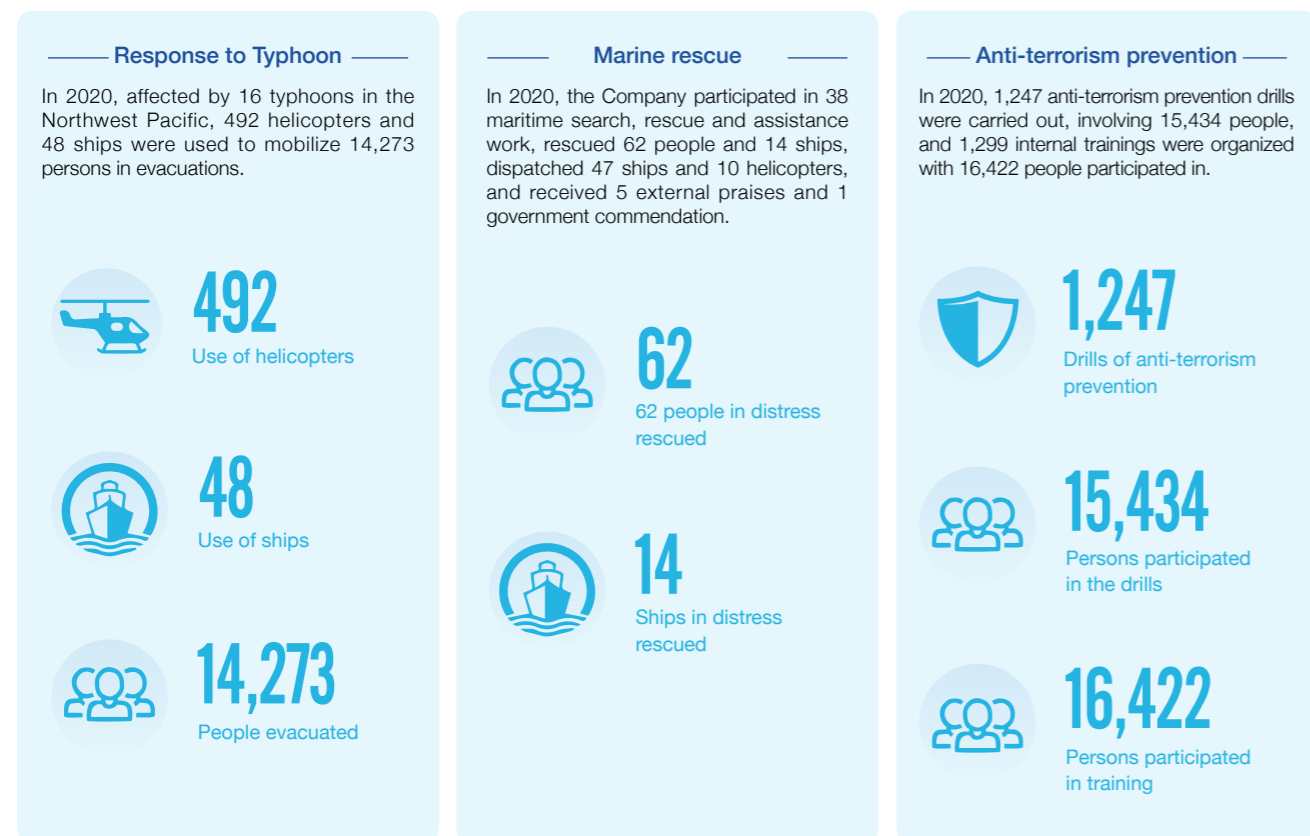
Due to its complex structure, the "Lingshui 17-2" project, the first semi-submersible oil storage platform in the world, demands for strict safety control on personnel, equipment, methods, environment and other aspects during the construction process. The project team formulated a complete set of regulations for operations in special environments, and introduces a personnel positioning system to ensure personnel safety. The system can detect the location of personnel in real time. If operators feel sick, they can get help in time through the alarm system. By the end of 2020, the buildup of safe construction time has reached 17 million man-hours.

## Emergency Management

CNOOC continues to improve its emergency response capabilities. Establish a national emergency rescue base to provide professional emergency rescue services for offshore oil&gas exploration and development, carry out emergency drills to further improve emergency organization, coordination and practical skills, enhance the ability of prediction and early warning for typhoon and other natural disasters, optimize prevention plans for typhoon and other disasters, strengthen emergency preparedness and establish zero report communication mechanism, so as to strictly prevent accidents and dangers. The Company has advanced production emergency management information system construction to further improve the emergency management system.

### Three-level emergency drill of the Group Company

On June 29, 2020, CNOOC organized the 2020 annual three-level emergency coordination drill among the Group Company, CNOOC Oil & Petrochemicals and Daxie Petrochemical, by simulating a fire-explosion accident of a 5,000 m<sup>3</sup> Internal floating roof naphtha tank in the aromatics tank area of Daxie Petrochemical, to test the Company's emergency coordination response mechanism and coordinated combat capability in responding to emergencies. The drill process was smooth, emergency teams at all levels were clear to their responsibilities, the response was rapid, and all disposals were appropriate.



### Construction of production emergency information system

CNOOC integrates sea-going personnel dynamic system, ship dynamic monitoring system, on-site video monitoring system, meteorological information system, and emergency resource system for major hazards and hidden dangers, to form a comprehensive production emergency information platform and a control center with integrated coordination and event handling. This project will be gradually built as the macro monitoring center, information sharing center, decision support center, as well as command and dispatching center for the Company's production and operation.

## Improving Quality Management

CNOOC adheres to the directives of "People-Oriented, Safety First, Honest and Law-Abiding, Reinforcing Foundation, Innovation-Driven and Winning with Quality", implements the national strategy of "Building a Powerful Country by High Quality Development", carries out the quality improvement actions in an all-round way, identifies quality risks comprehensively, improves the quality management system, cultivates the quality culture, promotes the participation in quality management with "all staff, all process and all-round", and continuously improves product, engineering and service quality.

### "Quality Month" activity in 2020

In September 2020, CNOOC launched the "Quality Month" activity with the theme of "Carrying out Quality Improvement Actions to Boost the Seven-Year Action Plan". The activity firmly established new development concept, continuously promoted high quality development, closely centered on the Company's development goal of "building the international first class energy company with Chinese characteristics", regarded the "Five Strategies" as guidance, focused on improving the quality of products, projects and services, mobilized the masses to fully participate, and vigorously carried out quality improvement action. 78,921 employees participated in the activities, 6,333 potential quality hazards were found and eliminated, and 4,212 quality problems were solved, which contributed to the Company's "Seven-Year Action Plan" for increasing reserves and production.

#### Quality Improvement Action Contribute to the "Seven-Year Action Plan"

Carry out quality theme publicity  
Establish the concept of high quality development

Strengthen source control  
Carry out spot checks on quality

Identify quality risks  
Eliminate quality hazards

Carry out mass quality activities  
Improve staff skills

### QC team and Quality Technology Award

149 from 1,466 project results were reviewed as "excellent achievements of CNOOC's quality management Team Activities in 2020".

In the third session of central enterprise QC Group Publishing Competition of SASAC, two activity results of the "Continuous Improving QC Team" from COOEC and the "Blue Lifeline QC Team" from Zhonghai Testing Company of CNOOC EnerTech won the second and third prizes respectively.

In the 2020 quality technology declaration activity, jointly organized by SASAC and China Quality Association, the research on "Independent Development and Application of Multi-information Analysis System for Offshore Oil&Gas Exploration" of CNOOC Research Institute won the second prize of comprehensive project achievement of the Quality Technology Award.

### Research team of CNOOC Research Institute won the honorary title of "national quality trustworthy team"

In November 2020, the "potential exploring team for low yield and low efficiency wells in offshore oilfield" of CNOOC Research Institute was awarded the honorary title of "national quality trustworthy team". Upholding the concept of "governing low efficiency wells, monitoring healthy wells and cultivating longevity wells", the team carried out tracking, technological development and innovation in the field of governance, and effectively improved the governance ability and effectiveness of low yield and low efficiency wells through precise demand positioning, strict construction planning and procedures.



## Enhancing Environmental Protection



**9,323.4**  
fresh water consumption for the whole year (10,000 tons)

**189.2**  
water saving (10,000 tons)



**22.6**  
energy saving (10,000 tons of standard coal)



**5**  
biodiversity conservation research projects (items)



**3,084.6**  
investment in marine environmental and ecological protection (RMB 10,000)

## Green Operation

Under the guidance of Xi Jinping thoughts on ecological civilization, CNOOC actively practices the development concept of green and environmental protection, follows the principle of "protection first, conservation first and green development", and implements the "Green Development Action Plan" in depth. With greater responsibility and deeds on the way of building a "Beautiful China", the Company will boost more green force driving high-quality development of the offshore oil industry.

In accordance with the principle of "developing in protection and protecting in development" and by formulating internal control system from the lifecycle environmental protection management, the Company builds up working mechanism for offshore oil&gas development and environmental protection. By means of optimized management and technical transformation, the Company strictly controls waste discharge in offshore oil&gas fields, standardizes risk analysis on geological oil spill, strengthens emergency coordination mechanism, and constantly improves the ability of environmental risk prevention and control, so as to maximize ecological protection.

### Whole process management of environmental protection in CNOOC

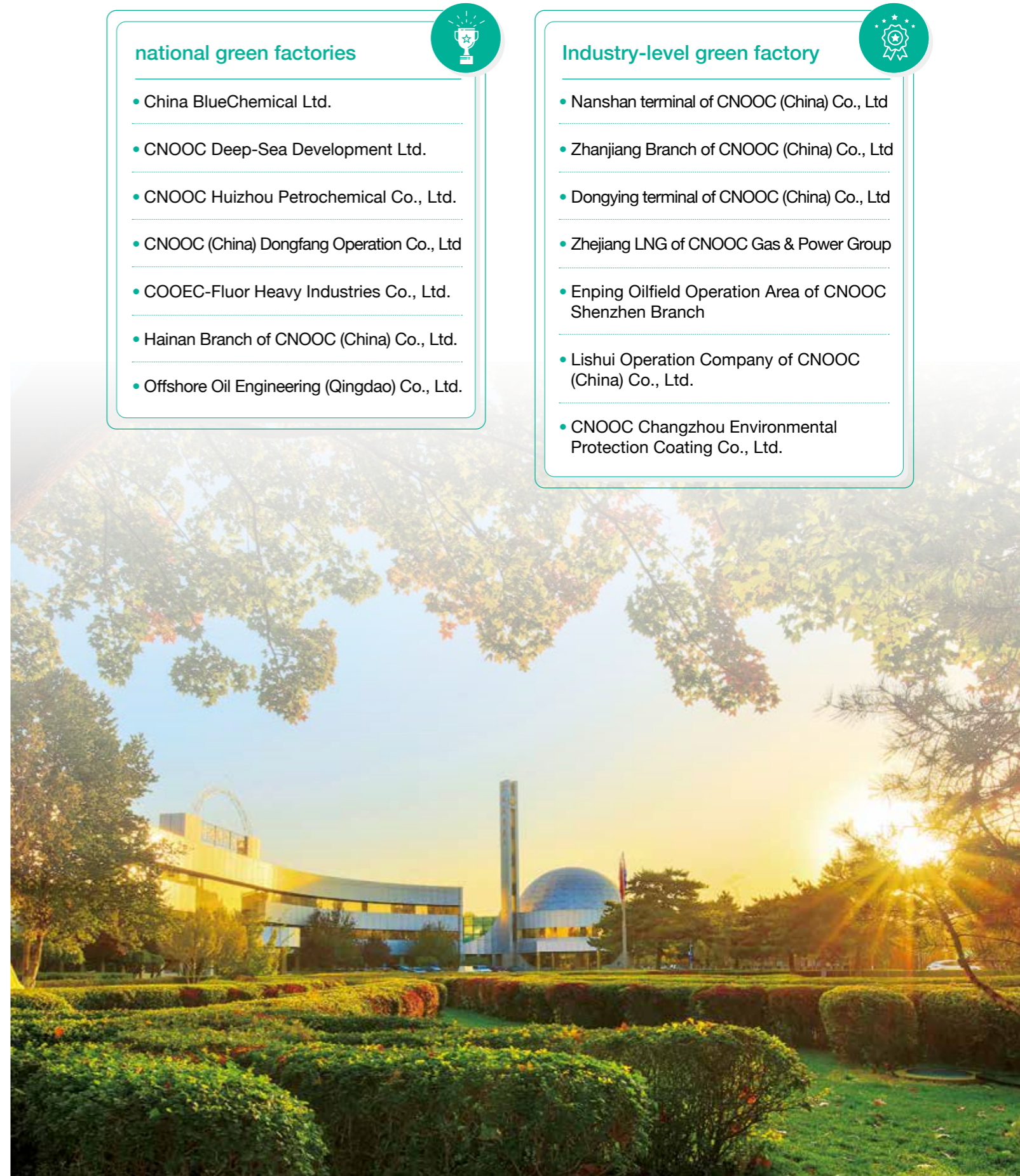
Project lifecycle	Preparation of environmental protection documents	Environmental protection management information system	Environmental management requirements
Pre-feasibility study	Environmental risk pre-assessment report	Upload environmental risk pre-assessment report	Carry out environmental risk pre-assessment to identify environmental risks in advance
Feasibility study	Environmental Impact Assessment Report (EIA) Obtain the approval of EIA documents before construction	Upload feasibility study report, monthly EIA report, internal review draft, submission documents	Application for three-type waste treatment facility projects Guidelines for Sewage Discharge and Reuse Technical Guidelines for Air Pollutants Treatment Technical Guidelines for Solid Waste Treatment
Design phase	Special article for environmental protection Implementation plan for reply to request of EIA approval of the project EIA change report of the project	Upload submission documents, approval documents, as well as implementation plan and change report of the project's EIA	According to EIA report and approval, carry out environmental protection design with "Three Simultaneities"
Construction phase	Environmental protection management plan	Upload environmental protection management plan	Carry out environmental supervision
Trial production	Environmental protection completion acceptance report Environmental protection facility calibration report	Upload environmental protection documents, including facility calibration report, completion acceptance report and approval, and transfer the project to factory when obtaining completion acceptance approval	Calibration of environmental protection facilities Environmental monitoring for completion acceptance
Production phase	Post assessment of environmental impact	Register discharge outlets and report pollutant discharge amount; report information such as environmental protection supervision, cleaner production audit, personnel training, due diligence, plan summary and monitoring plan, upload to systems as required	Pollutant emission monitoring
Abandonment phase	Environmental impact assessment of disposal	Upload abandonment implementation plan, impact assessment report and approval, as well as environmental monitoring plan, etc.	Environmental monitoring plan

### national green factories

- China BlueChemical Ltd.
- CNOOC Deep-Sea Development Ltd.
- CNOOC Huizhou Petrochemical Co., Ltd.
- CNOOC (China) Dongfang Operation Co., Ltd
- COOEC-Fluor Heavy Industries Co., Ltd.
- Hainan Branch of CNOOC (China) Co., Ltd.
- Offshore Oil Engineering (Qingdao) Co., Ltd.

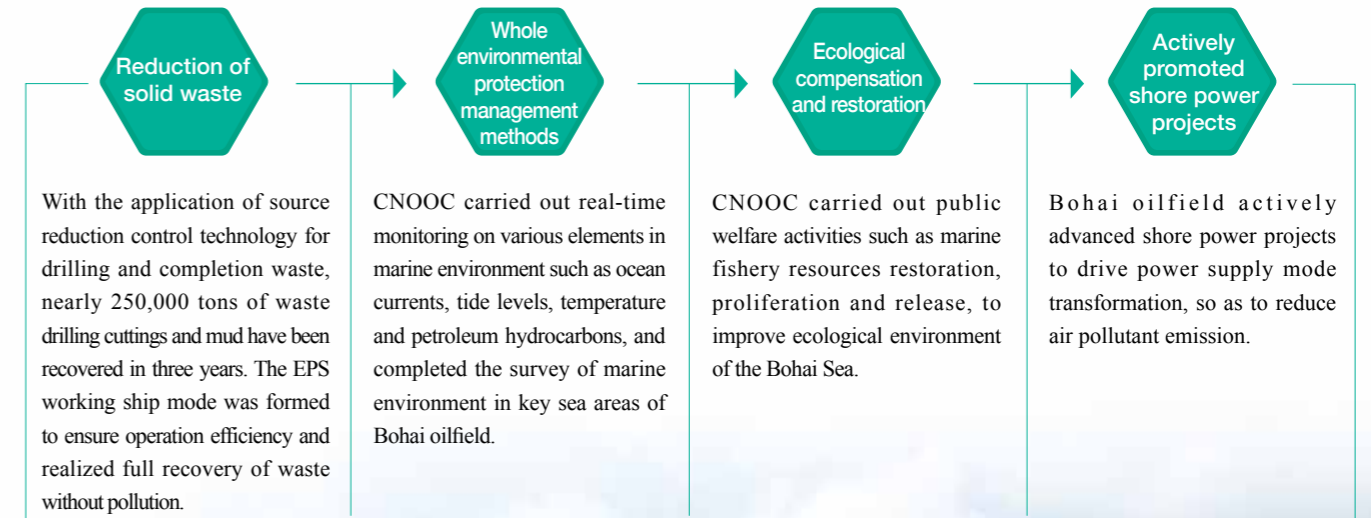
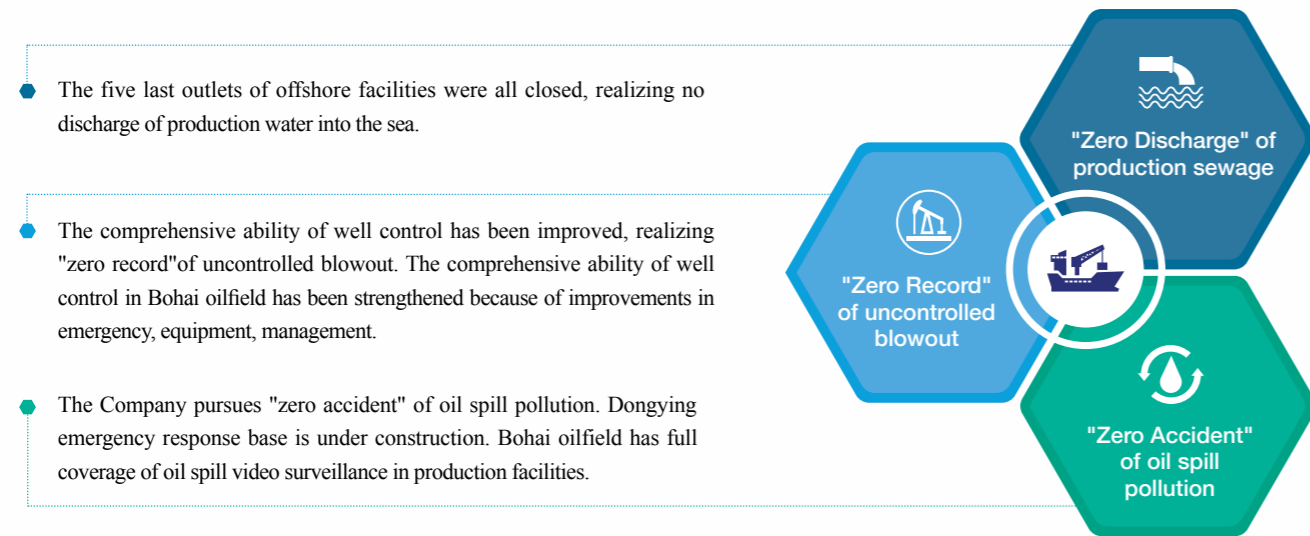
### Industry-level green factory

- Nanshan terminal of CNOOC (China) Co., Ltd
- Zhanjiang Branch of CNOOC (China) Co., Ltd
- Dongying terminal of CNOOC (China) Co., Ltd
- Zhejiang LNG of CNOOC Gas & Power Group
- Enping Oilfield Operation Area of CNOOC Shenzhen Branch
- Lishui Operation Company of CNOOC (China) Co., Ltd.
- CNOOC Changzhou Environmental Protection Coating Co., Ltd.



The "Three-Year Action Plan for Environmental Protection Upgrading in Bohai Oilfield"

CNOOC focuses on the scientific and sustainable development of the oilfields in the Bohai Sea, and makes overall considerations to ensure national energy security and comprehensive governance of the Bohai Sea. With three years' efforts, the Company has successfully achieved the three targets defined in the "Three-year Action Plan for Environmental Protection Upgrade of Bohai Oilfield", namely "zero discharge" of offshore production sewage, "zero record" of uncontrolled blowout and "zero accident" of oil spill pollution, and made great contributions to promoting the construction of ecological civilization, solving ecological environmental problems and battling against pollution prevention, so as to promote the construction of ecological civilization in China to a new level.



**6.7** billion RMB  
Cumulative investment

**5**  
Closure of discharge port of offshore facilities

**250** thousand tons  
Cumulative recovery of waste drilling cuttings and mud



## Tackling Climate Change

CNOOC actively responds to the Paris Agreement and climate change. Guided by the new development concept, the company has established green and low-carbon as one of the core development strategies, confronts with open mind the low-carbon transformation development trend in the energy industry, and puts forward the vision of leaping development from conventional to unconventional oil&gas, and from traditional oil&gas to new energy. With marine resources as the main actors, the Company differentiates its layout in new energy industry, takes bold moves in building up clean, low-carbon, safe and efficient energy system, continues to establish the comprehensive green and low-carbon management system, and always regards itself as a practitioner, promoter and contributor of green development, so as to boost the full realization of "peaking carbon dioxide emissions and achieving carbon neutrality" in China.

In 2020, CNOOC released a list of 10 energy-saving technologies for popularization and application, and strengthened the implementation of energy-saving technological transformation projects. With an investment of RMB 399 million, 92 energy-saving transformation projects were implemented throughout the year, and achieved energy conservation of 226,000 tons of standard coal, with a comprehensive energy consumption of 0.3341 tons of standard coal per RMB 10,000 turnover.

### Oilfield emission reduction

In the development project of "Liuhoa 16-2" oilfield group, fuel gas processing system, low-pressure gas compression system and light hydrocarbon recovery device were set up on the FPSO "Hai Yang Shi You 119", for recycling oilfield associated gas and supplying as fuel gas or LPG production. Every year, it is estimated to save 22 million m<sup>3</sup> of natural gas, produce 13,000 tons of LPG products, save 51,000 tons of standard coal, and reduce carbon dioxide emissions of approximately 102,000 tons.

In 2020, three major energy-saving measures were implemented in CNOOC Shanghai Branch. The Ningbo terminal export gas compressor energy-saving optimization project achieved energy savings of 3,000 tons of standard coal. The HY platform energy saving project has produced energy-saving effect of 15,000 tons of standard coal, and the HY platform low-pressure compressor upgrading project is expected to achieve energy savings of 16,000 tons of standard coal.

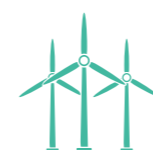
On the basis of recycling and utilization of associated gas, Bohai oilfield has successively implemented associated gas recycling projects in the southern Bohai Sea. In 2020, the "Bozhong 28-2S" CEP and "Bozhong 34-1" CEPA platforms spreaded the use of low-pressure gas recovery technology with jet devices to reduce flaring emissions. The BZ28-2S low-pressure gas recovery system has been put into trial operation. It is estimated to recovered annually 700,000 m<sup>3</sup> of low-pressure associated gas, and reduce greenhouse gas emissions of approximately 1,400 tons of carbon dioxide equivalent.

After "Dongfang 13-2" gasfield was put into operation, the composition of natural gas changed. Through analysis on the needs of downstream users and accurate calculation on the processing capacity of decarbonization system, Dongfang Terminal suspended the Ledong decarbonization system while meeting the requirements of downstream users, and realized dual-use and one standby of decarbonization devices, reducing natural gas consumption of 50 million m<sup>3</sup> and carbon dioxide emissions of about 300,000 tons.

### Energy Conservation and Efficiency-Increasing

#### Fudao Company took the lead in Energy Efficiency

By means of improving refined management and energy-saving transformation, the energy consumption of 4 production facilities in Fudao Company has been further reduced. Compared to 2017, the comprehensive energy consumption in 2020 decreased by 4.89%, saving natural gas of 357 million m<sup>3</sup>, electricity of 110 million kWh, and energy cost of RMB 319 million. In 2020, Jiantao Chemical Company of CNOOC won the honorary title of "Energy Efficiency Leader" by China Petroleum and Chemical Industry Federation (CPCIF) for 9 consecutive years, and Fudao Company won the honorary title of "Water Efficiency Leader" by China Nitrogen Fertilizer Industry Association.



#### CNOOC's first offshore wind power generation project connected to the grid

In September 2020, first generation units of CNOOC's first centralized offshore wind power project were combined to the grid for power generation. With the installed capacity of 300 MW, the annual on-grid power can reach 860 million kWh after the project is put into operation, save 279,000 tons of standard coal and reduce carbon dioxide emissions by 571,000 tons compared to conventional coal-fired thermal power plant with same power generation capacity.

#### Dayukou Company fulfilled carbon compliance for four consecutive years

Since its participation in carbon trading in 2017, Dayukou Company of China BlueChemical has received a total of 677,292 tons of carbon emission allowances, and the company's compliance amount reached 613,404 tons. It has completed carbon compliance for 4 consecutive years, earned income through carbon trading and formed 37,180 tons of carbon assets. The comprehensive energy consumption of the company decreased from 32,000 to 22,400 tons of standard coal, and the greenhouse gas emission decreased from 196,878 tons of CO<sub>2</sub> in 2015 to 120,887 tons of CO<sub>2</sub>, a decrease of 38.60%.



#### Embark on a new stage in shore power development

In the absence of any domestic experience to learn from, CNOOC took its "Qinhuangdao 32-6" and "Caofeidian 11-1" oilfield group shore power application as pilot projects, proactively made all-out efforts to promote the construction of Bohai oilfield shore power application, strived to achieve the power supply targets of shore power application in Qinhuangdao and Caofeidian areas, so as to lay a solid foundation for green and low-carbon development of oil&gas fields in the Bohai Sea and other China offshore waters.

#### COSL formulated the implementation plan for green development action

COSL has formulated and issued the implementation plan to support the COSL Green Development Action Plan. The implementation plan points out the pathway for the company's green and low-carbon development by overall plan, target & positioning and implementation plan. 2021-2025, building a green industry with national certification, including green ships, green platforms and green factories. 2026-2035, the green industry achieving scale effect and becoming a top-three service provider of green oilfield in the domestic market. 2036-2050, leading the industry by green development and becoming a top-three green oilfield service provider in the industry.



## Environmental Governance

CNOOC takes various measures to comprehensively strengthen the management of ecological environmental protection, continuously carries out environmental governance and fight thoroughly against pollution. In 2020, CNOOC deployed coordinated prevention and control measures against soil and groundwater pollution while addressing air and water pollution, and boosted the country in defending blue sky, clear waters and clean land.

### Continue to Build the Ecological Environmental Protection System

Following the environmental protection concept throughout the whole life-cycle, CNOOC has progressively revised and formed a relatively perfect ecological environmental protection system to make sure that all aspects meet the requirements of national laws, regulations and standards. In 2020, the Company launched a revision of the internal control system for ecological environmental protection, which focused on the main line of construction process management and considered other key elements such as construction project, pollution prevention and control, environmental monitoring and risk management.

#### COSL boosts environmental protection governance

##### Design the EPS business card for emission reduction in the Bohai Sea

By combining recyclable drilling fluid system, high-efficiency solid control system, waste liquid pressing filtering and reuse system, as well as cuttings sorting and drying system, COSL formulated China's first EPS reduction and recycling disposal plan to meet the requirements of emission reduction and green production in the Bohai Sea where COSL is the only EPS service provider at present. From 2018 to 2020, more than 40,000 m<sup>3</sup> of waste drilling fluid and 80,000 tons of drilling cuttings have been collected and disposed, reducing about 60,000 tons of terminal processing on land.

##### New technology reinvigorates the normal mud

EPS project team of COSL Oilfield Chemistry Division took the initiative to develop a reclamation technology for treating spent oil-based drilling fluids, with original mud being separated into clean recovered oil and solid materials by adopting chemical distillation process. This new technology realizes 100% recycling of resources and cost reduction of over RMB 10 million for operators.

##### Research on non-aqueous drilling cuttings processing technology

Harmless recycling processing technology for non-aqueous drilling cuttings is a common problem in the global industry. Through years of technology accumulation and breakthroughs in research, the EPS project team of COSL oilfield Chemistry Division fully absorbed the technical advantages of TDU and TCC, jointly innovated drilling cuttings thermomechanical technology with domestic manufacturers, and developed core equipment with independent intellectual property rights, which got success in land and sea trials in 2020.

### Continue to Implement Environmental Supervision and Inspection

In accordance with national environmental protection management laws, regulations, policies and standards, Subsidiaries of CNOOC continued to implement the investigation and treatment of potential environmental risks. In 2020, affiliated units conducted a series of self-inspections and mutual inspections on ecological environmental protection, and 14 enterprises affiliated to 6 secondary units were supervised on-site by the Company. Through on-site inspections, the Company consolidated the main responsibility of environmental protection, and urged the rectification of environmental problems to eliminate potential environmental hazards.

### Constantly Promote Special Governance of Environmental Protection

#### Continue to promote the upgrading and transformation projects

According to the national overall plan to win the battle against pollution, CNOOC invested about RMB 280 million in 2020 to promote the strict implementation of pollutant discharge by enterprises in key areas such as the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, the Pearl River Delta Region and the Hainan Free Trade Zone (Port), and carried out about 37 upgrading and transformation projects to ensure stable compliant emission of pollutants.

#### Coordinate soil and groundwater pollution prevention and control

To meet the requirements of Soil Pollution Control Law, CNOOC carried out comprehensive verification while promoting key subsidiaries to launch soil pollution investigation. In 2020, CNOOC carried out inspections on 41 enterprises subordinated to 5 secondary units to assess the implementation of soil and groundwater pollution investigation, urged them to strengthen the investigation of potential soil pollution hazards and eliminate soil pollution risks. Meanwhile, CNOOC designed a whole governance framework for soil pollution prevention and control, as well as risk classification index of soil and groundwater, which provided references for subsequent risk assessment and high-risk enterprises management. In addition, internal and external experts were invited to provide on-line trainings on soil and groundwater pollution prevention and control, realizing 280 person-days training, thus the management level for soil pollution prevention and control got comprehensive promotion.

#### Strengthen the whole lifecycle management of solid waste

CNOOC attaches great importance to the outsourcing treatment of solid waste and hazardous waste, and constantly pushes forward the whole process management of solid waste. In 2020, the Company implemented the requirements for classified collection of solid waste and promoted the establishment of centralized solid waste disposal base. The Company also went over the status and risks of marine solid waste disposal, and formulated targeted solutions to mitigate the compliance risks of marine solid waste.



## Water Resource Management

With emphasis on utilization efficiency of water resources, CNOOC promotes the recycling of water resources in order to enhance water resources protection. The Company continues to intensify technological innovation, strengthen water use process management, take comprehensive measures to reuse wastewater and reclaimed water, desalinate seawater and protect water ecosystem, and comprehensively strengthen water resources management, in order to realize the sustainable utilization of water resources.

In 2020, the Company's annual fresh water consumption was 93.234 million tons, saving 1.892 million tons of water resources.

### Seawater desalination project utilizing waste heat was put into operation

Seawater desalination project utilizing cylinder water waste heat from crude oil main engine was put into operation on the CEPI and CEPJ platforms in "Qinhuangdao 32-6" oilfield. With a rated output of 16 m<sup>3</sup> per day, the desalination plants could save fresh water for the platforms by 5,800 m<sup>3</sup> annually, meet the demands of all equipments on the platforms and effectively save production cost for the oilfield.



### Daxie Petrochemical spotlights rainwater recycling

Daxie Petrochemical is fully engaged in the comprehensive recovery and utilization of rainwater in the whole plant and achieves a maximum recycling volume of 250 m<sup>3</sup> per hour, meaning hundreds of thousands of cubic meters of rainwater can be reused in years with abundant rainfall. After filtrating the qualified rainwater is filled into a safety water tank for fire fighting water, circulating water and other production water.



### Zhanjiang Branch popularizes seawater desalination technology

In order to lower the high cost of fresh water supply with tugboats to offshore oil&gas field facilities for a long time, Zhanjiang Branch actively promotes the application of seawater desalination technology in offshore facilities. Ultrafiltration membrane desalination technology was applied in "Wenchang 13-2" oilfield and "Wenchang 9-2/9-3/10-3" gasfields, supplying fresh water to living buildings to meet the needs of non-potable water, production water and deck washing water.



## Biodiversity Conservation

A sound ecosystem is essential for the prosperity of civilization. Biodiversity affects human well-being and provides the very basis for human survival and development. With the concept of respecting, following and protecting nature, CNOOC strives to explore harmonious development between man and nature, balance and coordinate economic development and ecological protection during the process of production and operation, and work together to build a prosperous, clean and beautiful world. Since its establishment, CNOOC Public Welfare Foundation has invested more than RMB 110 million in supporting professional institutions to carry out marine environmental ecological scientific research and technological development, giving full play to the positive role of biodiversity conservation and sustainable utilization.



### Harbor Seal protection project

From March to May in 2020, with the support of CNOOC Public Welfare Foundation, Liaoning Ocean and Fisheries Science Research Institute successfully rescued 9 harbor seal pups in Dalian, Panjin and other regions. On the morning of May 16, the release activity of 9 harbor seal pups, two of which were fitted with satellite markers to track and monitor the release effect, was organized in Panjin, Liaoning Province.

### Release activities of sea turtles in the South China Sea

On August 9, 2020, China Sea Turtle Conservation Alliance, together with CNOOC Welfare Foundation and other units, organized a release activity of sea turtles in the South China Sea on Fenjiezhou Island, Lingshui County, Hainan Province. On that day, 10 large turtles equipped with GPS trackers were released, as well as 99 rescued turtles with vitro metal tags and vivo identification chips.



### "Eyes for the Mystery" infrared camera investigation project

In 2020, CNOOC Public Welfare Foundation has been funding the Research Institute of Forest Ecology, Environment and Protection, Chinese Academy of Forestry, to carry out the "Eyes for the Mystery" infrared camera investigation project. Special investigation of wildlife in 10 nature reserves across the country was conducted to collect video data of representative wildlife in each reserve, and carry out species identification and data analysis. The project is committed to enhancing the protection and management of biodiversity, assisting the scientific research of wildlife protection, which makes the public have better understand and pay more attention to the natural reserves and biological diversity, and enjoy the benefits of natural protection.

### Fishery restoration, propagation and release

In 2020, CNOOC volunteers released 390 million units of jellyfish, penaeus chinensis and cynoglossus semilaevis in the coastal waters of Dongying, Shandong Province. As a part of the propagation and release activities, a cloud platform of releasing fish to conserve ecology system was built this year, on which netizens could claim the exclusive maintenance package to release fish online. On June 6, 2020, Huizhou Petrochemical launched the fishery compensation, proliferation and release activities of Donglian wharf expansion project, and provided 400,000 high-quality baby fishes and 6.4 million baby Penaeus Monodons.



# Driving Social Progress



**11,534**  
investment of poverty  
alleviation in Tibet  
(RMB10,000)

**6**  
fixed-point poverty  
alleviation  
(county/city)



**99.95**  
ratio of physical  
examination for  
occupational health  
(%)

**178**  
volunteer teams



**3.9**  
annual training courses  
(10,000 courses)

**38**  
annual trainees  
(10,000 people)

**129**  
annual training hours  
(10,000 hours)



**18**  
ratio of female  
employees



**293**  
disabled employees  
(people)

**3**  
ratio of ethnic minority  
employees (%)

**0**  
employment of  
child labor



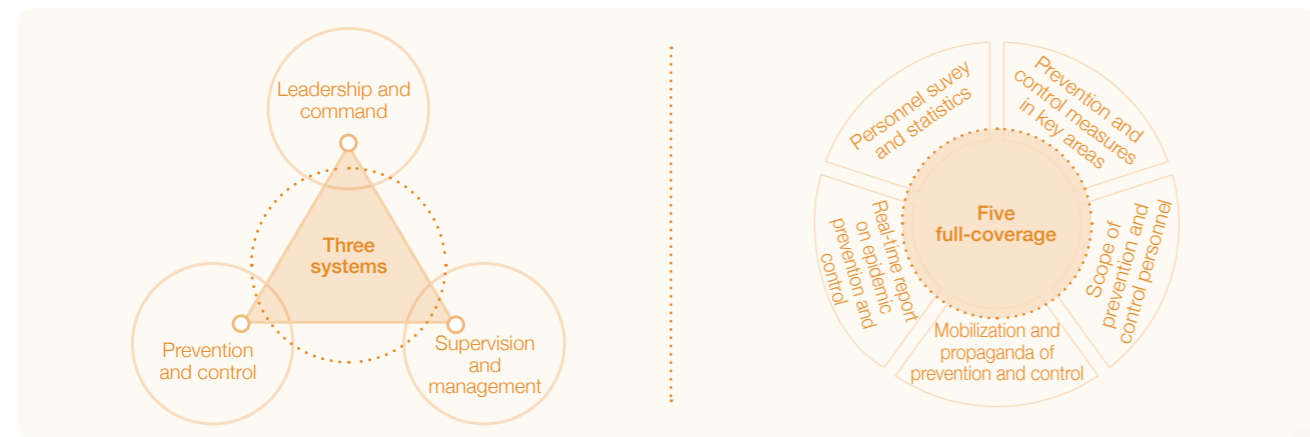
**14**  
ships in distress  
rescued

**100**  
the ratio of  
environmental  
and social impact  
assessment for new  
projects (%)



## CNOOC in action to fight against COVID-19

The epidemic is order, prevention and control is responsibility. When the battle against epidemic began, CNOOC took resolute steps to join the fight and made every effort to guarantee material supply for the front line, worked against time to open new production lines, operated at full capacity to produce epidemic prevention materials and scarce raw materials, and tried all means to raise funds, donate and transport prevention materials to regions including Hubei province. The Company paid close attention to the epidemic prevention and control work, strived to build a tight defense line with collective efforts for mass prevention and control, and improved the scientific level of epidemic prevention, so as to ensure the life safety and physical and mental health of employees. Except for Hubei Province, We achieved zero infection among Chinese employees at home and abroad, on land and at sea.

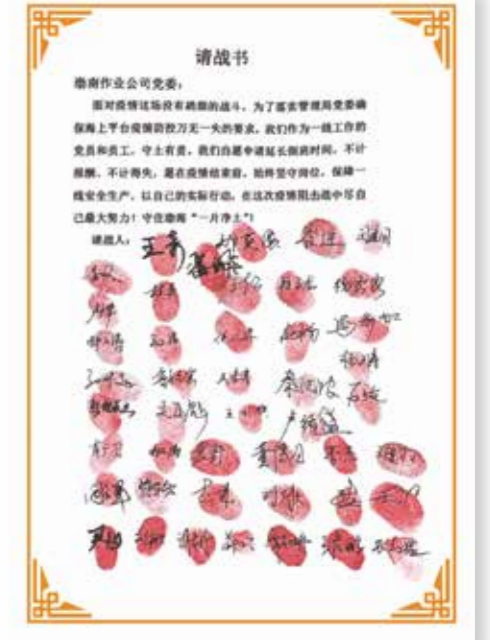


While fighting against the epidemic with all efforts, CNOOC has never slackened the grand battle for increasing reserves and production, and advanced key projects at full speed. More than 120 domestic on-production offshore oil&gas fields, major refineries, LNG receiving stations and fertilizer plants have made great efforts to ensure safe production during the epidemic period, so as to secure a double victory in preventing and controlling the epidemic and achieving social economic development with practical actions.

### Applications for battle assignments

As the offshore platform is a relatively enclosed space far away from the land, it would be disastrous if epidemic occurs. Responding to the spontaneous initiative by the team leader in "Bozhong 35-2" oilfield, 45 employees who were about to shift home for the Lantern Festival signed a red hand-printed application for battle assignments, declaring that "We voluntarily apply for extension of shift, stick to our posts till the end of epidemic, and guarantee the safe production at the frontline!".

This scene is constantly staged in CNOOC's offshore platforms, land terminals, refineries, power plants and other places. In order to implement the requirements for epidemic prevention and control and block the spread of virus from the source to the frontline of production, many front-line employees of CNOOC intend to give up vacations, delay shifts and stick to their posts.



Over **60** million RMB  
Donations to frontline regions including Hubei Province



**15,000** kg  
Diesel for free



**664** tons  
84 disinfectants



**27,330** kg  
Vegetables



**6,600** pairs  
Goggles



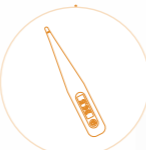
Over **24,000**  
Protective suits



Over **2,200**  
Temperature measuring guns



Over **8,600**  
Clinical thermometers



## Deep feeling shining like "Sunshine" in Hubei Province

Located in a traffic hub, Wuhan Sunshine gas station is a banner for CNOOC's oil product sales in Hubei Province.

On January 23, Wuhan was locked down.

During the epidemic period, the Sunshine gas station took the responsibility of oil supply and kept round-the-clock operation to guarantee the lifeline for anti-epidemic materials transportation in Wuhan, excellently completed various tasks assigned by the Company, ensuring the safe and stable operation of the gas station.

One station, 10 staff, 76 days and nights.



Bai Dengwen was awarded the title of "Advanced Individual in China's fight against COVID-19"

**This is a battle to defend life!  
This is a race against death!**

After the outbreak of COVID-19, CNOOC immediately donated diesel to ease the tight supply at the beginning of the construction of Leishenshan Hospital.

Under the leadership of the station director Bai Dengwen, the staff of sunshine gas station took tenacious steps to deliver diesel to Leishenshan hospital. During the third delivery, the diesel vehicles couldn't approach due to long queues of vehicles transporting materials. There was no time to spare under this circumstance! Although the oil pipeline couldn't be reached, the oil barrel could deliver as well!

**Bai dengwen and colleagues started their oil unloading relay race with shoulders and hands!**

Back and forth **20** kilometers, **240** barrels in **5** hours, **3** tons of diesel were carried to Leishenshan hospital.

## Make joint efforts to win the battle of prevention and control of COVID-19

In the face of the fierce epidemic situation, CNOOC gives top priority to ensuring the life safety of the people and all employees, actively supports the front line of anti-epidemic, urgently produces epidemic prevention materials, and resumes work and production as soon as possible. It is a practice to fulfill CNOOC's responsibility and a demonstration for carrying forward the CNOOC Spirit of the New Era in the great battle against epidemic. The staff of CNOOC calmly cope with the complex situation, confront the risks and challenges, and build a strong shield against the epidemic with great love on all fronts.



**The great spirit of "putting people's lives first, nationwide solidarity, sacrifice, respecting science and a sense of mission for humanity" in combating the COVID-19 epidemic was seeded in CNOOC.**

- 01** | The airport pick-up team of "Xijiang 23-1" platform is ready to greet the returning employees
- 02** | CNOOC EnerTech works overtime to produce disinfectant during the Spring Festival
- 03** | Offshore platforms of CNOOC ensure safe production during the epidemic
- 04** | The second mask production line of CNOOC was developed and put into operation
- 05** | Zhengda Company strictly inspects disinfectant
- 06** | Yun Huixian, a volunteer nurse sent to aid treatment in Hubei Province, takes loving care of the elderly under treatment
- 07** | Staff of CNOOC stuck to their positions in the frontline of production during the epidemic

## Caring for Employees

CNOOC always regards talents as the most valuable wealth of the company, actively promotes the development strategy of "rejuvenating enterprise by talents" and creates an institutional mechanism with equal opportunities and fair rules. Through building a dense atmosphere of respecting and attaching greater importance to talents, developing a positive and diligent environment for talent development and creating a positive, initiative, healthy and inclusive enterprise culture. CNOOC improves employees' sense of gain, happiness and security.

### Employment Policy

CNOOC earnestly abides by the international conventions ratified by Chinese Government, such as the Convention on the Elimination of Discrimination in Employment and Occupation, and has established a relatively complete management system of employment according to the Chinese Labor Law and relevant laws, regulations of local authorities and listing place. CNOOC strictly abides by laws and regulations of the UN and the host countries where its business is located, respects human rights and pursues equality. Employees of different nationalities, nations, races, genders, religious beliefs and cultural backgrounds are treated equally, and recruiting or use of child labor is firmly prohibited. Female has the same rights as male in the Company. The Company proactively advocates partners, suppliers and contractors to comply with relevant regulations. CNOOC has been focusing on the employment of local residents, women and ethnic minorities, increasing employment opportunities in local communities, improving the coordination mechanism of labor relations, establishing harmonious and stable labor relations and maintaining employees' legitimate rights and interests.

### Compensation and Welfare

CNOOC continues to improve the comprehensive salary management system, focus on the main business development of oil&gas, and optimize the salary & benefit mechanism in accordance with relevant national policies. CNOOC steps up awards to overproduction and profitability, strengthens the linkage between "bonus pool" and performance appraisal, and forms a clear, sensitive and effective mechanism of incentives. In order to encourage the creation of better benefits, by comparing internal and external salaries, CNOOC gives high priority to researchers, technical experts and skilled personnel for marine work. The Company will increase targeted incentives and implement special instant incentives, to stimulate the entrepreneurial enthusiasm of key talent officers, and promote "employees to empower enterprises". The Company is pleased to share the fruits of development, through exploring diversified incentive methods, actively promoting equity and dividend in sci-tech units, and building a mechanism linking employees' income with the performance of the Company, with personal contribution.

The Company establishes a comprehensively effective security system, which provides employees with five basic social insurances, namely, endowment insurance, medical insurance, employment injury insurance, unemployment insurance and maternity insurance, as well as multi-level supplementary insurance, including personal accident insurance, commercial supplementary medical insurance, critical illness insurance and juvenile children supplementary medical insurance. The participation rate of social insurance reaches 100%. The Company joins hands with insurance companies, actively follows up the implementation of critical illness insurance, and carries out the publicity work for employee supplementary medical insurance and critical disease insurance. CNOOC has improved the digital and convenient service for employee's healthcare, and provides small quick claims services for supplementary medical insurance through the WeChat official account of "Health home for CNOOC employees". In addition, the Company has established occupational pension and housing allowance to provide comprehensive guarantee for employees.

In order to help employees better balance their work and life, the Company enforces strictly the relevant regulations on employees' holidays and fully guarantees employees' legal leave rights. On the basis of guaranteeing employees to enjoy national statutory holidays, the Company has made a series of efforts to encourage employees to take vacations and recuperation, and offer paid annual leave and family visit leave. Settlement allowance and comprehensive allowance are provided for migrant workers, and transitional apartments are prepared in some regions, where local conditions permit, for single employees to help them keep better balance between work and life.

## Democratic Management

CNOOC constantly improves the employee democratic management system and makes full use of employees' role in the democratic decision-making, administration and supervision. The Company effectively protects employees' rights to be informed, to oversee, to participate and to be heard, safeguarding employees' democratic and legitimate rights and interests. In 2020, labor unions at different levels effectively protect employees' legitimate rights and interests, and supervise the Company's fulfillment of responsibilities and duties. The percentage of employees' joining was kept at 100%. The Company continued to improve the enterprise democratic management system and the business affair publicity system with the basic form of workers' congress, strengthen the function of safeguarding rights of the labor union and enhance democratic management such as enlarging channels of transmitting decisions to lower levels and reporting employees' opinions to higher-levels so as to help employees fully express their opinions and participate in democratic decision-making, administration and supervision.

### Career Development

CNOOC continues to optimize the career promotion channel and smooth the career development of employees. Adhering to the high-end guidance, the Company further increased the selection of two-level technical experts from the Group Company and subsidiaries, carried out the first selection of senior technical experts of the Group Company, set up new position level for chief technician, and gradually opened up the career development channels for technology and skill in parallel with management.

### Career Access

CNOOC constantly broadens the career development channels for technical talents, and strengthens the selection and training of technical experts to provide strong intellectual support for the company's high-quality development. Adhering to the orientation of "morality, ability, performance and potential", the Company focuses on selecting from key areas and giving proper preference to main majors such as oil&gas exploration and development. A total of 48 people were selected as the fourth batch of technical experts of the Company. In order to ensure the stable succession of skilled workforce, CNOOC makes various efforts to cultivate top-notch talents majored in minor and needed fields, further expands the restriction for professional and technical working years and accelerates the training of young talents. The Company innovatively carried out the fifth selection of technical experts in affiliated units with the emphasis on technology innovation and independent development and control capability of key technologies. A total of 205 persons were selected as technical experts in their institutions. Aiming at vigorously encouraging the spirit of model workers and craftsmanship, and cultivating knowledgeable, skilled and innovative experts, the third selection of the Company's technical experts was carried out. Adhering to moral priority and criteria such as key jobs, capability and performance, innovation and creativity, as well as high-end guidance, CNOOC expanded the vision of talent selection, and encouraged technical and management personnel whoever start from the frontline operation such as the platform directors, senior team leaders, team leaders, captains, to participate in the selection of skilled experts and return to skilled teams.

### Employee Training

While actively responding to the epidemic, CNOOC took planned steps to conduct staff training. The annual online and offline class hours reached 161 hours per capita, a year-on-year increase of 69%. The Company endeavored to promote online learning, strengthened the construction and promotion of the content resources on "Haixue" online platform, and integrated cell phone applications, to realize free learning beyond the limits of space, time and contents. The number of registered users and monthly active users have reached 91,000 and 39,000 respectively, covering 94% of the employees in the system, and the platform has become the most popular learning platform with the widest audience in the entire Company. CNOOC made full use of platform resources to establish skill colleges and safety colleges with 8,488 courses newly added in 2020, and organized a series of special study activities such as implementing the spirit of the fifth plenary session of the 19th CPC Central Committee, non-stop learning during the epidemic period, compliance management and the first lesson for new employees. CNOOC organized online learning activities, with a total of 1,340 training courses and 3,147 online tests throughout the year 2020. The continuous investment in training and online&offline combining learning have played important roles in the construction of learning atmosphere and learning organization.



**"CNOOC Welding General" won another international award**

On December 19, 2020, the "ARC · General Technology Cup of 2020 Belt & Road and BRICS Skills Development and Technology Innovation Competition" was held in Shenyang, Liaoning. CNOOC's delegation won the first prize in five individual competitions and a group gold award, making another great achievement.



**Seven employees of CNOOC won the titles of national model worker**

The National Commendation Conference for Model Workers and Exemplary Individuals was held in Beijing on November 24, 2020, and seven employees of CNOOC were honored as national model workers. As outstanding representatives of CNOOC, they draw up glory and dreams with hard work and dedication, and vividly interpret the Petroleum Spirit and the CNOOC Spirit in the New Era.

The names are as follows: XU Changgui of Zhanjiang Branch, LI Zhong of General Research Institute, XU Jiahai of Zhongjie Petrochemical, SHENG Yulong of Dongfang Petrochemical, GAO Dongbin of Huizhou petrochemical, HU Cheng of Hainan Power Generation Plant and SHANG Jie of COSL.



**Honored as "Great country craftsman of National energy, chemical and geological system"**

The activity of "Great country craftsmen-energy, chemical and geology" was launched in national energy, chemical and geological system, and 50 "Great country craftsmen" were selected from five systems including coal mine, petroleum and petrochemical, land and resources, chemical medicine and electric power. Three employees of CNOOC were awarded this title: Li Shiyuan, maintenance supervisor in "Jinzhou 9-3" oilfield of Liaodong operation company, CNOOC Tianjin Branch; Hu Cheng, chief engineer of CNOOC Hainan Power Generation company and Zhong Guoqiang, squad leader of the third process class of CNOOC Jiantao Chemical Company.



**Technical expert Liu Shujie won the "National Innovation Competition Award"**

After "National Natural Science Award", "National Technological Invention Award" and "National Science and Technology Progress Award", the "National Innovation Competition Award" was approved and established by the State for commending outstanding front-line scientific and technical workers who have made outstanding contributions. As a technical expert of CNOOC, Liu Shujie has been working in the field of drilling and completion technology and management for nearly 30 years, and solved a lot of technical problems of offshore oil drilling and completion. He was the first one in CNOOC to win this award.

**Career Health**

Upholding the core value of "people-oriented" philosophy and closely centering on the implementation of occupational disease prevention law, CNOOC vigorously puts into practice of "CNOOC's Implementing Opinions on Healthy China Action", makes firm efforts in epidemic prevention and control, and strictly implements the occupational health management requirements in workplaces, comprehensively conducts occupational health network training, greatly promotes collective food safety control and employee's mental health work and constantly improve the occupational health level of employees. In 2020, CNOOC achieved full coverage of occupational health inspections and regular detection for occupational disease hazards. There were no issues of new occupational diseases and food safety incidents of group meals.

In 2020, CNOOC carried out 95 pre-evaluation projects of occupational disease hazards and 69 acceptance projects of occupational disease protection facilities in construction projects, and strived to control or eliminate occupational disease hazards from the source. The Company carried out Occupational Disease Prevention and Control Law Publicity Week activity with the theme of "Occupational Health Protection · My Action", and organized various activities such as core knowledge answering, emergency drills and onsite search for workplace management loopholes, to improve employees' participation and health management level. Through organizing special inspection on maritime catering food safety, the Company comprehensively sorted out and handled hidden dangers and weak links, which further consolidated the foundation of marine catering food safety.



**Psychological Counseling services in CNOOC EnerTech**

In 2020, CNOOC EnerTech developed psychological counseling services by using psychological counseling hotline, "CNOOC warmer" App, Weilan online live broadcast, etc., released 100 special issues on anti-epidemic, and provided special psychological assistance and consolation to employees stranded in Hubei Province.

**Caring for Employees**

Employees are the essential source for sustainable development of the Company. CNOOC earnestly practices the "people-oriented, caring for employees" philosophy, constantly improves employees' working and living conditions, carries out various caring activities, strives for ensuring that employees balance their work and life, and enhance their sense of happiness.

**Assisting Employees in Need**

Adhering to the "Three No" Principle for Poverty Alleviation and Relief Work, namely, no employee lives below the poverty line, no employee cannot afford medical treatment, and no employee cannot afford their children's education, CNOOC builds a comprehensive poverty alleviation and relief system to earnestly help employees in need. Special funds of RMB 18 million was allocated for poverty alleviation and relief in 2020.

**Balancing Work and Life**

CNOOC advocates the philosophy of "happy work, happy life" and cares for employees' life in all-round way. The Company preserves cozy and leisure space and organizes various recreational sports activities for the employees to balance their work and life.





## Devoting to Public Interests

Adhering to the poverty alleviation and aid Tibet work ideas of "relieving difficulties, eradicating poverty, promoting blood-making function and establishing a long-term mechanism", CNOOC puts the improvement of poverty alleviation quality in the first place, innovates assistance methods, and increases investment of funds, projects and talents. The Company continued to improve the infrastructure, drinking water conditions, public service capacity, medical and hygiene conditions in counterpart assistance areas, and comprehensively implements the "two assurances and three guarantees". CNOOC brought earth-shaking changes to local people's lives by stimulating the endogenous motivation power to get rid of poverty, promoting the development of industries to enhance the "blood-making" ability in poverty-stricken areas. In 2020, CNOOC invested more than RMB 115 million in poverty alleviation. All six pairing assisting poverty-stricken counties and cities have withdrawn from the poverty-stricken list as scheduled. CNOOC was included in the Top 50 Comprehensive Cases of Targeted Poverty Alleviation by Chinese Enterprises, and the Outstanding Cases of Industrial Poverty Alleviation in the 3<sup>rd</sup> China Outstanding Poverty Alleviation Cases. The Company was also rated as "Contribution Unit of Energy Poverty Alleviation" and awarded as advanced collective for poverty alleviation by Hainan and Gansu provincial governments.



### Developing characteristic planting industry to increase farmers' income

Located in the core ecological area of Hainan province, Wuzhishan is known as the "Lung Lobe of Hainan". Taking advantages of local ecological resources and basing measures on local circumstances, CNOOC has made great efforts to find a way out and market for Wuzhishan's local specialty agricultural products, vigorously supported cultivation projects such as black tea, Shanlan rice, Clinacanthus nutans and edible fungi, to help local poverty stricken people stabilize the road of industrial poverty alleviation.

### New drive for economic development in Xiahe

CNOOC donated RMB 9 million to the construction of Ganjia camp in Xiahe County, Gansu Province. The construction will play an important role in improving the resources of secret scenic spots in Ganjia, promoting local people's employment and income and accelerating regional economic development.



### More "angels in white" on the Snow-Capped Plateau

CNOOC appropriated RMB 4.1 million to fund the "training program for primary medical practitioners", helping train 22 medical personnel from 14 townships in Nima County. Many "angels in white" on the Tibetan Plateau realized their employment ideals, and contributed more to the battle against the epidemic. They are playing a significant role in improving primary medical services and ensuring people's health.

### "Guarding the Aged" activity launched in Xiahe

Together with Beijing Xinmin Social Organization Capacity Building Promotion Center, CNOOC launched the "Guarding Aged" activity and donated living materials and basic living expenses to 168 elderly people in Xiahe County, for improving their living conditions and providing necessary supports.



## Providing Voluntary Services

With the goal of building harmonious mining areas, harmonious enterprises and a harmonious society, CNOOC continues to build up the "Blue Force" Brand for youth volunteer activities, continuously promotes the systematization of volunteer service teams, the scientification of project management, the standardization of organizational activities, and the diversification of service fields. In 2020, "Blue Force" carried out Eyas Program for children in designated poverty alleviation counties, volunteering education support to children of migrant Peasant workers and the activity of public welfare sales of poverty alleviation agricultural products. "Blue Force" donated more than RMB 400,000 to primary schools in counterpart poverty alleviation areas of CNOOC, as well as 24,000 books and nearly 1,000 teaching aids to Nima County of Tibet. CNOOC "Cuckoo" volunteer team was awarded the "Best Volunteer Organization" by the Publicity Department of the CPC Central Committee, and CNOOC was the only central enterprise to win the award. Gathering every deed to feed back the society with true feelings, and light up the way forward with the fire of volunteerism.

Full of enthusiasm and sincerity, they will be always there when you need help, to help you out of difficulties and bring you hope. They have a common name-CNOOC "Blue Force".

### They are a beam of light shining on the seedlings

Ye Fang, a young employee of CNOOC, went to Wanquan primary school of Xiaolangba village in Wayao town, Baoshan city of Yunnan Province, to support local education.



CNOOC and Shell Petrochemicals promoted the concept of safety, health and environmental protection in communities



Blue Force volunteers solicited book donations for primary schools in poverty-stricken areas

They are strong arms to pull you out of dilemma



Volunteer Team from Zhanjiang Company provided holiday gifts to poverty-stricken households



COSL volunteers helped Xinjiang fruit farmers harvest white apricots

They are the guardians of our common home

COSL volunteers carried out beach cleaning activities in Sanya mangroves



Catering Company entered the social pension industry



They are the glimmer in hard times



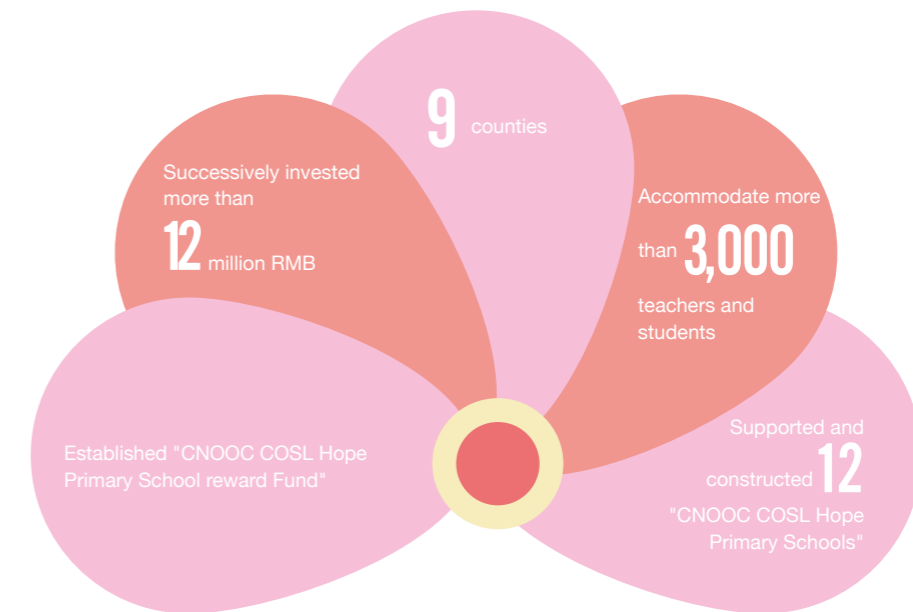
CNOOC accelerated production of masks to help fight against the epidemic



Zhoushan Petrochemical volunteers prepared disinfectant for communities

COSL won the Outstanding Contributor Award of Hope Project

At the beginning of 2020, COSL received the "Outstanding Contributor Award" for the 30th Anniversary of the Project Hope from CYDF, recognizing its outstanding contributions in the assistance projects of the Project Hope for local Poverty alleviation through education in Yunnan and Hainan.



Volunteer services of China BlueChemical Huahe Company

The "Blue Force" Youth Volunteer Team of Huahe Company, subsidiary of China BlueChemical, actively expanded volunteer service field and constantly enriched service contents. They carried out more than 100 volunteer service activities, such as agrochemical service, targeted poverty alleviation, emergency rescue and disaster relief, benefiting more than 60,000 people, and donated more than RMB 400,000 in total.



Volunteer service of CNOOC and Shell Petrochemical

Since the establishment of Volunteer Team of CNOOC and Shell Petrochemical in 2010, Chinese and foreign volunteers have actively conducted various volunteer services in communities such as petrochemical science popularization, caring assistance, community English corners, English summer camps, happy learning English, health and hygiene into communities, home and travel safety, environmental protection and low-carbon lifestyle, "one-to-one warmheart" student assistance activities, with a total service of 186 sessions and 4,116 hours.



## Caring for Harmonious Community

CNOOC is proactively committed to serving society, creating harmony and bringing benefits to people, establishes the regular communication mechanism with communities and listens to optimization proposals of local governments and residents. The ratio of environmental and social impact assessment for new projects is kept at 100%. The Company makes efforts to share resources with communities, proactively carries out community building in a cooperative way and repays communities with its development outcomes. The Company helps local residents solve difficulties in life, improve local ecological environment, create and maintain communal safety and harmony. CNOOC constantly advances the "Warm Hearts" projects to effectively improve the residents' living standard, drive the community culture construction and build their beautiful home with cooperative efforts.

### CNOOC Public Welfare Micro-Film Awarded

On November 7, 2020, "Looking to Seaward", CNOOC's public welfare micro-film themed on poverty alleviation, won the "Best Works Award in Energy China Unit" at the 8th Asian micro Film Festival, the highest award in China's Micro film industry. "Looking to Seaward" is adapted from a true story about the development and construction of CNOOC's Weizhou oilfield and the influence of boosting local economic development.



**Warm the community and feed back to the society**

Catering Company carry out food education activities in communities

Zhejiang LNG participated in the annual fire safety theme activity in Guoju Street

Blood donation of COSL staff

CNOOC gas station fought against the spontaneous combustion of a truck



CNOOC successfully transported a severely wounded man who was cut by fishing gear on the left major artery to Putuo hospital in Zhoushan City through sea-land-air combined transportation in the East China Sea. After surgery, the injured was out of danger.

Sea-land-air combined transportation in the East China Sea

## Marine Rescue

Over the years, offshore operation units of CNOOC actively assumed social responsibilities, actively participated in maritime rescue, and constantly carried out maritime search and rescue, firmly supporting various emergency actions of government agencies.

### Rescue fishermen in distress

On November 2, 2020, "Hai Yang Shi You 681", "Hai Yang Shi You 673" and "Hai Yang Shi You 645" successfully rescued 4 fishermen in distress in the eastern South China Sea during the heavy storm.



### Rescue a fishing boat on fire

COSL's "Hai Yang Shi You 649", a ship on duty, found a fishing boat on fire in the Bohai Sea. The shipand successfully rescued 10 fishermen in distress, and took proper care of the injured and those in distress.





# 2020 CSR REPORT OVERSEAS

→ Deeply Integrating into Global Economy • Joint Development for Bright Future



## Creating Socio-economic Value

With commitment to the spirit of "consultation, co-construction and sharing" and the "win-win" concept, CNOOC continuously strengthens communication and cooperation with governments, partners, media think tanks and other stakeholders. In 2020, CNOOC worked actively to respond to the challenge of COVID-19 outbreak and implemented overseas projects with the principle of "Safety First, Environment Foremost, People-oriented and Equipment Intact". The Company has achieved another bumper harvest in overseas exploration, with 2 new discoveries ranking among Top 10 oil and gas discoveries in the world and new reserves reaching 114% of the annual target. The operation and management capabilities have been significantly improved and great efforts have been made to create value for local society and investors.



**31.87** million tons  
Overseas crude oil production

**10.5** billion m<sup>3</sup>  
Overseas gas production

**33.9** %  
Proportion of overseas assets

**3<sup>rd</sup>**  
Global LNG Importer Ranking



CNOOC Limited was awarded the "Most Respected Enterprise" for 5 consecutive years

On July 28, 2020, "Institutional Investor" magazine announced the voting results of "2020 Asia's Best Corporate Management Team" award. CNOOC Limited won the "Most respected Enterprise" award for five consecutive years and other awards such as the "Best Environment, Society and Governance in the Oil & Gas Industry". The management team and investor relations team of CNOOC Limited were awarded the "Best CFO", "Best Investor Relations Specialist" and "Best Investor Relations Team" in the oil and gas industry.

CNOOC was ranked 8th among the S&P Global Platts Top 250 Global Energy Company Rankings

The S&P Global Platts Top 250 Global Energy Company Rankings for 2020 were issued, with CNOOC Ltd moving up from 13th last year to 8th. Overall, CNOOC was ranked as the No. 1 global E&P company and the No. 1 energy company in Asia and the Pacific Rim.

### Major discoveries in overseas exploration

In 2020, 3 commercial discoveries were obtained in Stabroek block in Guyana, namely Uaru, Yellowtail Deep and Redtail. 18 oil& gas discoveries have been totally made in Stabroek block. The total geological reserves increased by 522 million m<sup>3</sup> oil equivalent, including 425 million m<sup>3</sup> of oil geological reserves and about 200 million barrels of equity recoverable reserves, over-fulfilling the targets.

**200** million barrels  
New equity recoverable reserves of oil&gas

**3**  
Commercial discoveries

**522** million m<sup>3</sup> (oil equivalent)  
New geological reserves

### COSL entered New Zealand waters for operation

Relevant regulations on offshore oil environmental safety in New Zealand and Australia require not only complete facilities but also high standard management system. The Asia-Pacific Company of COSL overcame difficulties and finally obtained the Issuing documents for COSL Boss platform safety package by Australian National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and WorkSafe, New Zealand's safety regulator, marking that COSL's first self-elevation drilling platform obtained the operation qualification to enter Australia and New Zealand waters and successfully opened up the "Australia-New Zealand" drilling market.

### High-quality completion of international crude oil shipping to boost national energy supply

With the primary requirements of safety, green and economic efficiency in international crude oil transportation, CNOOC Petrochemical Import & Export strictly conducted qualification audits and certificate inspections on chartered oil tankers since 2020. A total of 135 safe transportations have been carried out for shipping approximately 20 million tons of crude oil back to China, and the routes covered five continents including Asia, Africa, Europe and America.

### CNOOC International Donggu LNG project has accumulated equity production of 100 million barrels

On October 26, 2020, CNOOC International obtained a cumulative equity output of 100 million barrels of oil equivalent from Indonesia Donggu LNG project, laying down another milestone in the development history of this project. Donggu LNG project is located in the northwest waters of Papua Island in eastern Indonesia, and CNOOC International is the third largest stakeholder of the project. By the end of 2020, the project had delivered more than 79 million tons of LNG to downstream users including Fujian LNG in China.

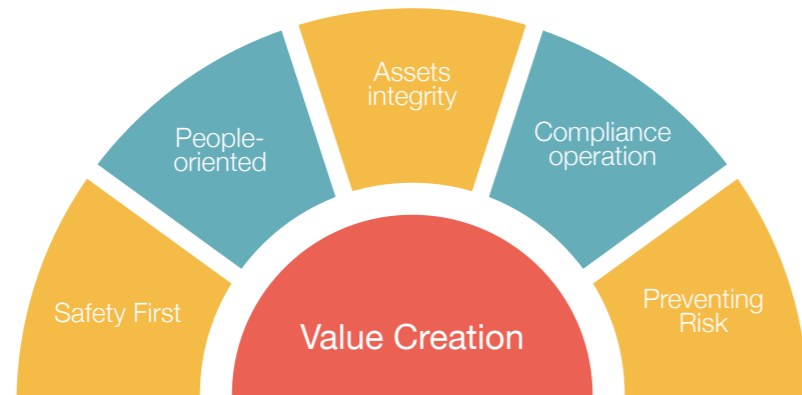
### COOEC helped 350,000-tonne world-class offshore oil&gas processing plant put into operation

On June 25, Brazil's local time, the FPSO "P70", which was contracted and independently integrated by COOEC, achieved its first oil production, marking the official commissioning of this 350,000-tonne world-class offshore oil&gas plant. As one of key projects of CNOOC to strengthen energy cooperation with countries along the "Belt and Road", the FPSO "P70" serves in the subsalt oilfields of Santos Basin in Brazil.



## Strengthening Safety and Compliance Management

Safety and compliance management is the very resource of CNOOC operating business in the world. The Company abides by local laws and regulations, continuously strengthens overseas audit and supervision, and constantly improves overseas compliance system. In 2020, under the increasingly severe health risk challenges of the COVID-19 outbreak, the Company upheld the concept of "people-oriented, caring for employees", gave priority to the mental and physical health of overseas personnel, and improved the company's epidemic prevention and control policies and emergency response plans, so as to achieve "zero infection" of expatriates. The Company focused on promoting the development of overseas operators' projects, formulated and implemented overseas "Three-Year Action Plan", and achieved the "zero death" annual safety production performance overseas.



### Indonesian HCML won the Indonesian National Safety Operation Silver Award for four consecutive years

On November 16, 2020, HCML won the 2020 Safety Silver Award for 5 million consecutive safe man-hours issued by Indonesian Ministry of Energy and Mineral Resources (ESDM). The award is established by Indonesian Ministry of Energy and Mineral Resources (ESDM) to encourage the safe operation of energy and mining enterprises. HCML has won this award for four consecutive years since the production of BD gasfield in 2017.

### UK Company set a safety milestone

In September 2020, UK Golden Eagle Oilfield of CNOOC International rewrote again the record of safe operation, without lost time accidents for 6 consecutive years. The company introduced the Enablon audit and inspection module, which could issue early warnings and determine preventive measures before non-compliance accidents occur. The Scott platform also launched a new cumulative risk tool to identify where the problem is getting worse, so that timely actions could be taken to prevent accidents.



### ★ CNOOC North America Company strengthened quality and safety awareness ★

#### Worksite safety guidelines

Employees and contractors working in CNOOC North America Company developed new HSE Worksite safety guidelines in 2020. These documents will serve as supplementary references for safety procedures, life-saving rules and other important safety information.

"These guidelines provide quick reference and help to ensure that our operators have information on safety procedures at all times. In dealings with our contractors, especially large-scale projects, such as the maintenance of Longhu Lake Project, the guide will be a supporting tool to fully convey the requirements of CNOOC International to ensure safety first."

**Chen Jiejun, vice president of HSE of North America Company**

#### Quality closed-loop project

The "quality closed-loop" created by the North American Oilsands is a project focusing on cost saving, efficiency improvement, as well as innovative ideas and opportunities sharing. Since its inception three years ago, it has saved more than USD 31 million in total, including USD 3.7 million in 2020.

"Quality closed-loop" is not only for saving costs, but also to help us work more efficiently and improve worksite safety. The strong win-win mentality of our employees has contributed to their great success and improved our oil sands business."

**—Lu Baoshan, General Manager of Oil Sands**

#### IOGP Seminar

On February 5, 2020, the International Association of Oil & Gas Producers (IOGP) held a seminar on response and source control of subsea oil wells in the Gulf of Mexico at its office in Houston, Texas. The seminar focused on the industry capacity and preparations for the subsea oil well project in the Gulf of Mexico.

"Keeping Safety First is the foundation of everything we do. Collecting different perspectives from other professionals helps us optimize the safety plan of exploration projects in the Gulf of Mexico. It is a win-win approach to cope with the complexities and challenges of deepwater exploration together with our peers."

**—Zhang Qinyue, Deepwater Drilling Engineering Manager**



### CNOOC supported the Ugandan government to join EITI

As a member of stakeholders, CNOOC has been always supporting the Ugandan government to join the work of the Extractive Industries Transparency Initiative (EITI), and participated in the effort and system formulation of EITI in Uganda. On July 13, 2020, the Ugandan government formally submitted an application for candidacy to the EITI International Secretariat in Oslo, Norway. The application was approved on August 12, and Uganda became the 54th EITI member country in the world and the 26th in Africa.

### CNOOC International strengthened the construction of GDPR compliance

During overseas operations, CNOOC international needs to comply with the laws and regulations of UK and Canada on personal privacy and data security, mainly including the GDPR. In 2020, CNOOC International continued to strengthen the construction of GDPR compliance system, including signing template protocols with British companies, implementing relevant protection measures and providing targeted trainings to relevant personnel.

## Overseas epidemic prevention and control-CNOOC people in action

### Mountains and seas are not obstacles for mutual affinity

Since the global outbreak of COVID-19 in 2020, CNOOC gave top priority to epidemic prevention and control and ensuring the safety and health of overseas employees. The company established a three-level management system for overseas epidemic prevention and control covering headquarters, subsidiaries and foreign-related institutions/projects, to consolidate main responsibility and link up and down to form a joint force; and set up a special working group for coordinating overseas epidemic prevention and control. The Company and all subsidiaries constantly improved the emergency plan for overseas epidemic prevention and control, refined emergency measures, carried out emergency deductions, and strengthened communication and coordination with China's embassies and consulates abroad, SOS agencies and local hospitals, to ensure smooth evacuation and medical treatment channels, proper disposal and effective rescue in extreme cases. While strictly preventing and controlling the epidemic, the Company ensures the safe and steady progress of overseas business. In 2020, overseas oil and gas production achieved the annual target, and there were "zero infection" of Chinese employees on offshore platforms.



In a letter to overseas employees, CNOOC solemnly promised, "You are always CNOOC's most precious wealth and deepest concern. In the fight against the overseas epidemic, we cannot afford to lose a single employee and will not compromise the safety and health of any of you."



**Activating overseas dedicated line**  
Facing the severe situation of overseas epidemic prevention and control, CNOOC Special Working Group for Overseas Epidemic Prevention and Control decided to activate the Company's overseas emergency dedicated line to serve overseas epidemic prevention and control emergency.

### Indonesian HCML Company provided anti-epidemic materials

Indonesian HCML Company donated 100 liters of hand sanitizer, 5,000 medical masks, 100 liters of disinfectant and 1,000 bags of food to most affected families in Pasuluan, Sampang and Sumenip areas. In the second half of 2020, HCML also distributed 3,000 COVID-19 epidemic prevention kits in different cities.

### To join the battle against COVID-19 with deep feeling and the spirit of partnership



#### Mexico Company boosted epidemic prevention and control

On November 4, 2020, Mexico Company of CNOOC International donated 8,000 KN95 masks to relevant departments of the Tamaulipas state government, to support local hospitals and communities in fighting the COVID-19. Senior officials from Tamaulipas State Energy Commission and National Health Risk Prevention Council expressed their appreciations for the donation and reiterated the importance of cooperation between all parties during the epidemic.

#### CNOOC International supported the UK battle against COVID-19

During the epidemic, CNOOC International responded rapidly in the UK to help those who need help most due to the COVID-19 outbreak. In 2020, more than USD 150,000 has been donated to NGOs working on the front line to help vulnerable groups and communities, covering everything from basic expenses such as food and fuel to psychological support.

#### CNOOC International supported British children in coping with COVID-19

In order to tackle the additional challenges to children during the COVID-19 epidemic, such as poor mental health, CNOOC International donated USD 25,000 to the National Association for Child Abuse Prevention, a national children's charity in the United Kingdom, in May 2020, and continued to support the volunteer projects of children's hotline.

#### COSL actively helped Iraq fight the epidemic

During the great outbreak of COVID-19 in 2020, COSL Iraq Branch learned from the successful experience of epidemic prevention in China, and became the first enterprise in Missan Oil Fields to take large-scale quarantine measures for Iraqi employees. A total of 802 isolations were carried out for local Iraqi workers in 2020, which greatly reduced on-site labor tensions and ensured the local employment in Iraq during the epidemic period, and has made outstanding contributions to alleviating social instability around the oilfield.

#### Brazilian Company donated epidemic prevention materials through China's Consulate General in Rio

On August 11, 2020, Brazilian company donated 60,000 disposable masks to the Rio State government of Brazil through China's Consulate General in Rio. Besides, the company actively participated in the "International Anti-epidemic Cooperation Seminars", and as a representative of energy enterprises, successively participated in the discussions on the "Economic and Trade Anti-epidemic Cooperation" and the "Science and Technology Cooperation" Special Sessions. As a special guest, general manager Sheng Jianbo delivered a keynote speech on "solidarity, cooperation and anti-epidemic", and actively interacted with the Petrobras. During this period, nearly one million viewers participated in online transnational video interactive activities.



## Protecting a Balanced Ecosystem

CNOOC attaches great importance to protecting the ecosystem in overseas areas where it operates, actively organizes and participates in environmental protection activities, continuously improves the level of environmental protection management, and implements the concept of "environmental protection foremost" into production and operation.

### World Environment Day-CNOOC International sponsored environmental protection knowledge popularization

On June 5th, 2020, the World Environment Day (WED), CNOOC International cooperated with two British charities-Iver Environmental Center and River Dee Trust in Aberdeen county to create online resources, activity packages and videos to facilitate people learning environmental protection knowledge at home during COVID-19 lockdown period. The number of views of related online educational resources increased by 600% year-on-year.

CNOOC International and River Dee Trust developed educational programs for local schools to raise students' awareness of the importance of STEM and environmental protection, and have taught 17 classes in northeastern Scotland.

"So far, I've visited 17 schools and I love every one. We are very grateful to our funders, CNOOC international, Taka, Apex Tubulars and the Dee Salmon Fishery Advisory Committee, for their supports during this difficult period." said Jane Lily, an education officer at River Dee Trust.



### CNOOC Iraq processing sewage oil and water

Through nearly two years' technical research, exploration and implementation, the drilling and completion team of Missan Oil Fields in Iraq has completed in 2020 the establishment of centralized treatment technology and facilities for processing sewage oil and water from drilling and completion. Through physical and chemical dual treatment scheme, the oil-water separation, crude oil recovery and sewage treatment of drilling and completion backflow fluid have been realized and achieved economic, safety, environmental protection benefits.

### Mexican Company held a seminar with Mexican authorities

On November 26, 2020, Mexican Company held a seminar with Mexican authorities to demonstrate the company's procedures and capabilities to respond to oil spills incidents/accidents. CNOOC local experts and naval officials, local NGOs, academics, industry and government representatives held a meeting in Tampico.

According to the National Emergency Plan for the Leakage of Hydrocarbons and Potentially Hazardous Substances in Mexico's Marine Area, Mexican Company actively formulated and participated in the exercise of emergency response agreements in order to better understand the ability of coordination and response in case of oil leakage.

## Building Platform for Employee Development

Upholding the concept of "respect, mutual trust and win-win", CNOOC optimizes the overseas employment system, and treats equally the employees, regardless of nationalities, nations, races, genders, religious beliefs and cultural backgrounds. The Company currently has 5,150 overseas employees, including 3,885 foreign employees, with a localization rate of 75%. The Company has been focusing on promoting the employment of local residents and increasing employment opportunities in local communities. In 2020, no complaints on human rights issues have been received throughout the year. Instead of on-site training, the Company took various measures such as video training and online courses to improve employees' business and knowledge during the epidemic.



### Uganda Company trained professional and technical personnel

According to project characteristics and the localization requirements of local government, the drilling project team of Uganda Company set up professional and technical posts. Due to insufficient oil exploration experience and technology in the local, the project team recruits a large number of local employees to help solve local employment problem, but also conducts all-round trainings to improve their overall professional quality.

### Iraq Company organized training for Iraqi employees

According to MOC training requirements and FOD local employees' training needs, Iraq Company organized 14 excellent local employees for further studies to improve their ability level in 2020. The company continued to promote the "scholarship program". By the end of October 2020, the number of funded trainees had reached 26, of which 19 had completed their studies and returned to Iraq, and 7 continued to study at graduate or undergraduate level in British universities.

### Nigeria Company supported employees for further study

As a barrister in Nigeria with more than nine years of experience, Lewis Omotimiline has appeared in all high courts in Nigeria and currently serves as the legal affairs manager of Nigeria Company. In 2020, he obtained EMBA and MBA certificates from the Business School of Illinois State University in the United States, and became a certified member of Nigerian Financial Reporting Committee and Master of Laws from the University of South Wales in the United Kingdom.

### UK Company innovated measures to attract talents

In 2020, UK Company continued to attract, select and hire 57 new employees through video interviews and virtual on-boarding. The new technology has reduced costs, improved efficiency and facilitated maintaining effective interactions between candidates and recruitment managers throughout the process, which is widely recognized by job candidates.

### Mexican employees actively responded to work during the epidemic

Juan Carlos, joined the Mexican company in 2014 as a local safety supervisor. During the epidemic prevention and control period, he submitted an "application for battle", gave up the chance of working at home, lived alone in a hotel near the company and promoted the smooth progress of company operations. For his high recognition of the Company's management culture and excellent work performance, he was promoted as QHSE department manager of Mexican company this year.

"The management has given me a lot of autonomy in my work, allows me to devote myself to study and further education, and believes that I can still complete my work with high quality. Therefore, I strive to maintain this trust and I am grateful that my work keeps me loving life and learning."

—Lewis Omotimiline



## Promoting Enterprise-Community Common Development

It is a fine tradition of CNOOC to establish harmonious relationship with local government, communities and the public. The Company always keeps social responsibility in mind, works closely with local government and supports the government to improve community infrastructures. At the same time, the Company will promote the improvement of public relations, create employment opportunities, drive local economic development, maintain and continuously enhance the Company's image and reputation, in order to form a long-term mechanism for social contribution projects.



### Community Construction

#### Argentine Company held a sustainable development exhibition

In 2020, CNOOC Argentina BC Energy Investment Company sponsored a sustainable development exhibition and invited many local schools to visit. On the exhibition stand, the concept of sustainable development was vividly introduced through various forms such as graphics, video and games.

#### Iraq Company integrated into the community

Located in the pastoral hinterland of oil field, Iraq Company has been actively integrating into the lives of local pastoral communities and residents. The company regularly provided physical examinations, carried out festival condolences and other activities, and actively helped local families, schools and students in difficulties.

### Donations to Students and Education

#### Bill Woodward scholarship awarded by CNOOC North America

Year 2020 is the eighth consecutive year that CNOOC North America awards Bill Woodward scholarship to high school graduates from Anzac for post-secondary education. Each student who wins this scholarship will receive USD 2,500 per year in university, college, vocational or technical school, and USD 750 per session of the Apprenticeship Program.

#### COSL integrated into community and help students

COSL Iraqi Branch paid attention to the development of local employees. They regularly conducted skills and qualification training and carried out skills competition activities, in order to improve the quality of local employees and cultivate employees' recognition of corporate culture and development. In addition, they provided education, visit and exchange platform for local college students.

#### HCML Company helped build campus

A kindergarten for nearby preschool children, which can accommodate 100 children, was built by Indonesian HCML Company in Pasuruan where its natural gas metering station is located. In Sumenipu, where the MDA-MBH oil field is located, HCML participates in the construction of an Islamic school, where will be used for local students to learn religious and common knowledge in the future.

#### DOKUMENTASI KEGIATAN PROGRAM PENGEMBANGAN MASYARAKAT



### Job Creation

#### COSL brought employment and development to Iraq

Iraq Company of COSL Middle East Company actively fulfills its social responsibility, takes the initiative to implement personnel localization, and actively recruits neighboring residents. The company has totally created more than 800 local employments and provided local residents with highly competitive remuneration, which has significantly improved the living standards of local tribes and residents in pastoral areas. More than a hundred families who have been working in COSL for a long time got great promotion of their lives from "never drinking coke" to "having a car". In addition, the company has actively provided labor operation, infrastructure construction and other services, and effectively driven the surrounding economic and social development.

#### CNOOC International supported STEM career development

In November 2020, in cooperation with the British charity Surrey Sutro, CNOOC international organized STEM career promotion activities for middle school students near its Uxbridge office in Surrey, to promote science, technology, engineering and mathematics professional education and provide employment guidance, aiming to help young people learn more about career options in science and engineering. More than 2,500 students from 65 local schools signed up to participate in the publicity activities, and another 2,000 students participated through the Internet.





"The strong pass of difficulties is like a wall of iron, yet with firm strides, we are conquering its summit". Standing at the new beginning, CNOOC will keep the ambition of serving the country in mind, carry forward the CNOOC spirit in the New Era, make new achievements with solid belief of success and overcoming all difficulties, and stride forward in building an international first-class energy company with Chinese characteristics.

In the year 2021, we will continuously uphold the persistent pursuit of "serving the country with oil", play active role in China's Marine Power Strategy and focus on increasing domestic storage and production of oil and gas. CNOOC will speed up new productivity construction and develop a clean, efficient, safe and reliable industrial chain of energy, in order to make more contributions to ensuring national energy security. Efforts on Scientific and technological innovation will advance breakthroughs and remarkable achievements, and provide new power for sustainable development. With the strongest foundations of operation safety and quality management, as well as firm executive force, we will take steady steps to implement the Company's strategies and further play the role of "stabilizer" and "ballast stones" in national economy.

In the year 2021, we will take it as our duty to contribute green, clean and high-efficiency energy, fully practice the green development concept, and promote coordinated top-level design of "carbon emissions peak and carbon neutrality" to develop a green and low-carbon development system. We will actively explore and develop new energy businesses, energy conservation and environmental protection industries, vigorously promote the construction of the entire LNG industry and supply chain, and accelerate the energy transformation by extending the concept of green environmental protection throughout the entire lifecycle of oilfield and refinery production. We need to respect, follow and protect nature. Throughout the whole process of production and operation, we strive to explore harmonious development between man and nature, balance and coordinate economic development and ecological protection, and work together to build a prosperous, clean and beautiful world.

In the year 2021, we will promote enterprise development to serve the society and ensure people's wellbeing, adhere to the commitment of "serving the society, creating harmony and benefiting the people", and share the achievements of enterprise development with the public. Based on the platform of CNOOC Public Welfare Foundation, we will carry out various public welfare activities to improve people's wellbeing, consolidate and expand the achievements of the battle against poverty, and continuously boost the implementation of Rural Revitalization Strategy under the four requirements of duties, policies, assistance and oversights in poverty alleviation. We will remain highly cautious about regular epidemic prevention and control to protect the lives and health of our staff. We will continuously carry out voluntary services, light up the way forward with volunteerism and work together with our people to bear the weight of responsibility.

In the year 2021, we will continue to uphold the new development concept and adhere to the principle of "Consultation, Contribution and Shared Benefits" in the process of international development. With the comparative advantages of Opening-up, we will play an active role in the international oil and gas cooperation along the "Belt and Road", and strive to serve as a national window for broadening opening-up and cooperation. We will proactively carry out joint construction of community, cultural integration and charity activities in host countries, enhance communication and mutual trust, build friendship bridges, and make our contributions in building an open, inclusive, clean and beautiful world that enjoys lasting peace, universal security and common prosperity.

The future has been coming. CNOOC will foster new opportunities amid challenges and make new advances amid changes. CNOOC will draw its 14th Five-Year blueprint on the vast "blue territory" and work with tireless dedication to realize the Chinese Dream of National Rejuvenation!

## Third-Party Assessment



### Rating Report for the 2020 Sustainability Report of China National Offshore Oil Corporation

Entrusted by China National Offshore Oil Corporation (CNOOC), China Expert Committee on CSR Report Rating elected some experts to establish a rating team for the rating of The 2020 Sustainability Report of China National Offshore Oil Corporation.

#### I. Rating Criteria

Guidelines on China's Corporate Social Responsibility Reports for the Petrochemical Industry (CASS-CSR 4.0) by Chinese Academy of Social Sciences, and Rating Standards on China's Corporate Social Responsibility Reports (2020) by China Expert Committee on CSR Report Rating.

#### II. Rating Process

- 1.The Rating team reviews and confirms CSR Report Process Materials Confirmation and supporting documents submitted by the CSR Report Compiling Group;
- 2.The Rating team assesses the preparation process and contents of CSR Report, and drafts the Rating Report;
- 3.The Vice Chairman of the Rating Expert Committee, the leader and experts of the rating team jointly review and sign the Rating Report.

#### III. Rating Results

##### Process (★★★★★)

The enterprise management department (policy research office) of the corporation takes the lead to set up a leading group for sustainable development report preparation, in which the general manager served as the team leader to control the theme and framework of the report and to be responsible for report approval. The report is positioned as an important tool to improve social responsibility management, strengthen stakeholder communication and promote social responsibility integration, with a clear functional value orientation. The substantive issues are identified through the national macro policies, the major issues of the company, industry benchmarking analysis, stakeholder surveys, etc. Actively promoting the corporation's subordinate enterprises to release the social responsibility report and compile special reports such as the party construction annual report and public welfare annual report, and building a multi-level reporting system. Moreover, It is planned to release reports on the official website and in forms of electronic copy, printing materials, Chinese and English version, H5 version and video version, with excellent process performance.

##### Substantiality (★★★★★)

The Report systematically disclosed key issues for the petrochemical industry systematically, including the implementation of macro policies, product service quality management, sustainable supply of products, occupational health management, safe production management and emergency response, Product transportation safety guarantee, scientific and technological innovation, energy conservation and emission reduction, circular economy, active response to climate change, ecological protection and restoration and supply chain responsibilities, with detailed and full narration and excellent substantiality performance.

##### Integrity (★★★★☆)

The main body content of the Report discloses 86.7% of core indicators of the petrochemical industry from the perspectives of "promoting economic growth", "enhancing environmental protection", "driving social progress" and "overseas social responsibilities" with leading integrity performance.

##### Balance (★★★★☆)

The Report discloses negative data information including "deaths of direct contractors", "deaths of employees", "number of recordable injury events", "number of occupational disease cases" and "number of major or above safety and environmental protection responsibility accidents", with leading balance performance.

##### Comparability (★★★★★)

The Report discloses the correlation data of 37 key indicators for three consecutive years, including "crude processing volume", "scientific research input", "comprehensive energy consumption per 10, 000 yuan of output value", "sulfur dioxide emissions", "proportion of female employees" and "public welfare and charity input". It also conducts horizontal comparison for data including "ranked 64 among the Fortune Global 500", "crude output" and "natural gas production", with excellent comparability performance.

##### Readability (★★★★★)

The Report constructs the main structure based on "Triple Bottom Line", systematically presenting the concept, actions and achievements of fulfillment of corporate responsibilities from three dimensions of economy, environment and society with clear frame structure and highlighted key issues. Scenarios of grass-roots employees and main business of CNOOC are creatively incorporated in its cover, highlighting the readability of the report. It also set up "Term Interpretation" section to interpretate technical terms, which increased readability of the report, and thus its readability is excellent.

##### Innovativeness (★★★★☆)

The Report set up five responsibility topics focusing on the corporation's highlights and practices on implementing energy security strategy, facilitating targeted poverty alleviation, developing deep sea oil and gas, constructing ecological civilization and prevention and control of the COVID-19 epidemic and showing the responsibility of central enterprises. Each chapter begins with a response to the United Nations Sustainable Development Goals (SDGs) and a disclosure of accountability performance with concentration on the main points, manifesting the corporation's international vision and value pursuit. The report cited stakeholders' testimonies to prove the effectiveness of corporate accountability, which increased the credibility of the report, and thus it has leading innovativeness performance.

##### Overall Ranking (★★★★★)

According to the rating team's assessment, The 2020 Sustainability Report of China National Offshore Oil Corporation is rated as five stars by the rating team. It is an excellent corporate social responsibility(CSR) report.

#### IV. Suggestions for Improvement

- 1..Improve the disclosure of industrial core indicators, and further increase the report integrity;
- 2..Disclose more shortcomings in corporate responsibility fulfillment during the reporting period, and work on a more balanced report structure.



The Sustainability Report of China National Offshore Oil Corporation has been awarded five-star rating for the seventh consecutive year

**Huang Qunhui**  
Vice President of Chinese  
Expert Committee on CSR  
Report Rating

**Zhong Hongwu**  
Leader of the Rating Team

**Zhang Xiaosong**  
Expert of the Rating Team

**Wang Zhimin**  
**An Xiaoning**  
Process Assessor



Scan QR Code to View  
Enterprise Rating Files

## Glossary of Terms

### Drilling Platform

Offshore drilling platforms are marine structures used mainly for drilling exploratory wells. Such platforms, generally divided into mobile and fixed platforms, are essential for offshore oil and gas exploration and development operations and house drilling, power, communications, navigation and other equipment, as well as lifesaving and accommodation facilities.

### Heavy Oil

Heavy oil is highly viscous crude oil that contains a relatively high level of asphaltenes and resins. This usually refers to those with ground densities greater than 0.943 and underground viscosities greater than 50 centipoises.

### Oil Reservoir

This is the smallest unit for the storage of oil. Oil reservoir layer or oil layer in short refers to the porous strata for the storage of oil. Not every part of an oil layer will contain oil. Oil reservoir refers to those independent oil-containing areas within an oil layer.

### Adjustment Well

Adjustment wells refer to scattered or clustered wells drilled, in addition to existing well clusters, for improving the development of oil fields.

### Well Logging

Well logging usually refers to geophysical well loggings, in which different forms of well loggers made based on electrical, magnetic, acoustic, thermal, nuclear and other physical principles, enter wells through the use of well logging cables, to allow the ground electrical measuring instruments to record continuously along the well bore the various parameters that change with changes in depth. Underground rock formations, including oil, gas, water, and coal layers and metal deposits, can then be identified through curves representing these parameters.

### Oil Spill Response

Oil spill response is the formulation of plans and adoption of measures to control and prevent oil spills and reduce pollution damage, based on the environment and resources in the potential spill sources and waters within the designated sea areas. This sees common use in offshore oil exploration and development activities.

### LNG

Liquefied natural gas or LNG in short refers to the liquid that forms when natural gas extracted from gasfields cools to a low temperature under high pressure after undergoing the fluid

and acid removal, drying and distillation processes. LNG is predominantly methane and is colourless, odourless, non-toxic and non-corrosive.

### Recordable Production Safety Events

According to the OSHA standards of the United States, recordable production safety events include medical treatment, work restrictions, lost time and deaths.

### Occupational Disease

This refers to diseases that develop as a result of exposure to occupational hazards at work.

### QHSE

The abbreviation QHSE stands for Quality, Health, Safety and Environmental. Established on the basis of the principles of compatibility of similarities and complementarity of differences, and on the basis of the ISO 9001 and ISO 14001 standards, GB/T 28000 family of standards and SY/T 6276 Petroleum and Natural Gas Industries-Health, Safety and Environmental Management System, the QHSE management framework usually refers to the framework that directs and controls the quality, health, safety and environmental aspects of an organization.

### COD

Chemical oxygen demand or COD in short refers to the amount of oxidant consumed when treating water samples using a certain amount of strong oxidants under certain conditions. The usual use of COD is to determine the extent of contamination of water bodies by reducing substances.

### Coalbed Methane

Coalbed methane, which is a coal-associated mineral resource and considered an unconventional form of natural gas, refers to a kind of hydrocarbon gas (predominantly methane) found trapped within coal beds, mainly adsorbed to the surface of coal matrix particles, and partly dispersed in the porosity of coal or dissolved in the coalbed water.

### Natural Gas Hydrate

Natural gas hydrate is an ice like crystalline substance formed by natural gas and water at high pressure and low temperature in permafrost of deep sea sediments or continental permafrost.

### FPSO

FPSO is an acronym for Floating Production Storage and Offloading. FPSO is a floating vessel located near an offshore oil field, where oil is processed and stored until it can be transferred

to a tanker for transporting and additional refining. FPSOs can range in structure from a converted former supertanker to a new purpose-built vessel. Such a vessel used for natural gas is known as an FLNG, short for Floating Liquefied Natural Gas.

### Refinery

Petroleum refineries change crude oil into petroleum products for use as fuels for transportation, heating, paving roads, and generating electricity and as feedstocks for making chemicals. All refineries have three basic steps: separation, conversion, treatment.

### Ethylene

A colorless flammable gaseous unsaturated hydrocarbon C<sub>2</sub>H<sub>4</sub> that is found in coal gas, can be produced by pyrolysis of petroleum hydrocarbons, and occurs in plants functioning especially as a natural growth regulator that promotes the ripening of fruit.

### Methanol

Methanol is a liquid chemical. It is colourless, volatile, flammable, and poisonous. Methanol is made from the destructive distillation of wood and is chiefly synthesized from carbon monoxide and hydrogen. Its principal uses are in organic synthesis, as a fuel, solvent, and antifreeze.

### Crude Oil

Crude oil is a naturally occurring, unrefined petroleum product composed of hydrocarbon deposits and other organic materials. A type of fossil fuel, crude oil can be refined to produce usable products such as gasoline, diesel, and various other forms of petrochemicals. It is a nonrenewable resource, which means that it can't be replaced naturally at the rate we consume it and is, therefore, a limited resource.

### Asphalt

A dark bituminous substance that is found in natural beds and is also obtained as a residue in petroleum refining and that consists chiefly of hydrocarbons.

### Styrene

Styrene is manufactured from petroleum on a commercial scale. It is an organic hydrocarbon used to manufacture rubber and plastic components. Also known as vinyl benzene, styrene is a colourless liquid that quickly evaporates when exposed to the air. Although it is an aromatic monomer with a slightly sweet smell, its odor can be unpleasant in high concentrations or when mixed with other chemicals. If its molecules become linked to

form long chains of styrene, it becomes polystyrene, an aromatic polymer with thermoplastic properties.

### Sodium Carbonate

Sodium carbonate is an organic sodium salt and a carbonate salt. Sodium Carbonate is the disodium salt of carbonic acid with alkalinizing property. When dissolved in water, sodium carbonate forms carbonic acid and sodium hydroxide. As a strong base, sodium hydroxide neutralizes gastric acid thereby acting as an antacid.

### Delayed Coking

Delayed coking is one of the chemical engineering unit processes used in many petroleum refineries. The main objective of the delayed coking unit is to convert low value residual products to lighter products of higher value and to produce a coke product.

In brief, the process heats the residual oil from the vacuum distillation unit in a petroleum refinery to its thermal cracking temperature in the heat transfer tubes of a furnace. This partially vaporizes the residual oil and initiates cracking of the long chain hydrocarbon molecules of the residual oil into hydrocarbon gases, coker naphtha, coker gas oil and petroleum coke. The heater effluent discharges into very large vertical vessels (called "coke drums") where the cracking reactions continue to completion, forming solid petroleum coke which deposits out and accumulates in the coke drums from which the product coke is subsequently removed.

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## Feedback Form

In order to improve the social responsibility engagement of CNOOC on an on-going basis, we would like to hear your thoughts, which will form an important basis for us to do better. We thank you very much that you could spare some time to give us your valuable feedback on the report and suggestions to the theme and issues of 2020.

### Your Information:

Name: \_\_\_\_\_ Company: \_\_\_\_\_

Tel: \_\_\_\_\_ E-mail: \_\_\_\_\_

### Your Feedback:

1. What is your overall opinion of the report?

Very good     Quite good     Average     Quite poor     Very poor

2. What do you think of the information disclosed in the report?

Very abundant     Quite abundant     Fair     Quite little     Very little

3. What do you think of the quality of the information disclosed in the report?

Very high     Quite high     Average     Quite low     Very low

4. Which form of design would you like to be used more in the 2020 report?

Expression of management thought     Data graph     Case introduction     Special topic     Picture

5. Which theme would you like to be presented in the 2020 report?

- Our quality energy for your blue sea and sky
- Our clean energy for lucid waters and lush mountains
- Our clean energy for clear water and blue sky
- Our clean energy for a beautiful life

6. Which issue would you like to be added to the 2020 report?

- Economic growth, specifically \_\_\_\_\_
- Environmental protection, specifically \_\_\_\_\_
- Social progress, specifically \_\_\_\_\_
- CSR overseas, specifically \_\_\_\_\_

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