

ANTON 安東

安东油田服务集团

Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)



2023

**Anton Oilfield Services Group
Sustainability Report**

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About this Report

Reporting Period

This Report covers information and data from 1 January 2023 to 31 December 2023, with some tracing back to prior years (beyond the stated Reporting Period).

Report Organization Scope

This Report contains the progress of Anton Oilfield Services Group and all its subsidiaries operating in the People's Republic of China and globally. In order to facilitate presentation, "Anton" "the Company" and "we" in this Report all refer to "Anton Oilfield Services Group".

Preparation Guidelines

- *Transforming our World: The 2030 Agenda for Sustainable Development* (UN SDGs), the United Nations
- *GRI Standards*, the Global Sustainability Standards Board (GSSB)
- *Environmental, Social, and Governance (ESG) Reporting Guide*, the Stock Exchange of Hong Kong Ltd.

Sources of Information

All information used in this Report is from the internal official documents and statistics of the Company, as well as data published. Unless specified, the monetary amounts shown in this Report are all presented in RMB.

Access

This Report is published in Traditional Chinese, Simplified Chinese and English. The electronic version is available on the website of the Stock Exchange of Hong Kong (www.hkexnews.hk) and the Company's website (www.antonoil.com).

Contact Information

We look forward to receiving invaluable advice from all stakeholders to help us achieve more in pursuing sustainability. If you have any questions about or feedback on this Report, please feel free to contact us:

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Chairman's Message

Chairman of the Board

—Luo Lin



In 2023, the global energy transition has continued to progress steadily. While actively stabilizing the energy supply, the oil and gas industry has persistently pursued green development, recognizing the vast opportunities that lie ahead. Anton has always championed the vision of becoming a model of efficient and harmonious development for both humanity and the environment. Collaborating with industry peers who share our ecological aspirations, we have tirelessly pursued innovation-driven technological breakthroughs. These efforts contribute to the efficient development of gas and oil resources, as well as our commitment to increasing production and reducing costs. While safeguarding the security and stability of the energy industrial and supply chains, Anton has also taken concrete actions to promote green and low-carbon transitions, thereby fostering the sustainable development of the industry.

In our commitment to environmental protection, we have remained dedicated to the goal of peaking carbon emissions and achieving carbon neutrality, with a focus on conserving natural ecosystems. In FY2023, aligned with our quantitative emission reduction targets, we achieved the following milestones. First, continued implementing the 20 "energy efficiency enhancement" plans and measures. These initiatives, promoting clean energy utilization and technological innovation alongside highly efficient operations, resulted in a reduction of 35,538.67 tons of CO₂e in greenhouse gas (GHG) emissions. Our GHG emissions per revenue decreased by 2.7% year-on-year, basically meeting our annual emission reduction objective. Second, we remained committed to facilitating the industry's green transition, assisting our clients in reducing GHG emissions by 19,972.43 tons of CO₂e. We achieved this through the adoption of various measures such as precise engineering technology, visualized and data-based monitoring, and distributed CCUS services. Third, adhering to the philosophy of green development, we intensified our emission management efforts. We embedded resource and energy conservation into every aspect of our production and operation, resulting in reduced electricity consumption per revenue and raw material consumption per revenue compared to FY2022. Fourth, we introduced eight major solutions to promote the sustainable development of the oil and gas industry. These solutions encompass oil and gas development overall solutions, production and efficiency enhancement research and optimization solutions, oil and gas development visualization and data monitoring solutions, oil and gas well precision engineering technology solutions, oil and gas development quality and safety inspection solutions, oil and gas development artificial intelligence solutions, oil and gas development asset leasing solutions, and oil and gas development external resource platform service solutions. These solutions align with industry trends and facilitate industry transformation and sustainable development.



In our endeavor to promote social progress, we have collaborated with partners from various sectors to pursue co-creation and shared development. Throughout FY 2023, we achieved the following milestones. First, we generated a significant number of new jobs and expanded our recruitment efforts, evident in our employee count reaching 6,510 by FY 2023, a year-on-year increase of 681. We prioritized globalization and diversity in talent recruitment, fostering an equal and inclusive work environment while placing significant emphasis on talent training and development. We provided diverse online courses for our employees, with an average attendance of 185.2 hours per employee throughout the year. These free courses are available on Anton's self-developed media platform, Oil Mates, benefiting the entire industry. Second, we adhered to a strategy of data-driven, digitized, and technology-enabled development to propel digitization and the application of intelligent technology. To achieve this, we established six major platforms for digital and intelligent technology-driven product development, business operations, and management. Our specialized technologies also won wide recognition across society. In FY 2023, the Anton Oil Science and Technology Association was officially set up, and Anton was one of the 2023 National SRDI "Little Giant" Enterprises. Thirdly, we integrated the principle of "customer centricity" into our operations and services management, prioritizing high-quality operations and service delivery. In FY 2023, we earned numerous QHSE-related titles, including the "High-quality Oilfield Contractor," and received 155 letters of commendation from clients, highlighting our industry-leading customer satisfaction. Fourth, we continued to optimize our supplier management system, integrating ESG factors such as environmental and social considerations into the supplier management process to advance mutual progress with our suppliers and partners. Fifth, we fulfilled our responsibilities as a global enterprise by organizing public welfare activities, and contributing to community development and social progress in the regions where we operate. In FY 2023, we maintained our status as the "Top 100 Private Enterprises in Social Responsibility" and received other prestigious awards in recognition of our efforts.

In our pursuit of upgrading management and governance, we have remained steadfast in our commitment to integrity in operations, striving to achieve the Company's sustainable development. Throughout FY2023, we refined the Company's governance system with a focus on ensuring law-based and compliant operations, as well as enhancing risk control and management. We upheld strict adherence to business ethics. Internally, we launched the "Sunshine Marketing" campaign and conducted self-examinations and self-corrections to combat business bribery, fostering a just, equitable, and clean working environment. Concurrently, we dedicated significant efforts to integrate the concept of ESG into our operations, strengthening communications and engagements with various stakeholders. Through industry benchmarking, expert assessments, and stakeholder questionnaires, we identified our material ESG issues to further progress and continuously improve our ESG management practices.

There is no easy path to the summit, only those with determination can reach it. In FY2024, we will remain steadfast in our commitment to the path of sustainable development, exerting efforts to enhance our AI capacity and fully promote intelligent technology-driven development. Collaborating with partners from all sectors, we will co-create and share development results, thereby contributing to the green transition of the industry and the sustainable development of the world.

Statement of the Board

According to the *Environmental, Social, and Governance (ESG) Reporting Guide* by the Stock Exchange of Hong Kong Ltd., and *GRI Standards* by the Global Sustainability Board (GSSB), Anton Oilfield Services Group has enhanced its environmental, social, and governance (ESG) framework and has increased the involvement of the board of directors in overseeing ESG-related initiatives.

The board of directors (the Board), as the Company's highest decision-making body, is responsible for deliberating and supervising the Company's ESG goals, strategies and management guidelines. This includes reviewing annual material subjects and sustainability reports, and incorporating ESG factors into the Company's strategic decision-making and daily operation management. The ESG Committee under the Board plays a supportive role in formulating ESG strategies, supervising the performance of the Company's ESG actions and evaluating the progress of ESG goals. As part of the ESG Committee, the ESG Office implements the Company's ESG management measures.

This Report fully discloses the progress and effectiveness of Anton's sustainability endeavors in FY2023, and is reviewed and approved by the Board. Going forward, Anton will continue its ESG efforts to further promote its sustainable development.

About us

Company Profile

Anton Oilfield Services Group (Stock Code: HK.3337), established in 1999 and publicly listed on the Stock Exchange of Hong Kong in December 2007, is a pioneering, globally renowned, integrated oilfield technology services provider. We deliver comprehensive products and technical solutions for oil and gas development, catering to the specific requirements of our diverse client in the oilfield industry. Anton's operations span across more than 30 countries and regions, particularly in emerging markets, including China, Iraq, Chad, and Kazakhstan, enabling us to swiftly meet the service demands of clients worldwide. In the face of industrial transformation, our continuous efforts have been dedicated to optimizing our industrial structure, and upgrading our products and services, which comprises four key business segments: innovative and light-asset oilfield management service, inspection service, oilfield technical service and drilling rig service with geological reservoir technique at its core. Moreover, the Company also achieved rapid growth in smart and digitized business and platform business. In 2023, Anton's revenue reached RMB 4.435 billion.

Anton's Four Business Segments

 <p>Oilfield Management Service</p>	<p>To bring high-quality light-asset integrated oilfield management services, we developed strong capability of providing integrated and comprehensive management services for oilfield assets of global oil companies, including integrated oilfield management services, oilfield development investment and management, supervision and personnel service, and comprehensive oilfield operation and maintenance.</p> <p>The Company is committed to providing clients with optimal oil and gas field development, management and supportive services, with a full set of oil and gas resource development technologies and management expertise to help clients maximize the value of their assets.</p>
 <p>Oilfield Technical Service</p>	<p>We boast a traditional advantage in the technical services sector. With reservoir geotechnology as the core, we provide services related to geotechnology, drilling technology, well completion technology, stimulation technology as well as asset leasing support solutions. We aim to enhance the efficiency of customers' efforts of resource development, energy conservation and emission reduction with precise services.</p> <p>In FY2023, the Company launched efficiency-enhancing and optimal solutions to productivity and efficiency enhancement research, oil and gas development visualized and data-based monitoring solutions, and oil and gas well precision engineering technology solutions, to help customers improve development efficiency and maximize asset value; and the asset leasing business production line launched a brand-new green oil and gas development leasing solution for customers. Through technological and business model innovation, the Company combines technological and financial approaches to provide green exploitation solutions throughout the whole process, with an aim to achieving net zero emissions in developing oil and gas resources.</p>
 <p>Inspection Service</p>	<p>We provide technical support services to improve the operation efficiency for all kinds of oil and gas field equipment and facilities, including equipment inspection and repairing, intelligent monitoring, digitalization and intelligent management services, to assist customers in reducing costs, safeguarding asset safety, and reducing energy consumption, increasing efficiency, and improving safety and environmental protection.</p>
 <p>Drilling Rig Service</p>	<p>We provide drilling rig-related services, including drilling wells and workover services that require drilling rigs. Based on our existing premium drilling technology, we combine our own drilling rig with industry resources to maximize service efficiency with minimum cost.</p>



Awards in 2023

31st in the list of "2023 Beijing Top 100 Private Enterprises in Social Responsibility"

42nd in the list of "Top 100 Private Enterprises in Internationalization"

2023 National SRDI "Little Giant" Enterprises

2023 Best Managed Companies

AAA Enterprise Award for Foreign Contracted Projects

Beijing Foreign-funded R&D Centers



Key Performance

Economic Performance

Revenue RMB	Total assets RMB	Net profit attributable to shareholders of listed companies RMB
4.435 billion	9.807 billion	196 million
Net cash inflows from operating activities RMB	Free cash flow RMB	
917 million	500 million	

Environmental Performance

GHG emissions (scope 1 and scope 2)	Energy consumption	Non-hazardous waste discharge
57,837.01 tons of CO ₂ e	170,131.44 MWh	3,736.84 tons
GHG emissions per revenue	Water consumption	Hazardous waste discharge
13.04 tons of CO ₂ e / RMB million	810.8 thousand cubic meters	30,111.54 tons

Social Performance

Total number of employees	Average training hours of employee
6,510	185.20 hours
R&D investment RMB	Number of patents authorized
112 million	30 items
Client satisfaction	
98.90 %	



Governance

Our actions

Corporate Governance

Business Ethics and Anti-Corruption

ESG Governance

Contributions to SDGs



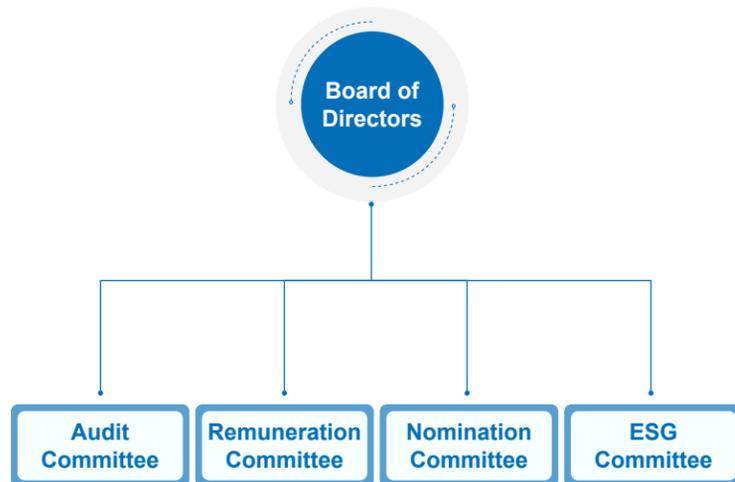
Corporate Governance

Anton has established a sound governance structure to standardize its business operations, and made continuous efforts to improve its risk management to safeguard the Company's stable and healthy development.

Governance Structure

Anton strictly observes laws and regulations, including the *Company Law of the People's Republic of China*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* as well as laws and regulations in countries where it operates. We have established a comprehensive corporate governance structure and enhanced our governance capabilities to optimize overall business operations.

Anton's Governance Structure



We prioritize the independence and diversity of our Board. The varied professional backgrounds and extensive experience of our board directors ensure the provision of independent and expert advice from diverse perspectives on critical issues such as business strategies and risk management. The Nomination Committee conducts regular assessments of the Board Diversity Policy to ensure diversity within the Board. As of December 31, 2023, the Company has 7 board directors, among which there are 3 Executive Directors, 1 Non-executive Directors, and 3 Independent Non-executive Directors. In FY2023, we convened 10 Board meetings and committee meetings, and 1 general meetings.

As of December 31, 2023

Board directors

7

Executive Directors

3

Non-executive Directors

1

Independent
Non-executive Directors

3

Business Compliance

Anton has improved its compliance management policies to establish a comprehensive compliance management system to regulate the overall business operation. To digitize the compliance management system, we have implemented online contract reviews, electronic seals, and intellectual property law management. We have refined contract review procedures, and conducted specialized audits and evaluations. These proactive measures ensure that the Company operates in strict accordance with laws and regulations. To promote awareness and proficiency in standardized operations among employees, the Company has established diverse training programs for employees at all levels. We are dedicated to promoting and implementing this crucial philosophy in daily work practices. In FY2023, the Company conducted a series of compliance-themed publicity campaigns focusing on compliant contract process control, authorized approval of external transactions, and proper use of company seals. As part of our commitment to enhancing employees' understanding of compliance and legal operations, we introduced online courses through Oil Mates and offline training sessions to provide comprehensive insights into the legal management system, the application of laws, and the significance of the *Civil Code*.

Risk Management

Sufficient and effective risk management and internal control serve as vital assurances for Anton's sustainable development. We have established a comprehensive risk management system that involves thorough investigations into both potential internal and external risks, continuous monitoring of major risks, and the implementation of control measures tailored to our operational needs. To enhance our risk control capabilities, we define key tasks for risk identification and control each year based on specific external macro-environmental factors, internal stakeholder feedback, and the Company's development and operations.

Anton has consistently implemented and enhanced its risk evaluation system, optimizing the self-examination and self-correction mechanisms. We conduct regular monitoring of various risks, with real-time warning and response capabilities, and introduce quarterly risk evaluations across all units to gather, analyze, and summarize results. These efforts result in the formulation of quarterly risk evaluation summary reports to guide strategic and targeted measures. Additionally, we have established an audit supervision and comment letter mechanism to leverage the supervisory role of audits in swiftly identifying and addressing problems and risks as they arise.

Business Ethics and Anti-corruption

In line with the Chinese laws and regulations, including the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*, and laws in other countries or regions where Anton operates, we have developed a series of internal policies and regulations such as the *Sunshine Purchasing Integrity Commitment* and the *Integrity Agreement*. These policies provide a robust institutional framework for the Company's integrity management.

As a member of the China Enterprise Anti-Corruption Alliance, Anton has established a comprehensive internal anti-corruption management mechanism. This includes the formulation of the *Code of Conduct for Company Employees in Sales and Business Negotiations*, as well as other internal regulations, and the implementation of the "Nine Prohibitions" to prevent bribery between internal personnel and business partners or suppliers in any form. Internally, the Company has launched the "Sunshine Marketing" campaign and conducted self-examination and self-correction activities to address commercial bribery. Furthermore, we conducted inquiries, reviews, and random inspections at all levels to combat potential instances of commercial bribery in daily operations. Through these self-examination and self-correction efforts, we have mitigated potential risks and fostered a working environment characterized by fairness, equity, integrity, and vitality.

In FY2023
the Company had
NO legal cases related
to corrupt practices



Complaints and Reports

We actively encourage anonymous reporting and disclosure of actual or suspected violations of our Anti-Corruption Policy. To ensure effective supervision of the Company's business ethics and operations, and to promptly address potential corruption reports in a secure manner, we have established public reporting channels in local languages across all countries and regions where the Company operates. The contact information for these reporting channels is also available on our official website in English, Chinese, and Arabic. We provide clear explanations of the principles of acceptance and policies for protecting whistleblowers.

We have formulated a strict "complaint and problem response" handling process, which requires that all reports or complaints received are handled fairly, promptly, accurately, and effectively. We have also implemented measures to protect the whistleblowers. The information of the whistleblowers and report content will be kept strictly confidential, and we explicitly prohibit any form of retaliation or threat against the whistleblower.

In FY2023, we received a total of 11 internal and external reports. Upon receiving each report, our internal audit team promptly conducted preliminary interviews to gain immediate insight into their contents. Subsequently, the audit leading group deliberated on and established an audit plan and work plan, and conducted rigorous and detailed verification and audit investigation on the relevant report. The group compiled an investigation report, proposed appropriate courses of action, and provided feedback to whistleblowers accordingly. We completely and properly handled all reported matters in accordance with our established handling process. The majority of the reports were found to lack factual basis.

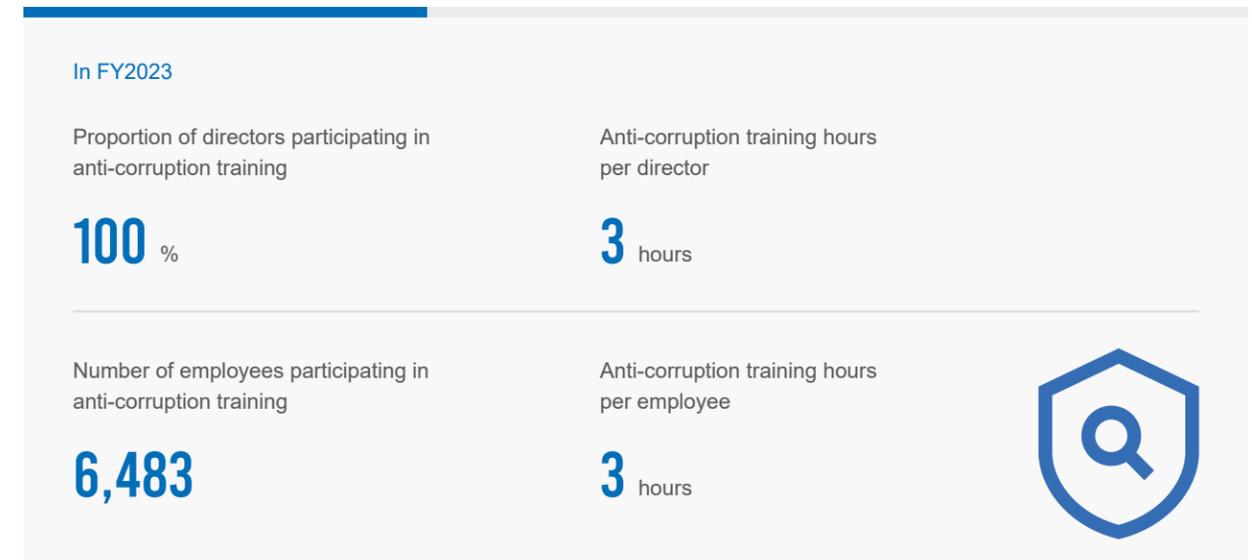
Complaint, Response, and Resolution Process

01	Receive Complaint/tip	}	Content: Collect and review complaints from different channels daily Department: Audit and Oversight
02	Document	}	Content: Fill out the "Complaint Receipt Form", clarify the date, method, matters, complaint suggestions, etc. Department: Audit and Oversight
03	Investigate	}	Content: Rigorous, detailed, and effective verification of complaints Department: Audit and Oversight and related management department
04	Feedback	}	Content: Issue a written report on the verification situation and fill in the "Complaint Handling Opinion Form" (if any) Department: Audit and Oversight/Legal
05	Process	}	Content: Handling of complaints, forming a "handling result feedback form" (if any) Department: Audit and Oversight/Legal/HR
06	Archive	}	Content: Archive each case Department: Audit and Oversight

Anti-corruption Culture

Anton promotes a culture of integrity and emphasizes the importance of never crossing ethical boundaries. To enhance employees' awareness of this principle, the Company has developed a series of training courses, such as the *Popularization and Prevention of Employee Duty-related Crimes*. We have also reinforced employee discipline by studying both internal and external anti-corruption cases. During festivals and holidays, we send written proposals to employees as a reminder of integrity. In addition, the Company organizes regular events such as corporate culture campaigns, inspections, on-site investigations, and employee interviews to promote ethical values and help employees at all levels establish a sense of integrity and self-discipline.

In FY2023, Anton launched anti-corruption month activities aimed at all employees. These initiatives featured courses and events centered around the theme of "learning laws and regulations, never crossing the bottom line, fulfilling responsibilities, and striving for progress and breakthroughs." By combining integrity education with business activities through various means such as training sessions, competitions, and awareness-raising painting campaigns, employees gained a deeper understanding of the significance of anti-corruption efforts. These activities contributed to creating a clean and upright environment for teamwork within the Company.



Supplier Anti-corruption Management

Anton has joined hands with its partners to create a clean industrial ecosystem. We have formulated and issued the *Anton Supplier/Contractor Code of Conduct*, and conducted evidence-inquiry inspections with business partners and suppliers. Signing the *Sunshine Purchasing Integrity Commitment*, and *Integrity Agreement* with them is a prerequisite for our transactions. These agreements serve as crucial tools in combating corruption and bribery throughout the purchasing process.

Fair Competition

We uphold fair competition in the market. We do not engage in collusion with customers or competitors to secure projects. We refrain from exchanging price or bidding information with competitors and avoid lobbying the government for policies that provide us with an unfair advantage. We firmly believe that our success should be achieved through fair play and ethical practices.

ESG Management

Anton has unrelentingly optimized its ESG governance structure and mechanism, and incorporated ESG into its business development and operation. Committed to sustainable development, Anton has also communicated extensively with all stakeholders and proactively responded to their concerns and interests.

ESG Governance Structure

Anton has established a comprehensive ESG management system including the Board, ESG committee, ESG office, and ESG working group.

The Board oversees and supervises the Company's ESG-related objectives, strategies, and management policies. It reviews annual ESG material issues and sustainability reports, actively promoting the integration of ESG factors into strategic decisions and daily operations. The ESG committee under the Board assists in formulating ESG strategies and supervising the Company's ESG performance. It analyzes environmental, social, and governance trends and provides recommendations to the Board. Operating under the ESG Committee, the ESG Office comprises representatives from relevant functions involved in ESG matters. It executes the Company's ESG plans and gathers ESG information from various departments. Each division, sales region, and subsidiary conducts specific activities in line with headquarters' requirements and submits regular ESG updates.

To further enhance ESG governance, the Company has tied sustainability-related performance indicators to executive compensation. Executives failing to meet QHSE objectives for the year risk losing their entire annual variable pay. This incentivizes executives to prioritize the Company's long-term sustainable development.

Anton's ESG Management under the Board



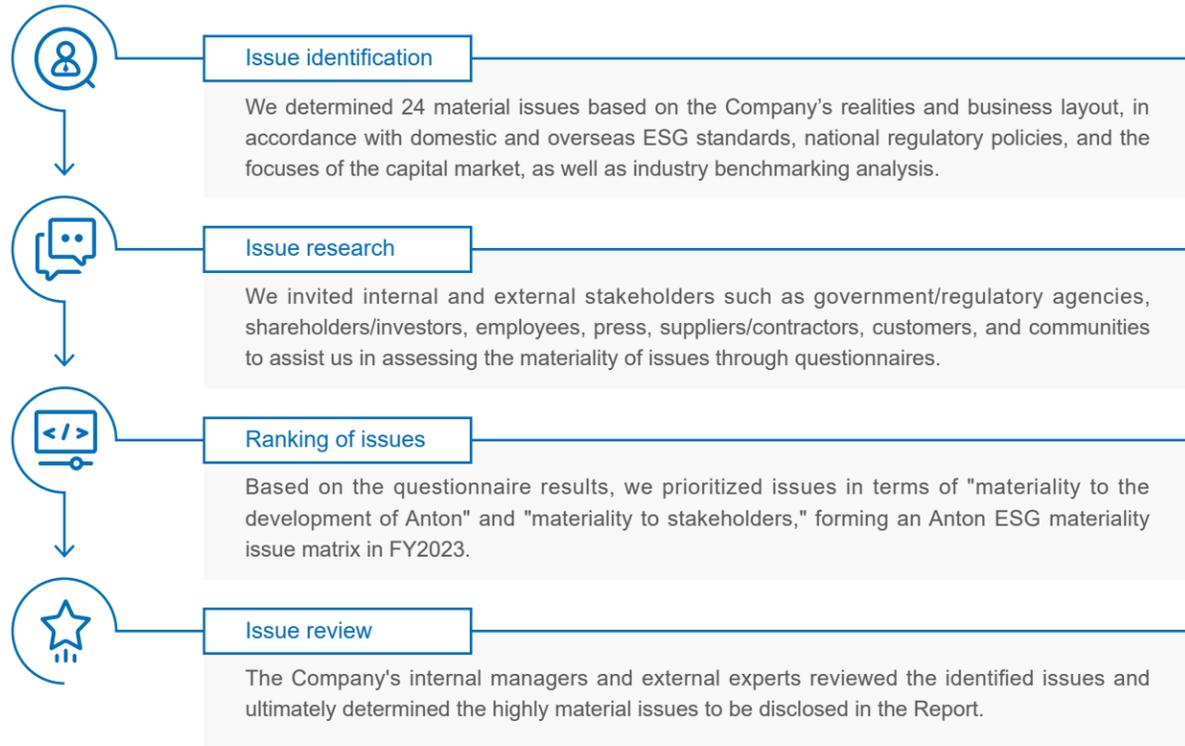
Stakeholder Communication

The Company emphasizes the expectations and concerns of our stakeholders. We have developed various communication channels to listen and respond to their concerns in a timely manner.

Stakeholders	Expectations	Communication and Response
Government and regulatory agencies	<ul style="list-style-type: none"> Laws and regulatory compliance Responding to Climate Change Business ethics and anti-corruption 	<ul style="list-style-type: none"> Policy consultations Meetings and visits Official document exchange Information disclosures
Investors/shareholders	<ul style="list-style-type: none"> Corporate governance Laws and regulatory compliance Business ethics and anti-corruption Digital transformation 	<ul style="list-style-type: none"> Shareholder meetings Annual reports Company announcements and press releases Conference calls Roadshows
Employees	<ul style="list-style-type: none"> Employee rights protection Diversity, equity and inclusion Employee pay and benefits Occupational health and safety Employee training and development 	<ul style="list-style-type: none"> Employee satisfaction survey Labor unions Employee training Smart employee community platform
Suppliers/Contractors	<ul style="list-style-type: none"> Supply chain management Business ethics and anti-corruption Stakeholder engagement 	<ul style="list-style-type: none"> Partner networking sessions Supplier assessment Exchange visits E-commerce platform for oil and gas industry
Customers	<ul style="list-style-type: none"> Product quality and safety Customer service enhancement Information security and privacy protection R&D and innovation IPR protection Digital transformation GHG emission reduction Waste management Water management Energy resource utilization Biodiversity conservation 	<ul style="list-style-type: none"> Company portal WeChat public account Anton online service website CRM system SMS cloud service Opinion box Client satisfaction survey Client visits
Communities	<ul style="list-style-type: none"> Community relations Philanthropy 	<ul style="list-style-type: none"> Company portal WeChat public account Volunteer services Community activities
Media	<ul style="list-style-type: none"> Philanthropy Stakeholder engagement 	<ul style="list-style-type: none"> Company interviews Publicity

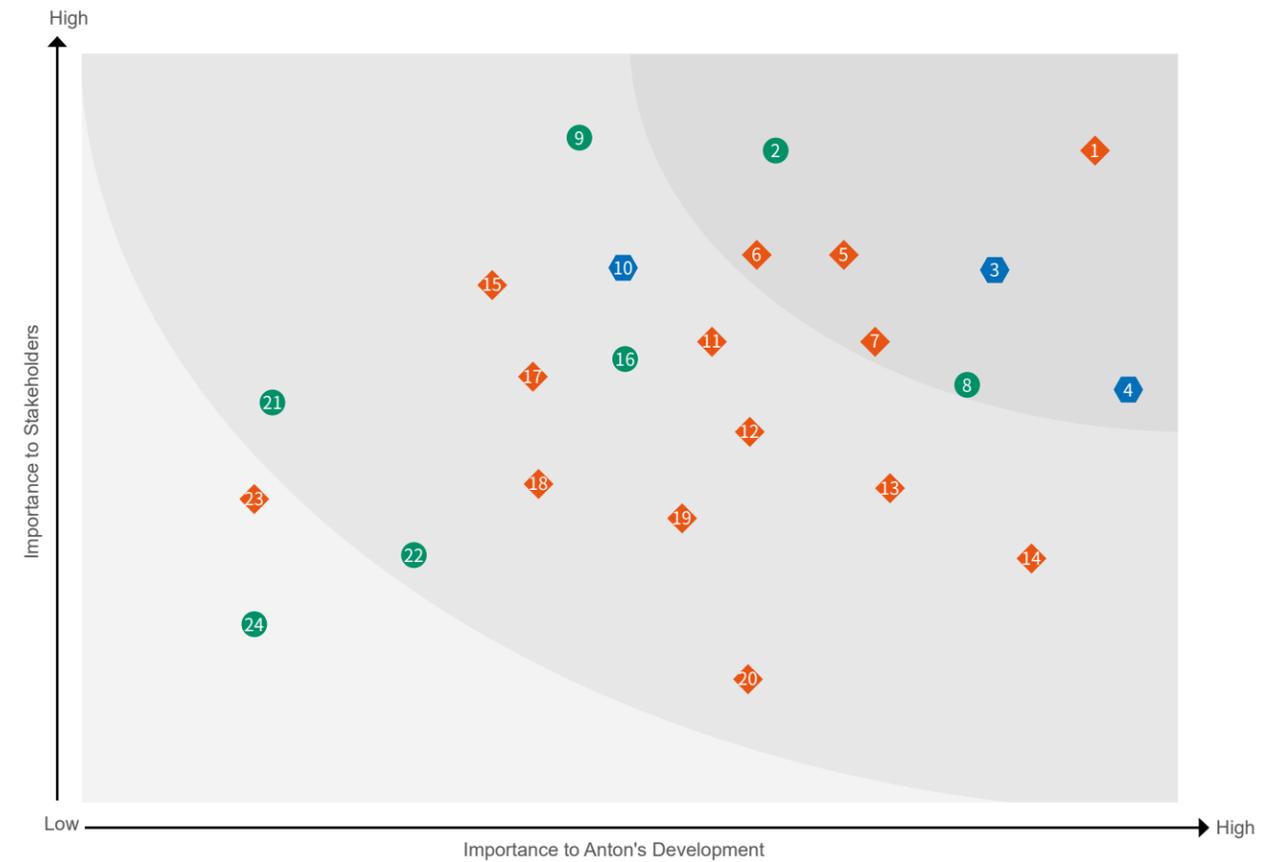
Identification of Material Issues

Considering domestic and international standards and regulations concerning sustainable development, industry development trends, capital market interests, and other relevant factors, and considering the Company's actual business development, Anton has identified and screened a list of ESG materiality issues for FY2023. This process involved benchmarking and analysis of peer companies, expert assessments, questionnaire surveys of internal and external stakeholders, and on-site interviews. Based on this comprehensive approach, we disclose high materiality issues in this Report in a targeted manner to effectively address stakeholder concerns.



High materiality	Product quality and safety, Responding to climate change, Business ethics and anti-corruption, Corporate governance, Employee training and development, Occupational health and safety, Employee rights protection, Clean energy technology opportunities
Medium materiality	GHG emission reduction, Laws and regulatory compliance, Customer service improvement, Employee remuneration and benefits, Supply chain management, Digital transformation, Energy resource utilization, Diversity, equality and inclusiveness, Information security and privacy protection, R&D and innovation, IPR protection, Community relations, Waste management, Water management
Average materiality	Philanthropy, Biodiversity conservation

Anton ESG materiality issue matrix of 2023



Environmental	Social	Governance
2 Responding to climate change	1 Product quality and safety	3 Business ethics and anti-corruption
8 Clean energy technology opportunities	5 Employee training and development	4 Corporate governance
9 GHG emission reduction	6 Employee rights protection	10 Laws and regulatory compliance
16 Energy resource utilization	7 Occupational health and safety	
21 Waste management	11 Customer service improvement	
22 Water management	12 Employee remuneration and benefits	
24 Biodiversity conservation	13 Supply chain management	
	14 Digital transformation	
	15 Diversity, equality and inclusiveness	
	17 Information security and privacy protection	
	18 IPR protection	
	19 R&D and innovation	
	20 Community relations	
	23 Philanthropy	

Environment

Our actions

Environment management
Emission management
Energy, water and materials
Responding to Climate Change
Biodiversity conservation

Contributions to SDGs



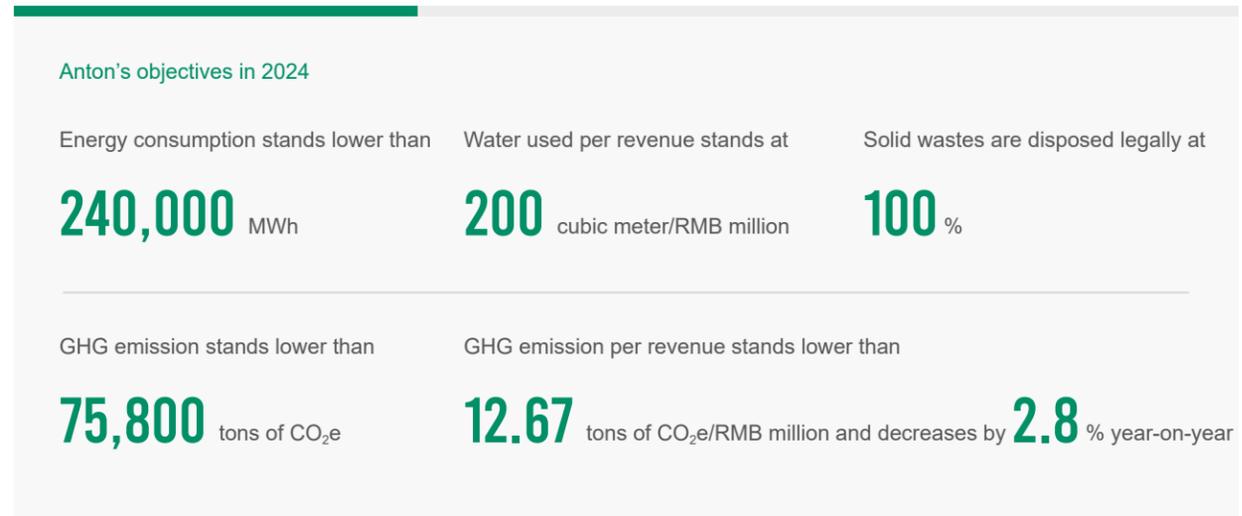
Environment Management

The Company has conscientiously implemented the requirements of the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law on Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*, and other applicable laws and regulations. We formulate and implement internal environmental policies such as the *Greenhouse Gas Emissions Management Measures* and the *Environmental Protection Management Measures* of Anton Oilfield Services. These policies underscore our dedication to mitigating the environmental impact of our daily operations and ensuring compliance with environmental protection laws and regulations.

We consistently enhance our internal environmental management policy system to ensure the efficient execution of the Company's environmental policies and objectives. The Company established an environmental management team which consists of QHSE management personnel from its QHSE department and subsidiaries. Supported by this management team, we allocate responsibilities to each functional department. Through regular HSE management system audits, HSE inspections, and specialized environmental audits, we regularly evaluate the implementation of environmental policies across all departments and subsidiaries.

Management of Environmental Objectives

We regularly summarize the progress of our annual objectives, tracking and reviewing the achievements of the previous year. Drawing from the progress made and considering the actual business operations of the Company, we establish environmental objectives for the upcoming year and develop corresponding action plans and measures to ensure their orderly accomplishment. During the reporting period, we had no environmental accidents or administrative penalties relating to the environment.



Environmental Risk Identification and Evaluation

The Company diligently adheres to the *Environmental Protection Management Measures* and the *QHSE Risk Management Measures* to identify and evaluate potential environmental risks that may arise during the production, operation, and service processes, including waste gas emissions, wastewater treatment, and solid waste disposal. Through the identification of factors that could lead to significant environmental impacts, we have established a data pool for future environmental management. Additionally, we have implemented corresponding measures to mitigate these risks and have intensified supervision over production activities, thereby ensuring project operations align with local environmental regulations.

Emission Management

We strictly follow the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Regulation on the Administration of Permitting of Pollutant Discharges*, among other laws and regulations. We have developed internal processes such as the *Solid Waste Treatment and Disposal Procedures*, the *Waste Water and Waste Liquid Pollution Prevention and Control Management Measures*, the *Pollution Prevention and Control Management Measures*, and the *Energy and Water Conservation Management Measures*. These processes outline the requirements, procedures, and content of clean production, as well as delineate the responsibilities of the personnel involved.

Waste Gas Management

The Company rigorously adheres to the air pollution-related laws, regulations, and normative documents of the countries in which it operates, and tightly controls the emission of waste gas throughout all stages of its operations.

Methane (CH₄), nitrogen oxides (NO_x), and sulfur oxides (SO_x) primarily stem from fuel-powered equipment and facilities used for drilling and production stimulation. Meanwhile, particulate matter mainly arises from dust generated by traffic and construction sites. In 2023, the company emits 1.49 tons of direct methane (CH₄), 0.266 tons of nitrogen oxides (NO_x), and 0.202 tons of sulfur oxides (SO_x). To mitigate the emission of air pollutants across our various operations, we have implemented the following regulatory measures:



Case T-ALL INSPECTION uses waste gas treatment facilities to reduce exhaust emission

In order to reduce gas emissions, T-ALL INSPECTION has strengthened management at the source, applied environmentally friendly paints, modified and upgraded equipment, and improved processes. In FY2023, T-ALL INSPECTION invested 6 sets of waste gas treatment devices in the production operation process. By using low VOCs waterborne paints in the closed plant, the waste gases in the spraying process are collected into the VOC waste gas treatment device through negative pressure, and then processed by the activated carbon-based tertiary filtration. As a result, the efficiency of non-methane hydrocarbons treatment reached 92%, and particulate matter treatment efficiency stands at 99%. The device helps to cut the emission of VOCs, and to ensure that the emission meets the environmental requirement, and thus minimize the pollution.

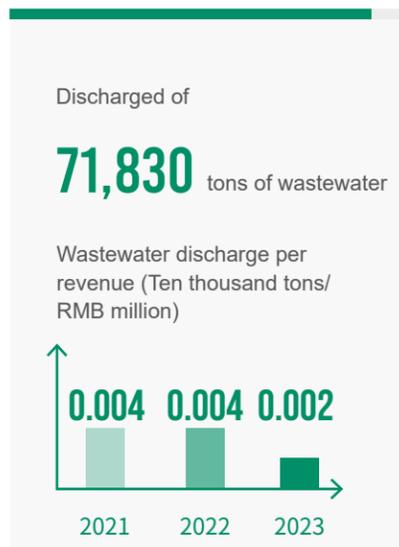


Waste gas treatment facilities

Wastewater Management

The Company maintains a stringent approach to wastewater management, ensuring compliance with laws, regulations, and norms governing domestic and industrial wastewater discharge. Through standardized management practices, enhanced equipment maintenance, and collective wastewater treatment techniques, we effectively handle all wastewater generated from drilling, fracking, and construction activities, ensuring safe disposal. Industrial and domestic wastewater is discharged in accordance with relevant standards, and we engage qualified third-party entities for the transportation and recycling of wastewater and waste liquid. These third-party entities are required to maintain archives and submit regular reports to ensure compliance.

In our daily operations, we enforce strict controls and inspections across all units to prevent on-site running, emitting, dripping, and leaking of wastewater, as well as to dewater sediment and waste liquid to prevent environmental pollution. During construction, we actively promote recycling and reutilization technologies, including the use of downhole operation wastewater for well washing and recycling fracturing flowback fluids, as part of our efforts to reduce wastewater discharge.



Waste Management

We strictly follow the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and the *Standard for Pollution Control on Hazardous Waste Storage*, among other laws and regulations. We developed internal processes such as the *Solid Waste Treatment and Disposal Procedures*. Our approach prioritizes waste reduction at the source, waste-to-resource conversion, and harmless treatment, ensuring compliant and effective waste management and disposal.

Based on the waste sources and disposal methods, we categorize waste into general waste and hazardous waste for targeted management:

General waste	<p>We collect waste according to their categories. Recyclable materials such as paper and metal are reused after collection, while non-recyclable household waste is entrusted to professional sanitation departments for disposal.</p>
Hazardous waste	<p>After centralized collection, hazardous wastes are appropriately labeled. For recyclable materials such as waste mineral oil, oily sludge, and drilling chips, we collaborate with qualified third-party organizations for solid waste disposal and reutilization, ensuring full compliance with relevant laws and regulations. For non-recyclable electronic product waste, we require that it must not be casually discarded and handed over to a third party for compliant treatment. We maintain a list of hazardous wastes and strengthen standardized management practices for transshipment, storage, and classification to enhance monitoring and management throughout the entire process.</p>

Anton has set the objective of achieving 100% compliance with solid waste disposal each year. We employ clean production technologies, reduce the use of oil-based mud through layered drilling, promote drilling mud disposal technology and downhole oil removal technology during drilling operations, and implement clean production measures such as surface box workover operations. These initiatives significantly reduce solid waste, particularly hazardous waste.



Recycling areas on CPF stations with material bags and chemical bins to prevent waste oil from causing soil contamination and realize resource recycling and reutilization



Energy, Water and Materials

The Company adheres to green development, and integrates resource and energy conservation into all stages of production and operation.

Energy Management

We always comply with laws and regulations, such as the *Energy Conservation Law of the People's Republic of China*, to optimize our energy management system, enhance the energy efficiency in operation and upgrade our energy mix.

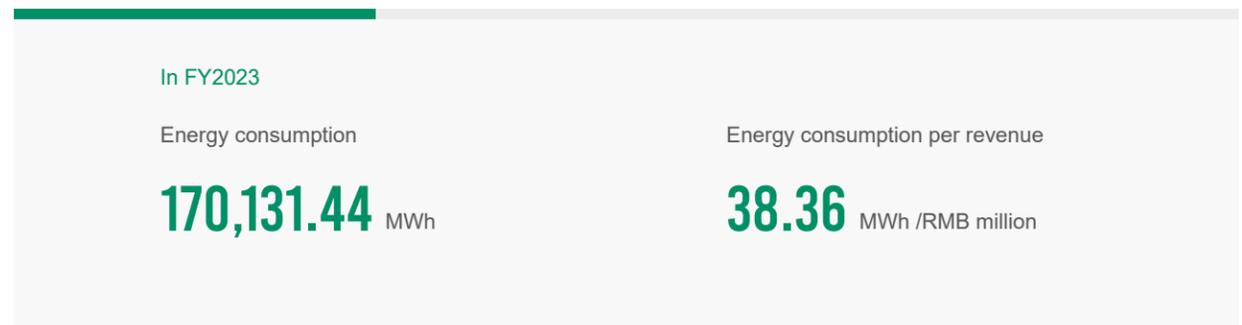
Enhancement of Project Energy Efficiency

Through technological improvement and management optimization, we have diligently worked to reduce reliance on traditional energy sources, enhance energy efficiency, and achieve energy conservation and carbon emission reduction. In FY2023, our utilization of electric drive technology enabled the completion of 45,309 meters of drilling in the shales of the Southwest region, saving 7,868.66 tons of standard coal and resulting in a reduction of carbon emissions by 19,405.03 tons, significantly curbing unnecessary energy consumption.

Promotion of Energy-Saving Operation

Green office: We promote green office practices by actively conducting energy-saving awareness campaigns among employees. We have optimized the management of lighting, heating, and cooling systems in office areas to reduce energy consumption in day-to-day operations. Additionally, we have implemented an "asynchronous communication" mechanism, utilizing various information management tools to enhance the flexibility of employee office work. This approach not only improves management efficiency but also promotes a more energy-saving and emission-reduction-oriented work culture. In FY2023, we renewed the old heat exchanger at the Xinjiang Luntai oil casing inspection base in an effort to prevent leakage. With such detailed endeavor, we cut standard coal consumption by 0.5 tons.

Green mobility: We have continued to encourage our employees to adopt environmentally friendly practices in their daily lives, emphasizing emissions reduction and advocating for green mobility. Our ongoing efforts include promoting a "work in the same office" program across all countries where the Company operates. This initiative facilitates real-time communication and collaboration among employees worldwide through an online platform, significantly reducing transportation emissions associated with inter-regional travel for meetings.



Water Resource Management

We have implemented the laws and regulations of the countries and regions where our business operates, including the *Water Law of the People's Republic of China*. Internally, we have also formulated the *Waste Water and Waste Liquid Pollution Prevention and Control Management Measures* to ensure efficient water usage and compliance with wastewater treatment standards. We have established a comprehensive water resources management ledger system, requiring relevant departments to report monthly water consumption data to enhance our management practices. Additionally, we have set annual water resource management targets, linking them to the remuneration of senior executives, and conducting quarterly, semi-annual, and annual assessments of water resource management performance.

For FY2024, we have established water management targets and will continue to promote water recycling technologies to reduce freshwater usage, minimize wastewater discharges, and set industry-leading standards for water use efficiency.

Water Conservation

The major sources of water for the Company include surface water, groundwater, and municipal water supply, and the Company has not yet encountered any shortage of water resources.

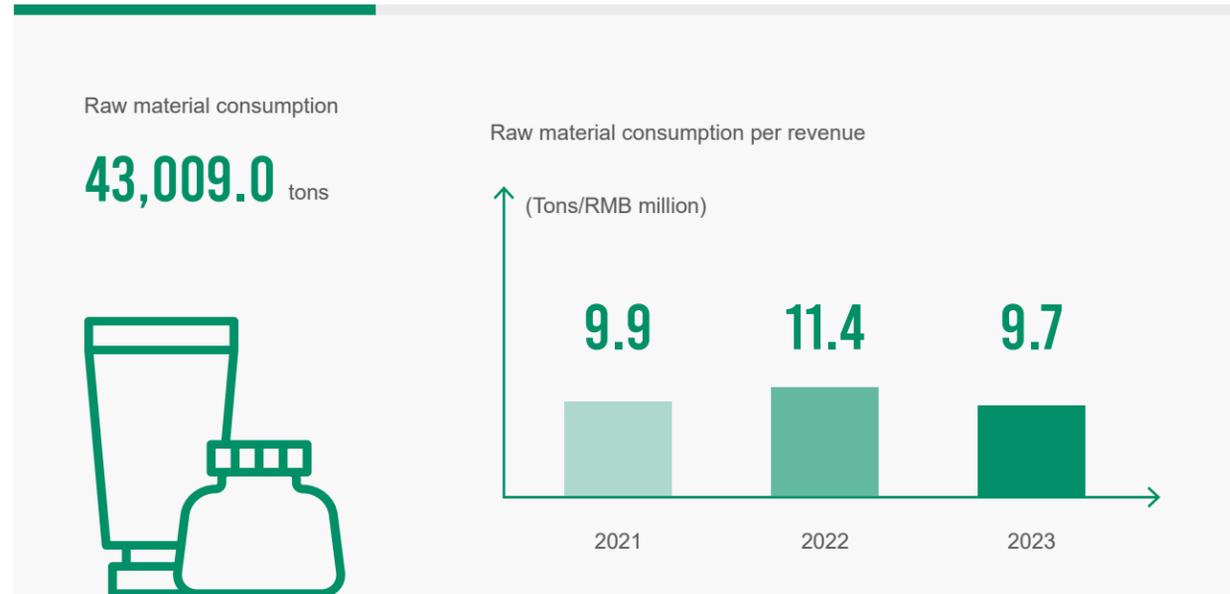
Throughout our operations and construction activities, we actively promote water recycling and strive to reduce the use of fresh water. For instance, we recycle downhole operation wastewater for well washing, reuse fracture pressure flowback fluids, and utilize hot water from boilers in the station area for domestic purposes. Additionally, we have constructed drainage ditches at well sites to collect rainwater on a daily basis and have implemented filtration facilities and sedimentation tanks to ensure the clean utilization of rainwater. In FY2023, we achieved a total of 74,484 tons of fracturing flowback fluid reuse through the recycling of treated flowback fluids in CBM wells as fracturing fluids, and the reuse of flowback fluid after post-pressure plug mill treatment in each fractured well, thereby reducing the amount of fresh water used.



Material Management

Our raw materials include barite, fracturing sand, ceramics, proppant, cement, and bentonite. We have intensified our focus on technological innovations and the advancement of material-saving techniques, opting for green, non-toxic, and recyclable materials with high recycling rates. Through these efforts, we aim to decrease raw material consumption per operation compared to conventional methods, thereby mitigating environmental impacts.

In FY2023, the Tianjin Plant innovated its techniques and thus reduced raw material use by changing the end ring processing technique from purchasing tube blanks for turning to purchasing stainless steel sheets and coils for turning.



Responding to Climate Change

Anton actively responds to the challenges posed by climate change. Referring to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), we focus on four key areas of climate change management: governance, strategy, risk management, and metrics and targets. Through this framework, we implement a comprehensive array of climate response measures to effectively address climate change in a pragmatic manner.

Governance

The Company attaches great importance to the risks and opportunities related to climate change. We have established a three-tier climate change management system to facilitate effective internal communication and the implementation of climate-related initiatives:

- The Company's board of directors and CEO jointly participate in decision-making processes concerning the identification of climate-related risks and opportunities. They formulate relevant management indicators and mechanisms, and oversee and guide the implementation of related initiatives.
- Based on the identification of climate-related risks and opportunities, the CEO develops a strategic framework and provides daily supervision and reporting on specific management tasks and the progress of target implementation.
- The ESG Office is responsible for the daily management of climate-related activities. It liaises with and coordinates efforts among relevant department heads and business units to facilitate the identification and disclosure of climate-related risks and opportunities.

Strategy

We closely monitor developments in policies, laws, technologies, and markets associated with the transition to a low-carbon economy in China and globally. Through years of specialized research, we have integrated climate change considerations into the Company's strategic planning and management practices. We consistently conduct thorough and comprehensive identification and assessment of climate change risks and opportunities, enabling us to capitalize on green transformation opportunities and facilitate the long-term, sustainable development of the Company.

Risk Management

We have established a comprehensive process for identifying, assessing, and managing climate risks. Through this robust process, we evaluate the likelihood and impact of various climate risks, analyze climate policy trends and market dynamics, identify key climate risks, and facilitate the implementation of relevant risk management measures.

Anton's process of identifying, assessing and managing climate-related risks

- #### Risk identification

Referring to the sources of climate-related financial information disclosure, combined with the possibility of risk occurrence and the scope of impact, initially identify climate-related entities and transition risks that have substantial impact on business.
- #### Risk assessment

Based on literature research on policies and regulations related to low-carbon transformation, combined with the key expectations of government regulators, investors, and stock exchanges on climate response, and taking into account climate risks that have occurred or can be foreseen in actual business scenarios, further screen key climate risks.
- #### Management implementation

Incorporate climate-related risk management into the overall ESG management framework and key issue framework, and the ESG office coordinates and promotes the implementation of climate-related risk management in various departments and business units.

In FY2023, we further intensified our efforts to identify physical and transition risks related to the Company's operations and developed countermeasures in the context of the Company's strategy and development:

Risk Category	Risk Description	Response
Physical risks	Acute Risks: Extreme weather, such as strong winds and heavy rain	<ul style="list-style-type: none"> • Damage to engineering sites, office buildings, and equipment, resulting in property losses; • Impact on normal operations due to damaged equipment, inability of employees to work normally; • Disruption in production due to supply chain interruptions.
	Chronic Risks: Persistent heat, drought, etc.	<ul style="list-style-type: none"> • Closely monitor and regularly update climate-related data, and issue timely warnings; • Develop emergency response plans for natural disasters and continuously enhance preparedness; • Identify vulnerable assets and procure necessary insurance coverage.
Transition Risks	Policy and Legal Risks	<ul style="list-style-type: none"> • Rising temperatures increased use of cooling equipment, elevating energy consumption and operational costs; • Challenges in outdoor work during hot seasons may reduce operational efficiency; • Intensified water supply constraints in water-scarce areas.
	Technology Risks	<ul style="list-style-type: none"> • Apply energy-efficient cooling equipment; • Meticulously organize production activities; improve operational efficiency.
	Market Risks	<ul style="list-style-type: none"> • Stricter government regulations on environmental and safety concerns to mitigate climate change, resulting in heightened operational compliance efforts and increased compliance costs. • Closely monitor changes in laws, regulations, and policies on the environment and carbon trading, and respond in a timely manner; • Strictly abide by applicable laws and regulations and actively participate in standard setting; • Improve our risk management for low-carbon development, safety and environmental protection.
	Reputational Risks	<ul style="list-style-type: none"> • Increase share of renewable energy projects and actively pursue industry cooperation; • Increase investment in technology innovation, vigorously develop low-carbon and low-energy consumption technologies; enhance capacity for research and development of new/proprietary technologies and equipment; set up a specialized renewable arm.
	Market Risks	<ul style="list-style-type: none"> • Rising raw material and energy costs, concerns about climate change, and declining demand for fossil fuels; • The public may drive the market towards low-carbon products and services, thereby influencing the demand for fossil fuels.
Reputational Risks	<ul style="list-style-type: none"> • The global trend toward green transition and the increasing importance of a low-carbon profile as a measure of influence for energy companies have made climate change performance and sustainability crucial factors. Poor performance in these areas can lead to negative stakeholder feedback and damage to our brand reputation. • Actively conduct stakeholder engagement, identify important topics, and formulate response actions; • Actively and steadily promote the green and low-carbon transition, improve sustainability, and actively respond to climate change; • Improve the quality and transparency of ESG disclosures and respond to stakeholders' concerns. 	

Climate Change-related Opportunities

Opportunity	Response
Resource Efficiency	<ul style="list-style-type: none"> • Demand for more energy-efficient equipment and low-carbon technologies; • Policy incentives for green transition
Products and Services	<ul style="list-style-type: none"> • Launched eight oil and gas development solutions for oil companies to achieve sustainable development. • Adoption and promotion of green and low-carbon products; • Integrated climate change response solutions for the industry
Market	<ul style="list-style-type: none"> • Actively explore the application of new technologies, new equipment, and new processes to improve resource efficiency and reduce energy bills; • Huge market demand for green energy development; • Expansion to global markets
Resilience	<ul style="list-style-type: none"> • Identify and respond to supportive government policies and green projects; • Strengthen low-carbon technology R&D and promotion and continuously increase the share of green and low-carbon products; • Identify and participate in emerging markets; • Promote the development and utilization of renewable energy.

Metrics and Targets

To better respond to the country's goal of peaking carbon emissions and achieving carbon neutrality, and to play an active role in global climate action, we have set short-term and long-term objectives for carbon emissions and explored a green development model:

Short-term objectives	By FY2024, our total greenhouse gas (GHG) emissions target is set to be lower than 75,800 tons of CO ₂ e, with GHG emissions per revenue lower than 12.67 tons of CO ₂ e / RMB million revenue. This reflects a 2.8% reduction from FY2023;
Long-term objectives	By 2030, we aim to achieve a 60% reduction in GHG emissions per revenue, using 2019 as the base year. Our ultimate goal is to attain carbon neutrality by 2060.

We use scope 1, scope 2, and scope 3 GHG emissions, along with emissions per revenue, as key indicators of climate change. Carbon emission performance is directly tied to the remuneration of managers in each unit. We conduct regular assessments of climate change performance and progress to ensure that our carbon neutrality target is met. In FY2023, we successfully achieved a 2.7% decrease in GHG emissions per revenue compared to FY2022, thus basically meeting our annual carbon emission reduction target.

In FY2023		
GHG emissions (scope 1 and scope 2)	GHG emissions (scope 1)	GHG emissions (scope 2)
57,837.01 tons of CO ₂ e	35,724.16 tons of CO ₂ e	22,112.86 tons of CO ₂ e
GHG emissions per revenue (scope 1 and scope 2)	GHG emissions per revenue (scope 1)	GHG emissions per revenue (scope 2)
13.04 tons of CO ₂ e / RMB million	8.06 tons of CO ₂ e / RMB million	4.99 tons of CO ₂ e / RMB million

Climate Actions

As a leading oilfield technology services company, we specialize in leveraging advanced technologies to assist our clients in mitigating greenhouse gas emissions during resource development. Concurrently, we are dedicated to reducing our own greenhouse gas emissions through technological innovation and stringent operational management practices. We are also committed to ramping up our technological and service innovation efforts, so as to help our customers and partners cut their greenhouse gas emissions. By pursuing these initiatives, we aim to achieve our sustainability objectives while also contributing to the industry's green transformation.

Exploration of Emission Reduction in Anton

To effectively manage carbon emissions in our operations and achieve our emission reduction objectives, we have developed the *Greenhouse Gas Emissions Management Measures*. The Measures incorporates indicators for controlling greenhouse gas emissions into our production and operation metrics, enabling comprehensive management of emissions throughout the entire process. To improve operational efficiency and reduce carbon emissions, we encourage the use of clean energy, make continuous efforts to implement the "Energy Efficiency Improvement" plan, and apply digital technologies.

Promotion of clean energy utilization

We are preparing to incorporate new energy sources such as photovoltaic and hydrogen into our operations. We are exploring innovative ways to integrate these new energy sources with traditional oil and gas operations, promoting decarbonization and green transformation in the industry. Additionally, we are establishing a green and low-carbon platform empowered by digital technology to facilitate sustainable oil and gas development.

Development of low energy consumption technologies

We mandate the adoption of advanced production process technologies and equipment across all units. Through comprehensive measures such as greenhouse gas recycling and storage, we aim to control emissions effectively. In FY2023, we implemented 20 measures under the "Energy Efficiency Improvement" plan, which helped us save 16,535.68 tons of standard coal, and reduced greenhouse gas emissions by 35,538.67 tons of CO₂ equivalent.

Digital intelligence technology

We adopt digital intelligence technology and conduct data analysis and modelling based on large models, in an aim to advance the R&D and prototyping of intelligent oil and gas technologies. We optimize algorithms in real time to significantly improve efficiency to better adapt to complex underground environments, reduce resource consumption and carbon emissions during operations, and deliver services that are more efficient and tailor-made.

Empowerment of Industry Partners

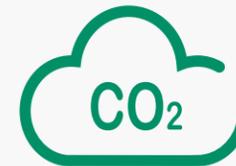
We provide our clients with better tailor-made and more efficient engineering design and development services for oilfield assets by applying precise engineering techniques, visualized data monitoring technologies, and optimal solutions to productivity and efficiency enhancement research. These measures help reduce the consumption of raw materials and energy resources, significantly raising the efficiency of resource utilization and development, as well as helping clients reduce the environmental impact of their operations. We proactively promote the business layout of Carbon Capture, Utilization and Storage (CCUS), which not only helps our clients to meet the challenging task of carbon emission reduction, but also turns carbon dioxide into a valuable resource that can be used for oil well flooding, thus improving the recovery efficiency of crude oil. In addition, we have innovatively developed a permanent fiber optic monitoring technology for U-shaped geothermal wells to support our clients in the exploitation of renewable geothermal energy, further contributing to carbon emission reduction efforts.

Based on the characteristics of the oil and gas industry, we have introduced the "asset leasing solution for green oil and gas development", in order to support the green transition of our partners in the industry.

In FY2023

We helped our customers reduce their greenhouse gas emissions by

19,972.43 tons of CO₂e



Anton achieved the world's first application of fiber-optic monitoring technology in a U-shaped geothermal well, providing clients with data support for the exploitation of renewable geothermal energy

Engineering asset sharing and leasing service

Through asset sharing, we provide oil and gas companies access to essential engineering and construction assets through leasing arrangements, facilitating asset lightweighting and reducing carbon emissions associated with equipment manufacturing. For instance, we provide drill pipe leasing services and well inspection services to drilling companies, ensuring the efficient operation of drill pipes with the assistance of top-notch inspection and maintenance services.

Intelligent oil and gas processing asset leasing service

Leveraging skid design and digital deployment, we have established mobile and intelligent oil and gas processing plants, enabling oil and gas companies to achieve rapid production through a combination of leasing, operation and maintenance. For instance, we assist clients in operating and maintaining gas processing plants using the Build, Operate, and Transfer (BOT) model, reducing their operational investment. Additionally, we deploy digital systems to enable clients to remotely supervise and manage their operations in real-time, enhancing efficiency through intelligent operation and maintenance.



We help oil and gas companies optimize their energy consumption structure by employing electric drive equipment and low-energy consumption devices. By replacing energy-intensive diesel with low-energy consumption electricity, we significantly reduce carbon emissions. For example, we facilitated the modification of 10 drilling rigs, transitioning them from diesel-powered to electricity-powered units aligned with the local power grid. This initiative led to substantial reductions in energy consumption and carbon emissions, while concurrently lowering operating costs.



We provide tailored solutions to help oil and gas companies reduce flare gas emissions by processing and recycling emitted matter. The separated natural gas can be utilized for power generation, reinjected into pipelines, or sold, thereby lowering greenhouse gas emissions. For instance, we supplied associated gas recovery units to a client in Iraq, enabling the utilization of separated natural gas for power generation and LPG for local consumption. This initiative resulted in significant reductions in greenhouse gas emissions, and by trading the reduced carbon emissions in the international carbon market, our client generated additional revenue.



Based on the characteristics of the resources on oilfield sites, we support our partners in deploying clean energy power generation facilities, including photovoltaic, wind, and hydrogen power plants, to enhance the efficiency of new energy utilization and power supply capacity. For example, we assisted a client in Southeast Asia in establishing a natural gas-distributed power plant for ORC waste heat utilization. This plant efficiently utilizes the steam waste heat generated during processes to enhance power supply capacity and generate economic and environmental benefits.



By providing distributed carbon capture, utilization, and storage (CCUS) services, we enable our clients to achieve cost-effective direct carbon burial and achieve net-zero emissions by utilizing generated carbon allowances for international trading. For instance, we provide integrated solutions for carbon banking technology to our clients, assisting them in successfully piloting carbon sequestration projects. These projects have achieved an annual sequestration volume of up to 100,000 tons.

Promotion of R&D Cooperation

We are committed to exploring collaboration opportunities to advance the industry's green transformation. Collaborating with various research institutes, we have focused on developing carbon capture, utilization, and storage (CCUS) technology. Additionally, we actively engage in industry conferences to explore connections between natural gas emissions reduction and carbon trading businesses. In FY2023, we became a governing unit of the International Cooperation Alliance for CCUS Technology Innovation led by Southwest Petroleum University. Moving forward, we will deepen exchanges and strengthen cooperation with fellow members. Together, we aim to promote scientific and technological innovation in CCUS, facilitate the application and transformation of research outcomes, and contribute to the achievement of carbon emission peak and carbon neutrality goals.



Chairman of the Board of Directors of Anton Oilfield Services Group Attending the Inaugural Meeting of International Cooperation Alliance for CCUS Technology Innovation



Technical Exchange Session

Biodiversity Conservation

We prioritize minimizing negative impacts on ecosystems and biodiversity resulting from our business activities. Additionally, we advise our clients to take proactive measures to reduce environmental impact and safeguard biodiversity.

To uphold environmental protection standards, we have established the *Environmental Protection Management Procedures* that outline requirements for our production sites. For all construction, renovation, expansion, and relocation projects, we meticulously analyze environmental impact assessment policies. This ensures that all projects complete environmental impact assessment reports and secure government approval at the outset. We carefully select construction periods, areas, and methods to mitigate environmental impacts and implement environmental protection measures during construction. We adhere to stringent criteria when identifying ecological environments, ensuring that operations are prohibited in sensitive areas with severe water scarcity or unique ecosystems, as well as habitats of endangered animals. Moreover, we prioritize minimizing soil disruption and conserving biodiversity by utilizing advanced equipment, materials, and environmentally friendly, energy-saving technologies.

In our daily operations, we place particular emphasis on preventing oil pollution. We promptly replace equipment such as anti-corrosive hangers and mist traps, and implement measures such as laying anti-seepage membranes on the ground to prevent oil sludge from contaminating the soil. Additionally, we employ dynamic monitoring technology and engage a professional company to conduct real-time environmental monitoring of our operation sites. Regular collection and analysis of soil and water samples enable us to safeguard the ecological integrity of our operation areas.

We encourage all units to conduct publicity campaigns and knowledge popularizations about environmental protection on World Environment Day and beyond, and host activities in places where our projects operate to promote environmental restoration, ecological improvement and environmental welfare, so as to enhance the environmental awareness of our teams.

Case

Ningxia Yanchi CCUS Project

In FY2023, we worked with our partners to carry out the air seal inspection project in Yanchi, Ningxia, with a total of 25 wells of tubular air seal inspection completed. Oil casing gas seal inspection can help prevent gas leakage from oil and gas wells, avoiding major accidents such as fires or well scrapping from the smallest details. This effort can also help minimize the impact of methane escape on the environment.



Operation Site of Air Seal Inspection of the Ningxia Yanchi CCUS Project

Society

Our actions

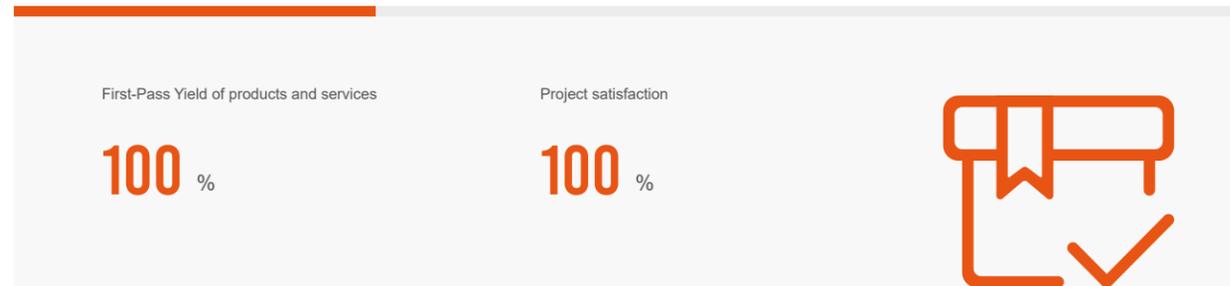
Product Quality and Services
Employee Development
Supply Chain Management
Community Development

Contributions to SDGs



Product Quality and Services

Anton's Product Quality and Services Objectives in 2024



Quality Management and Control

We strictly comply with the requirements of the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *Regulations for the Implementation of the Standardization Law of the People's Republic of China* and other applicable laws, regulations and standards. We fully integrate quality management practices to ensure the provision of high-quality, sustainable products and services to our customers.

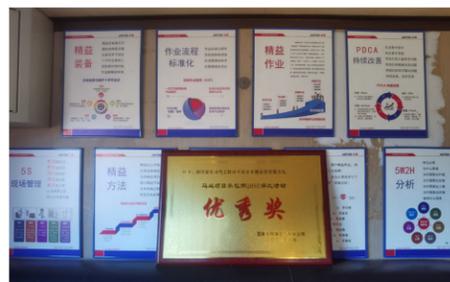
In line with the concept and requirements of QHSE management, Anton has made unremitting efforts to improve its quality management system. In FY2023, we obtained the API Q1, API Q2, API 5CT, API 7-1, API 11B, API Spec 11D1, API 14A, API 14L, API 19AC and ISO 9001:2015 quality management system certifications.

Internally, we have formulated policies and systems such as the *Quality Planning Management Program*, to establish standards for product and service quality objectives, product realization, measurement and analysis. These initiatives define the responsibilities and authority of each unit, regulate all operational processes, and ensure the continual improvement of quality. We have consistently enhanced quality inspection requirements and control processes, and developed *Non-Conforming Output Control Procedures* to identify and manage all non-conforming outputs during production and service processes, ensuring strict quality control. To enhance the efficiency of quality management, we have implemented online quality control management through digital platforms such as the intelligent production operation platform, production command system, and CRM system.

To cultivate a culture of quality among our employees, we provide comprehensive training opportunities, including online and on-site training sessions. Our training curriculum covers Anton Lean Operation Training, Customer-Centered QHSE Management Training, Overview of Anton Technologies, Operation Information Management Methods Training, and Work Safety Regulations. Through these initiatives, we continuously enhance our employees' awareness and skills in quality management.



| Oasis Oilfield Quality Contractor



| Excellent Contractor in QHSE, AAGI Mabi Project

Optimization of Services

"Customer centricity" is a core value for Anton. We prioritize the rights and interests of our clients, aiming to enhance client satisfaction and achieve mutual success through personalized services and optimized client experiences.

Quality Services

We prioritize customer needs and have implemented a customer-centered QHSE management model. Embedding "customer centricity" throughout our operational and service management processes, we have enhanced customer management within core business processes and established customer profiles through our online systems. These initiatives have enabled us to gain deeper insights into customer satisfaction levels regarding the quality of our products, deliveries, and services. In addition, we analyze survey results and customer satisfaction trends to address the root causes of dissatisfaction, ensuring that our products, deliveries, and services align with customer needs and enhancing our performance in achieving customer satisfaction.

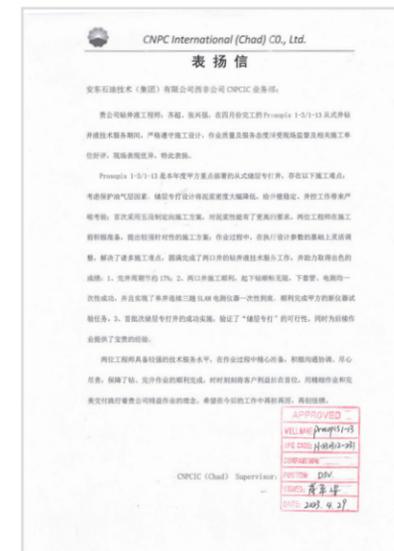
We have continuously improved the management of customer communication by leveraging the CRM system to establish a comprehensive customer database. We utilize various channels to gather customer feedback, including the Company's portal website, "Anton Oilfield Services Group" WeChat public account, Anton online service website, CRM system SMS cloud service, opinion boxes, customer satisfaction surveys, customer visits, and other online and offline methods. These channels facilitate seamless communication with our customers, ensuring their feedback is effectively received and promptly addressed. We collect and organize customer feedback, tracking the timely implementation of corrective actions. Upon receiving customer feedback, we develop and execute a corrective action plan, providing feedback to the customer upon completion. Following this process, we fill in the Customer Opinion Rectification Tracking Form. By analyzing customer feedback, we generate the Customer Dissatisfaction Analysis Report, evaluating and summarizing project satisfaction levels. Additionally, we conduct regular customer satisfaction surveys in accordance with the Customer Satisfaction Management Procedures to further understand customer demands.

Letters of commendation from clients

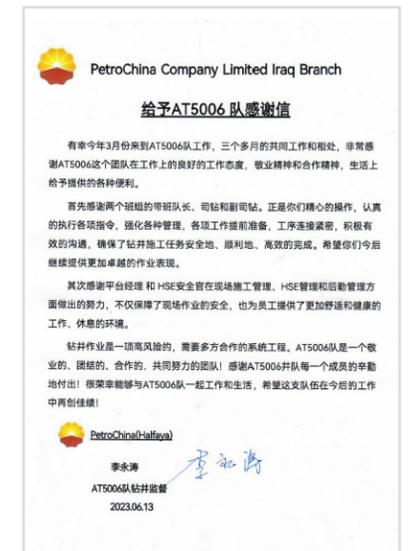
155

Anton's customer satisfaction stood at

98.90 %



| Letters of commendation from clients





Case

The integrated turnkey project sets a record for the highest vertical well production in Fuxian

Fuxian is a typical ultra-low permeability tight gas reservoir, characterized by its small pore and throat structure, making it prone to contamination. The reservoir's production capacity heavily relies on robust drilling reservoir protection, hydraulic fracturing design, as well as the execution of fracturing techniques, gas testing construction, and fluid performance upon entry into the well. However, the client's technical capabilities were not sufficiently advanced to efficiently exploit the reservoirs and achieve economic profits. Therefore, it became imperative for the client to explore matching technologies.

The Company delivered maximum value to the client through a range of advanced design and tracking and adjustment technologies. Employing an integrated geological engineering design approach, we conducted refined segmentation, clustering, and point selection. Through comprehensive analysis of borehole trajectories and logging data, supported by geological modeling software, we tailored modifications for different reservoirs to maximize seam control volume. Differentiated designs were implemented, considering the seepage and filtration loss requirements in various well sections. Additionally, we utilized viscosified dry powder fracturing fluid to minimize reservoir damage, coupled with the addition of nano waterproof locking additives to mitigate damage post large-scale fluid injection. Low-permeability reservoir modifications were carried out at each section and cluster, with real-time monitoring and adjustment aided by nitrogen assistance. The Company eventually assisted the client in realizing the unimpeded flow rate of up to 50,000-83,000 m³/day, creating a new height of tight sandstone gas reservoir production in Fuxian.



| Anton's first domestic natural gas processing smart field station BOT project goes into full production



Case

Anton's professional technical services has made significant contributions to supporting Halfaya oilfield's efforts to realize an annual production exceeding 20 million tons

The HF1341-S1341H2 well in Halfaya oilfield is located in the southwest of Iraq, which is a NW-SE trending long axis backslope, with a stable occurrence on the two flanks and a complete backslope reservoir structure. This well is the pilot experimental well for the client to develop horizontal wells in Sadi oil reservoir. The Company adopted BH-WEI organic salt drilling fluid system to effectively keep the borehole clean and alleviate the "back pressure issue" of the drilling tools. By optimizing the combination of drilling tools, the safety of horizontal section drilling was improved. The Company analyzed the connection between stratigraphic structure and drilling direction through tectonic map, and selected appropriate power tools and drilling parameters to realize trajectory control and reduce slipping. The project was significantly improved in speed and efficiency through advanced process technology. The planned project duration was 80 days, but the project was completed in 67.17 days, which was 16% faster, saving about 1 million dollars for the client.

The S1341-S1341H2 well in Halfaya oilfield, Iraq, with a 2,058.12-meter lateral displacement, hit a record high among the same type of wells. It also achieved the longest horizontal section in Sadi with the largest well inclination of 80.42 degrees in the gypsum rock section, which represents the largest well inclination in Iraq's high-pressure gypsum rock formation. This project marks the significant progress of the pilot experiment of the horizontal wells of the Sadi reservoir, and is a valuable example for the construction of the same type of wells in the future.



Case

Anton Digital Services Team delivered perfect project to the client

In September 2023, the delivery ceremony of the EBS Operation Command Center project built by Anton Digital Services Team was successfully held in the S2 Camp of the East Baghdad Oilfield. The project is not only about software system and facilities, but also the improvement of the EBS oilfield management concept. Through the remote monitoring system of drilling wells in the Operation Command Center, the Company realized real-time data collection, transmission, processing and analysis at the drilling site. This helped to ensure the smooth operation of drilling wells, which is a new and intelligent mode of drilling operation management with high efficiency and safety, and will contribute to higher oilfield production.



| The delivery ceremony of the EBS Operation Command Center project

Responsible Marketing

In compliance with the *Advertising Law of the People's Republic of China* and other applicable laws and regulations, we have standardized the promotional content on the Company's official website and consistently enhanced the Company's advertising compliance management. Furthermore, we have conducted training sessions on advertising compliance, educating employees on the regulations and requirements pertaining to advertising compliance, and illustrating the importance and necessity of responsible marketing through typical cases. These initiatives have significantly heightened our employees' awareness of responsible marketing practices.

Clients' Privacy and Information Security

Anton places a strong emphasis on safeguarding customer assets and rigorously protects the privacy and confidential information of customers in alignment with the *Anton Confidentiality Management Measures*. Information pertaining to confidentiality is categorized into three tiers: "top secret," "confidential," and "secret." These data encompass company business secrets, and specific management regulations and informed rights are established for each level of confidential information. Detailed management regulations are also outlined for the utilization, transfer, disclosure, and storage of this information.

Anton places great importance on information security protection, requiring all employees to sign a legally binding information confidentiality agreement upon joining the Company. Additionally, Anton offers comprehensive information security training to employees through both online and offline channels. This training aims to educate employees on identifying phishing emails, recognizing false and fraudulent information, preventing information leakage, and defending against computer hacking attempts. These efforts are geared towards enhancing employees' information security awareness and relevant capabilities. Meanwhile, we also require them to conduct quarterly information security self-examination to better protect their own information security.

Innovation Management

Stimulation of Innovation Vitality

We adhere to the philosophy of innovation-driven development, continuously enhancing our innovation working mechanism. We have formulated the *Measures for the Management of Production and Construction Projects*, ensuring the implementation of the Company's technological development plan and strengthening the management and supervision of production and construction projects. Additionally, we have established a comprehensive R&D project management system to standardize project approval, process management, and results acceptance.

Our R&D investment has consistently grown, with annual adjustments based on the Company's actual business development. We incorporate R&D investment into the Company's annual budget to ensure sufficient resources for developing new products and technologies. We have created competitive policies to attract and train talent, supported by the Measures for Scientific and Technological Rewards. Through equity incentives and scientific research bonuses, we aim to unleash the creativity and passion of our R&D personnel while retaining high-level talent. We have incorporated innovation ability into the scope of employee performance appraisal, and have given recognitions and rewards to teams and individuals with outstanding innovative contributions.

We foster a culture of innovation by actively encouraging our employees to propose innovative ideas and suggestions. We advocate an innovative environment where everyone is empowered to experiment and challenge norms. We continuously learn from innovation-related suggestions to update Anton's innovation approaches and have compiled Anton's *Four Steps to Product Innovation*. We have strengthened cooperation with industry, academia, and research institutes, promoting cross-departmental and cross-disciplinary collaborative innovation within the Company. While advancing the development of the Company's technological resources, we have initiated research collaborations with several renowned universities, including China University of Petroleum (Beijing), China University of Petroleum (East China), Southwest Petroleum University, Chengdu University of Technology, to diversify the sources and paths of technological innovations. In FY2023, the Science and Technology Association of Anton Petroleum Technology (Group) Co., Ltd. was officially established.

Innovative R&D Achievements

Anton actively promotes the application of technology research results and collaborates with partners to drive precise engineering innovation. We consistently publish new technologies, products, and successful cases that can be replicated. In FY2023, Anton completed 62 product and technology R&D projects; Anton was awarded as one of the 2023 National SRDI "Little Giant" Enterprises and ranked 31st in the list of "2023 Beijing Top 100 Private Enterprises in Social Responsibility".

Anton's major technology achievements in FY2023

- Real-time iterative fracturing technology
- Integrated solution for non-conventional yield enhancement
- Intelligent geo-steering technology
- Permanent fiber optic monitoring technology for U-shaped geothermal wells
- Digital cutting technology
- Natural gas well lifecycle drainage technology
- Integrated dehydration and dehydrocarbonization skid
- CCUS Helium gas seal inspection technology
- Three-dimensional visualization of oil and gas intelligent station production control system
- Intelligent monitoring and command platform for petroleum engineering production

In FY2023
Anton invested RMB

112 million in R&D



The Science and Technology Association of Anton Petroleum Technology (Group) Co., Ltd. was officially established



Anton's real-time iterative fracturing technology wins the 8th ECF Energy Technology Innovation Award



Anton successfully implemented an integrated solution for unconventional production enhancement in a tight sandstone gas reservoir in North China, helping to realize more than three-fold increase in production through reservoir geological research, engineering services and project management

Digital Transformation

Driven by data and empowered by digital intelligence, Anton continues to promote digital transformation and build an all-around digitalized Anton covering products, business to management through six platforms.

Anton Oil & Gas Development Intelligence Platform

This leverages big model technology, integrating deep neural networks, knowledge maps, and other AI technologies to create a comprehensive platform tailored for the oil and gas industry. It is based on multimodal AI technology and caters to various scenarios throughout the entire oil and gas development process. Supported by its technology spanning the upstream industrial chain of oil and gas development and its profound understanding of oil and gas field scenarios, coupled with extensive data accumulation, Anton has established a big model AI cloud platform service for the oil and gas industry. This service encompasses intelligent reservoir management, intelligent drilling, intelligent fracturing, intelligent oil and gas production, intelligent well production. At the same time, the platform integrates the big model with oil and gas information, offering a range of oil and gas information services such as Oil and Gas Knowledge GPT, Oil and Gas Resources GPT, and Oil and Gas Talent GPT.

E-commerce Platform for Oil and Gas Industry

With a focus on Anton's ecological and platform-oriented development objectives, the Company is dedicated to constructing the largest industrial Internet platform for ToB in the oil and gas industry – AT-Mall. This platform has been operational for over a year, with a total global trade surpassing RMB 20 billion in GMV. Anton has moved nearly 10,000 types of commodities and technical services online through digital and intelligent transformation, facilitating global sales. The Company boasts a market network spanning major oil and gas producing areas in nearly 40 countries within the traditional oil and gas industry. Additionally, it has established offline global logistics, warehousing, and delivery systems aligned with the HSE (Health, Safety, and Environment) requirements of the oil and gas industry, alongside various oil and gas industry qualifications and capabilities. Combining these two advantages, the Company has established a closed-loop process integrating online and offline operations. This process effectively assists non-oil and gas enterprises in entering the oil and gas industry and promotes the global expansion of domestic small and medium-sized enterprises. Through the platform, Anton has revolutionized the traditional method of resource obtainment in the oil and gas industry, significantly enhancing resource obtainment and collaboration efficiency, and thereby empowering the oil and gas industry as a whole.

Intelligent
Production
and Operation
Data
Platform

Through the development of the Company's data mid-end and visualization platform, we reinforce our cash flow-based business strategy, effectively harness data assets, anticipate risks, and support proactive operational and management decisions. Throughout the platform construction process, we have established 22 data management-related rules and regulations, elucidating the entire data management life cycle. We have meticulously organized various data assets involved in operations and management, undertaking tasks such as data asset catalog construction, data asset governance, and data operation service management. By leveraging the Intelligent Production and Operation Data Platform, we have bolstered the awareness and capabilities of managers at all levels to utilize data effectively, enabling advanced operational decision-making and enhancing the quality of operation management.

Production
Operation and
Command
Platform

Every day, more than 100 wells operate simultaneously worldwide. To achieve intelligent and visualized production and operation globally, along with real-time monitoring and early warning capabilities, Anton has established a two-tier production operation and command platform. The first tier encompasses the production and operation systems of each industrial production line. This tier facilitates online production and operation processes based on the conditions of each production line, promptly reflecting the status and progress of production and operation processes. Leveraging a multitude of Internet of Things (IoT) technologies, this tier enables the timely collection of production data from equipment and facilities at operational sites. It also supports manual input in certain process areas. The second tier serves as the global production command center. Here, production operation data from each industrial production line is summarized, categorized, and displayed. Additionally, information regarding operation status, HSE status, operation delivery, project progress, and customer satisfaction management worldwide is visualized, enabling real-time tracking and intelligent early warning. This platform facilitates the formation of a closed loop of production operation and management within each industrial production line's specific environment. Moreover, it supports globalized production operation management, global information perception, and global command and coordination capabilities.

Intelligent
Employee
Community
Platform

We provide full support for the management and collaboration of 281 amoebas and small teams worldwide. To facilitate efficient global collaboration, we have established an online community that is transparent, intelligent, and interactive. Each Anton employee is a member of an amoeba community, granting direct and swift access to Anton's applications. Daily amoeba operation data is readily available, and all critical Company information is communicated directly to each amoeba community member. This ensures that vital information reaches every employee at the grassroots level. At the same time, the community can help employees improve their office collaboration efficiency significantly with the help of AI tools such as Anton GPT, RPA, OCR, and Python.

Digital
Intelligent
Management
Process
Platform

Based on the Company's four core business processes and associated management processes encompassing HR, finance, supply chain, QHSE, and law, we have developed a comprehensive 5-tier process system. This system is designed to facilitate the online and visualized implementation of core business and management processes. Our focus lies in establishing end-to-end connectivity throughout the value stream, fully integrating data-driven workflows to mitigate process breakpoints, data inconsistencies between processes, and data silos. The platform enables the visualization of process efficiency, offering timely feedback on the efficiency of each process node and providing timely warnings. This approach significantly enhances process efficiency and operational quality.

Contributions to Industry Development

We have actively engaged in technology promotion and exchanges. To facilitate this, we established our WeChat public account "Oil Mates" and developed an online platform for partners to share and co-create. In FY2023, we successfully organized three professional technology conferences: the inaugural Specialized, High-end and Innovation-driven Technology Conference, the Reservoir Geology Conference, and the Digital Intelligence Technology Conference. In addition, we actively participated in various industry exchanges, including the CIPPE Beijing International Petroleum & Petrochemical Technology and Equipment Exhibition, Xinjiang International Petroleum & Petrochemical Technology and Equipment Exhibition, and ADIPEC Exhibition. These platforms provided opportunities for us to share our innovation achievements with partners and contribute to the advancement of the industry as a whole.

Case

Anton attended the 2023 Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC 2023)

As the most influential and largest professional exhibition in the global energy industry, this edition of ADIPEC featured 30 national pavilions and attracted nearly 2,200 well-known oil, gas, and energy companies to participate, along with more than 160,000 visitors from 164 countries, as well as 15,000 global decision-makers and energy CEOs. During the exhibition, Anton, as an innovative and globally leading integrated oilfield technology service exhibitor, received visits and engaged in close exchanges with numerous government representatives, international oil companies (IOCs), national oil companies (NOCs), international energy companies (IECs), technology service companies, and industry partners.



Case

Anton 2023 Digital Intelligence Technology Conference

In December, 2023, the first Anton Digital Intelligence Technology Conference was held in Chengdu. Under the theme of "Digital Intelligence Empowers Global Oil & Gas Industry, Innovation and Collaboration Guarantee a Promising Future", the conference was also open for online participants. We invited 17 representatives from various units of Anton to share their achievements and typical cases of digital intelligence construction in various fields, such as smart employee community, smart factory, cloud business platform, industrial AI, smart oilfield, as well as their experiences in achieving cross-field operation. Discussions about how digital intelligence can empower our businesses and the whole industry was another highlight of the conference.

IPR Protection

We respect and protect intellectual property rights and follow the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other applicable laws and regulations. We have formulated our *Intellectual Property Management Procedures* to standardize the Company's intellectual property management process, promote the application of scientific and technological achievements, and guard against the legal risks of intellectual property rights.

As of December 31, 2023, Anton has obtained a total of **420** intellectual property rights

Each department of the Company has designated a specialized knowledge management specialist responsible for the daily management and maintenance of intellectual property rights. We prioritize the protection of our intellectual property rights by consistently filing for patents, trademarks, and copyrights for our innovations. Moreover, we have implemented a stringent commercial secret protection mechanism to regulate the entire chain of management for the generation, transmission, storage, and destruction of confidential information, thus preventing information breaches. In the event of intellectual property rights infringement, the Company promptly initiates the legal remedy procedure and takes appropriate measures to safeguard its legitimate rights and interests.

We conduct regular training on intellectual property rights to ensure that our employees are well-informed about the ownership of job-related inventions and creations, the importance of commercial secret protection, and the consequences of violating intellectual property laws and regulations. These trainings serve to enhance their awareness and ability to protect intellectual property rights effectively. We remain vigilant about changes in international intellectual property rules and actively participate in international intellectual property affairs to strengthen our ability to protect intellectual property rights across borders. Furthermore, we emphasize intellectual property searches during product development and market expansion efforts to avoid infringing upon others' intellectual property rights.

Employee Development

Compliant Employment

Anton strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other laws and regulations, and regulates the recruitment and employment management of employees in accordance with international human rights principles and the laws and regulations of the countries where we operate. We strongly oppose the hiring of child labor and strictly review the identity information of applicants during the recruitment process to ensure that no minors are hired. We prohibit any form of forced labor, including prison labor, bonded labor, slave labor, and human trafficking.

Respect for human rights is one of our most fundamental values. We are committed to creating an equal and accessible work environment where all people are treated with mutual respect and dignity, and all people have equal opportunities to fully realize their value. We respect the major international human rights principles covered by the *Universal Declaration of Human Rights*, including the *International Bill of Human Rights*, the *International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work*, and the *UN Guiding Principles on Business and Human Rights*. We abide by all local, national and international laws and regulations on human rights and the relevant laws and regulations affecting the exercise of human rights, and strive to respect the laws and regulations of the host country while conducting business operations in accordance with this policy, so as to ensure that this policy and national laws are implemented. We formulate the *Human Resources Social Responsibility Policy* and guide employees to understand the policy through employee training and other means. We offer diverse and equal opportunities for employees, provide a safe and healthy workplace, prohibit the employment of child labor, forced labor and human trafficking, respect the rights of employees to join or form trade unions, and give guidance and confidential reporting channels for employees to protect their legitimate rights and interest. We also actively use our influence to make a positive impact along our value chain; in our *Suppliers Code of Conduct*, we have made clear our expectations for respect for human rights, including labor rights.

Diversity and Inclusiveness

As an international service provider of oilfield technologies, we have established a diverse staff team by ethnicity, culture, age, and gender. We believe that employees with different nationalities, backgrounds, ages, and cultural experiences can bring new ideas and creativity, enhancing Anton's competitiveness. As of December 31, 2023, we had a total of 6,510 employees from 32 countries, including 3,143 in China, 3,026 in Iraq, and 341 in other countries or regions worldwide. Our diverse talent pool enables us to better understand the concerns of the countries and regions where we operate and ensure that our services meet the expectations and requirements of all stakeholders and customers, and benefit local communities.

We are committed to creating an inclusive work environment, respecting and appreciating the uniqueness of each employee, and providing equal opportunities for training, rewards, and promotions. Among our non-Chinese employees, 510 ones have been honored with Anton Excellence Awards for their performance, accounting for 39.8% of the total number of recipients. In our middle and senior management teams, employees from other countries, especially from the regions where we operate, are also an important part. As of December 31, 2023, 20 non-Chinese employees served as middle and senior managers in our operational areas.



Campus Recruitment

Anton remains committed to enhancing its campus recruitment initiatives and broadening recruitment channels to include vocational schools and universities specializing in minor languages, finance, and law. This approach aims to provide more job opportunities for graduates. Additionally, the Company has introduced a global management trainee recruitment program to attract talent with oil expertise, Arabic-speaking abilities, and individuals from key domestic and overseas institutions, thereby ensuring diversity within the Company's talent pool. In FY2023, we successfully recruited 332 employees through campus recruitment efforts.



Anton hosts an online promotion for campus recruitment

University-Business Cooperation

We actively engage in university-business cooperation, collaborating closely with universities and colleges to nurture talents. In FY2023, we successfully established the "School-Enterprise Cooperation Base" in partnership with Bayin Guoleng Vocational and Technical College, as well as the "Intern Training and Employment Base" in collaboration with Chengdu University of Technology. Our university-business cooperation program with China University of Petroleum (Beijing) was recognized as a state-level model case by the Ministry of Education of the People's Republic of China.



The inaugural ceremony of the "Intern Training and Employment Base" built by Anton with Chengdu University of Technology

In addition, we share our professional knowledge and experience with university students through various activities, including the "Anton Cup" knowledge competition, the "Anton Lecture" series, enterprise talent exchanges, and public welfare lectures. Additionally, we contributed RMB 6 million as scholarships to six key petroleum colleges and universities, including China University of Petroleum (Beijing), China University of Petroleum (East China), Southwest Petroleum University, Northeast Petroleum University, Yangtze University, and Xi'an Shiyou University, to support talent cultivation initiatives. These efforts underscore our commitment to fostering collaboration between academia and industry and nurturing the next generation of talent in the petroleum sector.

Case

Anton's university-business cooperation program with China University of Petroleum (Beijing)

In December, 2023, at the Exchange and Promotion Meeting of the Supply and Demand Matching Employment Program held by the Ministry of Education, the "Anton Oilfield Services Group - China University of Petroleum (Beijing) Special Talent Training Program", jointly declared by Anton Oilfield Services Group and China University of Petroleum (Beijing), stood out from the 20,000 plus collaboration programs, and was selected as one of the 35 most excellent cases.

The program empowers the closed loop of "University Admission-Talent Cultivation-Employment". Under this program, we have donated 1 million RMB to set up the "Anton Scholarship", shared the online courses of the Anton Petroleum Innovation College with students, accepted more than 80 undergraduate and postgraduate juniors for internships, and organized enterprise alumni forums. We have also participated in the China Petroleum Engineering Design Competition, and giving opportunities to the top three students in the competition to join Anton. By doing so, we have formed a comprehensive university-business collaborative education mechanism to promote the higher-quality development and employment of college graduates.



Excellent case of the Ministry of Education's supply-demand matching employment program

Employee Composition of Anton in 2023

Total Number of Employees 6,510

By gender



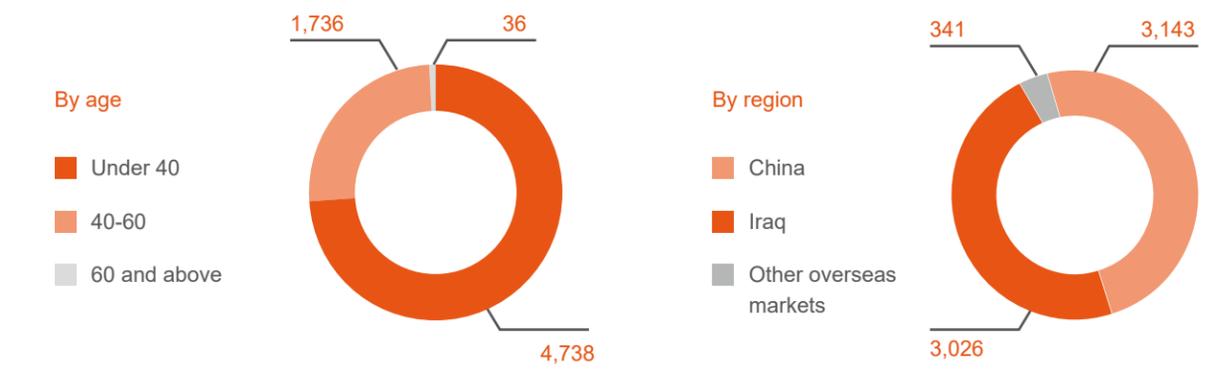
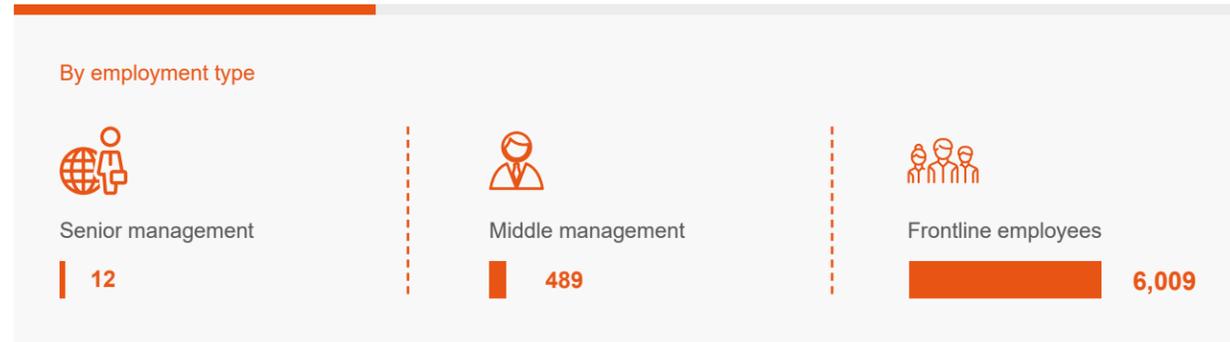
Male

5,893



Female

617



Remuneration and Benefits

Anton upholds the principle of equal pay for equal work, ensuring parity between male and female employees. We consistently refine and enhance our remuneration incentive mechanism, establishing competitive compensation and benefits, along with a fair and impartial performance appraisal system. To promote long-term employee engagement and alignment with the Company's growth trajectory, we implement equity incentive programs, granting restricted stock to eligible employees.

In accordance with the internal policies and systems such as the *Anton Employee Welfare Management Measures*, the *Employee Vacation Management Measures*, and the *Management Measures for the Spouses and Children of Dispatched Employees*, we diligently fulfill our obligations by timely providing five social insurance and housing fund contributions for our employees. Additionally, we offer supplementary medical insurance and accidental injury insurance coverage. We also grant paid leave such as marriage leave, bereavement leave, breastfeeding leave, paternity leave, work injury leaves to our employees. In the important moments of our employees, such as getting married, giving birth, celebrating birthdays or hospital stays, we always send our warm messages and gifts.

For overseas employees, we offer attentive care and support, including flexible leave arrangements and shifts, as well as the option for spouses and children to accompany dispatched employees. During major holidays observed in the countries where we operate, such as Oil Workers' Day in Kazakhstan, Eid al-Fitr, and Eid al-Adha in Iraq, Dubai, Chad, and other nations, we provide holiday benefits to our employees.

At Anton, we value and prioritize the opinions and voices of every employee. We respect their right to join or form labor unions and engage in constructive dialogue with union representatives. We believe in providing equal opportunities for all employees to participate in regular democratic evaluation and feedback exchange meetings to express their opinions and suggestions. Furthermore, we are committed to the comprehensive development of our employees. We offer a variety of enriching after-work activities, including regular field trips, group recreational activities, annual meetings, and other events aimed at enhancing their sense of achievement, belonging, and happiness.



The Chairman of the Board of Directors celebrates Women's Day with local female employees in Indonesia

Occupational Health and Safety

We emphasize the occupational health and safety of our employees. We have improved our occupational health and safety management system and obtained ISO 45001 certification to provide a safe and stable working environment for our employees.



The two well test and workover teams of Anton's South Iraq Business Department in West Qurna won the award of 1 Year Without Lost Time Injury (LTI) in 2023



Anton's South Iraq KEC Operation & Maintenance Project won the award of 12 Million Man-hours Without Lost Time Injury



Anton's Chad project was awarded the certificate for Three Million Safe Manhours Without Lost Time Incident



The IFMS Project in Iraq was awarded the certificate of "1,768 Days LTI-Free"

Occupational Health and Safety Management

Anton strictly follows the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other applicable laws and regulations. We have formulated internal systems such as the *Occupational Health Management System* and the *HSE Operation Plan Management Measures*. With this institutional framework, we aim to eliminate, reduce and control HSE risks in construction operations, protect the lives and property of personnel involved, and ensure the fulfillment of HSE objectives.

Anton prioritizes the identification and control of occupational health and safety risks, implementing a variety of measures to reduce employee health and safety risks, we:

- ▶ Organize medical examinations for occupational diseases in special positions and display warning signs in relevant work areas to inform employees about occupational disease hazards, potential consequences, and protective measures.
- ▶ Equip relevant workplaces with monitoring or testing devices, regularly inspect the occupational disease hazards of personnel involved, and provide them with protective products and emergency supplies.
- ▶ Engage qualified third-party organizations to conduct occupational health and safety audits in relevant workplaces, identify potential safety hazards and management loopholes, and provide recommendations for improvement.
- ▶ Formulate emergency response programs and carry out corresponding training to enhance employees' self-protection awareness and ability.

In addition, we have further safeguarded the personal safety of our employees through the establishment of an emergency relief team, cooperation with international SOS companies, and enhanced security staffing. In FY2023, the Company had a total of 478 lost days due to work-related injuries.

Indicators	2021	2022	2023
Fatalities due to accidents	0	1	1

Safety Education and Training

Anton continues to carry out safety education and training to improve employees' safety awareness and relevant skills. In FY2023, the Company carried out special training courses for all employees to improve their safety skills based on production safety laws and regulations, QHSE risk management, work permits and work safety analysis, and prevention and control of occupational diseases. We organized activities such as Work Safety Month, Traffic Safety Month, and Safety Knowledge Contest, among other events, to continuously strengthen the safety awareness of all employees, and prevent and reduce production and safety accidents. In FY2023, Anton carried out 3,428 safety trainings, covering 81,215 employees, with the average training length for employees standing at 54.4 hours.



| Occupational health training

Emergency Drills

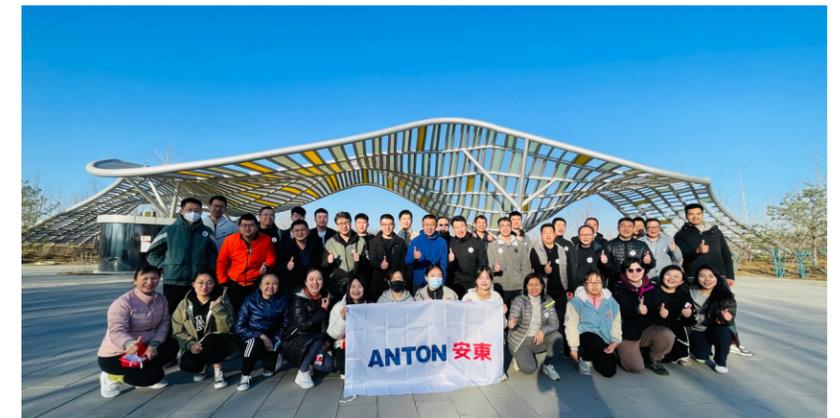
To improve our employees' preparedness for emergencies, we regularly conduct emergency drills such as fire escape, earthquake evacuation, and chemical leakage handling. Through these drills, employees are exposed to simulated real-life situations, enabling them to familiarize themselves with the correct methods and procedures for responding effectively to emergencies, thereby improving their self-rescue abilities and the skills to help others.



| First aid emergency drill at West Qurna Field Test and Workover Project in Iraq

Care For Employees' Physical and Mental Health

We implement the Employee Health Care Program, conducting annual health examinations for employees and establishing archives for managing employee mental health. We prioritize the physical and mental well-being of our workforce. Additionally, we frequently organize sports activities like running and basketball competitions, furnish employees with gyms and fitness equipment, and institute a health incentive mechanism to motivate all employees to maintain their fitness and well-being.



| Anton organizes running activity for employees



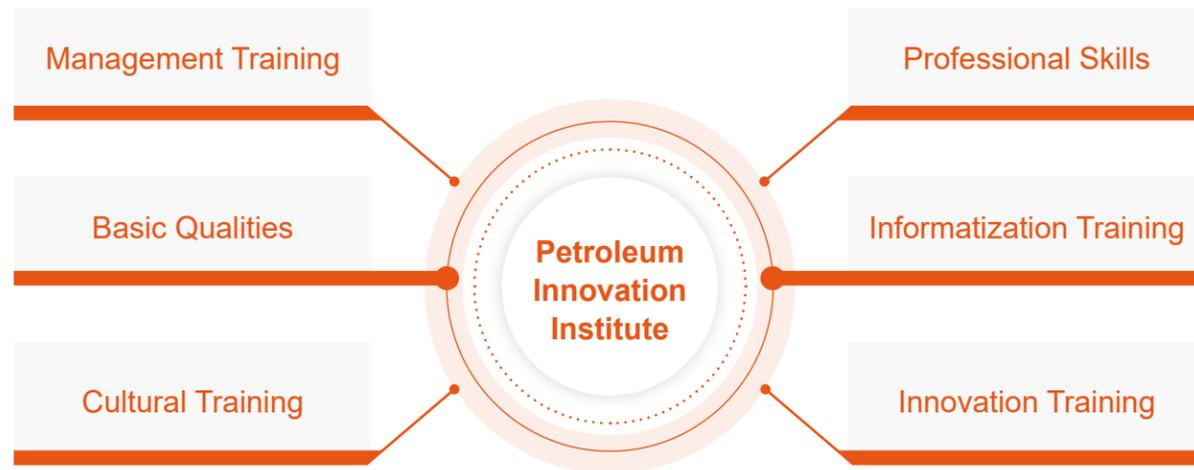
| "Anton Cup" basketball competition



| Anton organizes spring outing for employees

Training and Development

Anton places great emphasis on talent development, establishing a robust career development channel to ensure all employees have equal opportunities for growth and can realize their full potential. The Petroleum Innovation College serves as a platform for talent nurturing, enhancing our employee training system, and offering comprehensive training programs to foster all-round development. We provide diverse training opportunities through live streaming sessions, an online training system, and offline courses, covering management, cultural awareness, innovation, information technology, basic skills, and professional expertise. These initiatives are aimed at fostering the continuous growth and development of our workforce.



Case Anton's 15th Ant Training Camp in Halfaya, Iraq

On January, 2023, Anton's 15th Ant Training Camp-Halfaya Station, which lasted 5 days, started in Misan Halfaya Camp, and 35 school recruits selected from Misan Petroleum University participated in the training. The training thoroughly introduced the Company's development history, human resource policies, QHSE safety knowledge, OKR work method innovation seminar and other aspects, aiming to help new local employees quickly integrate into Anton. During the hands-on session, the QHSE team explained the risk points of oilfield operations and provided first aid training to raise the safety awareness of new employees. On the last day of the training, the new employees visited the industrial area of the Business Department and the API workshop.



| Anton's 15th Ant Training Camp in Halfaya, Iraq

Case Lions Training Camp

The first Anton Lions Training Camp in FY2023 (32 in total) was successfully held in Suining base from March 16 to 19, where 50 marketing elites from all over the world gathered together and completed four days and three nights of learning and exchanges.

This training camp focuses on the changes of the Company's new business forms and related requirements. The training content includes Data Management Training, Anton's Empowering Trade Business, Anton E-commerce Platform, Anton's 2023 Operation Management System and other subjects. Meanwhile, through the courses of Key Client-Oriented Marketing Management and Visionary Marketing Sharing, Market Analysis Methods, Business Etiquette, and other courses, the trainees have learned professional marketing knowledge and skills, mastered scientific customer management and market analysis approaches, and become professional managers. In addition, the training content also includes Sunshine Marketing-related requirements and audit case sharing.



| "Oil Tycoon" business war simulation on sandbox

Case The first round of 2023 Zhenhua Oil EBS-ANTON Joint Training in Iraq and the first overseas training session of Zhenhua EBS Petroleum's "Eagle Program"

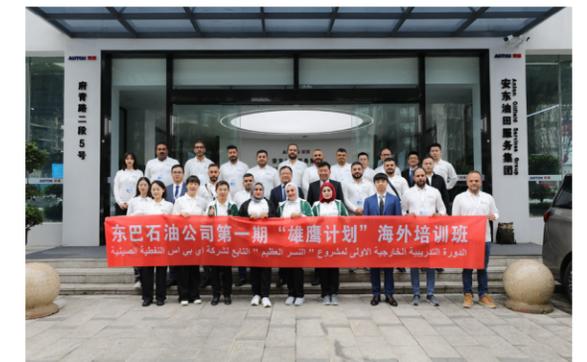
On October 27, 2023, Beijing time, the first round of 2023 Zhenhua Oil EBS-ANTON Joint Training in Iraq and the first overseas training session of Zhenhua EBS Petroleum's "Eagle Program", which lasted for 9 days, were successfully completed, and all the trainees were awarded certificates of completion.

Focusing on the new changes and requirements of the oil industry, this training course was delivered in English and covered not only professional topics such as global trends in the oil and gas industry, AI technology in the oil industry, but also important sustainable development topics such as ESG, production safety and occupational health, and quality management systems. During the training, we also invited 16 trainees to demonstrate at the site of the booster dealkylation project in Yanting County, and introduced in detail the digital intelligence technology, intelligent equipment and intelligent security system, intelligent station system and intelligent assistant decision-making system based on digital twin technology.

This program greatly contributes to the talent training and future production capacity construction strategies of both sides, and thus enhances Anton's brand influence in the Iraqi market, actively responds to the Belt and Road Initiative, and opens a new chapter for China-Iran energy cooperation.



| Training for foreign employees of EBS Petroleum in Iraq



| The first overseas Eagle Plan training course of EBS Petroleum

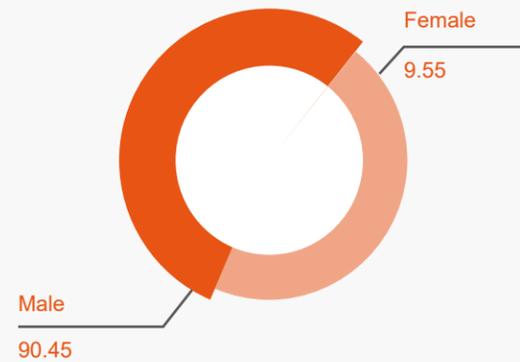
Employees participating in trainings **6,458**



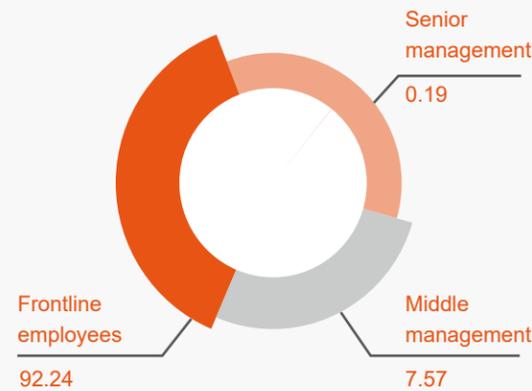
Average training hours per employee **185.2** hours



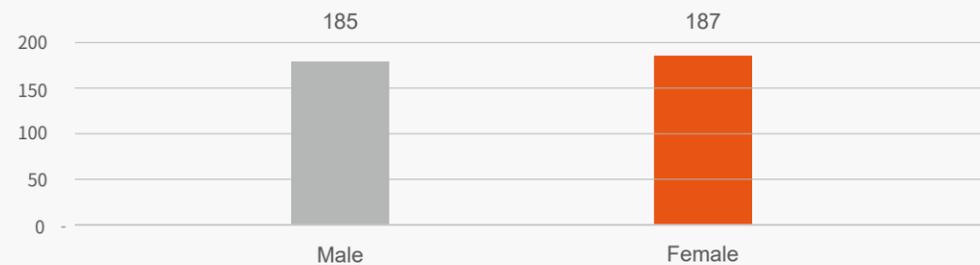
By gender /%



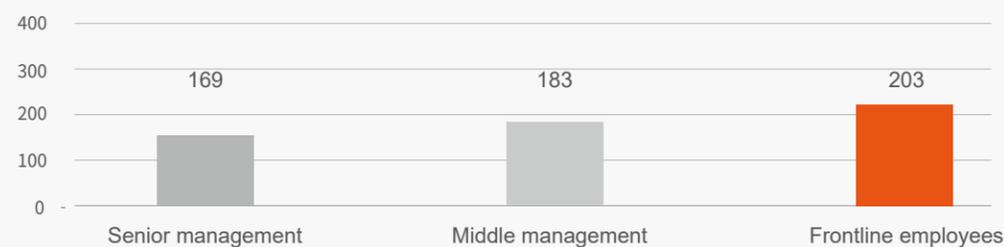
By seniority /%



Average training hours per employee by gender /Hours



Average training hours per employee by seniority /Hours



Supply Chain Management

Anton adheres to the principles of fairness, impartiality and openness, continuously improving its supplier management system, and formulating internal policies and systems such as the *Supplier Management Measures*, the *Supplier On-site Inspection Management Regulations* and the *Annual Supplier Performance Evaluation and Evaluation Management Measures* to regulate supplier management.



The Company has established and refined its supplier access system, incorporating ESG factors such as environmental and social considerations into the supplier selection criteria. In supplier selection, we uphold the fundamental principles of attaining optimal quality, cost-effectiveness, timely delivery, and excellent service. Following the *Management Measures for On-Site Inspection on Suppliers*, we conduct on-site inspections on new suppliers, taking into consideration their quality management system, safety production management system, training and certification system, procurement management system, and environmental protection measures. The results of the inspection form the basis for supplier assessment. At the same time, we prioritize suppliers with I certifications such as environmental management system and health and safety management system, as well as those offering innovative technologies and energy-efficient, environmentally friendly products endorsed by government authorities, and products with independent intellectual property rights.

Furthermore, we have developed the *Anton Supplier/Contractor Code of Conduct*, mandating all suppliers and contractors to adhere to ESG-related requirements. These include upholding human rights, prohibiting child and forced labor, ensuring workplace health and safety, providing equitable remuneration and benefits, and implementing QHSE management systems and annual improvement plans.



Through order assessment, semi-annual, and annual evaluations, we conduct a comprehensive evaluation of suppliers' performance concerning contract fulfillment and project delivery. This assessment encompasses factors such as the quality of goods or services upon receipt, their performance during use, timeliness, accuracy, preferential policies during payment term, pricing, and after-sales service. Based on these evaluations, suppliers are categorized into A-, B-, and C-level, with priority given to A- and B-level suppliers for subsequent purchases. Suppliers found to be deficient are subject to a six-month suspension of trade, during which they receive feedback and are monitored for the implementation of improvement measures.

In addition, in accordance with the *Annual Supplier Performance Evaluation and Merit Evaluation Management Measures*, we conduct a comprehensive annual evaluation of our suppliers. This evaluation considers the results of order assessments and annual evaluations to reflect their overall cooperation performance. Supplier performance is assessed across various criteria, including product/service characteristics, commitment to innovation, business advantages, collaboration history, and overall value contribution. Based on the above criteria, the evaluation team gives the final score, which ultimately determines the annual excellent suppliers, we also set up awards such as the Excellence in Quality Award, the Excellence in Collaboration Award, the Excellence in Quality Award, the Excellence in Cooperation Award and the Outstanding Contribution Award, to encourage stronger partnerships with outstanding suppliers.

Supplier Quality Management

Anton continuously enhances the supplier quality management system and mechanisms, instituting the *Quality Management Measures for Material Purchasing* to ensure comprehensive quality control throughout the supplier procurement process. During the supplier access phase, we mandate suppliers to undergo qualification audits, obtain product quality certifications, undergo supply performance evaluations, pass production environment assessments, and obtain quality assurance system certifications. In addition, we monitor suppliers' delivery quality through individual order assessments or periodic evaluations. By establishing risk complaint channels, monitoring and inspection mechanisms, as well as a product return and accountability system, we effectively identify and mitigate risks related to supplier quality.

In our daily supplier management, practices, upon detecting product quality issues, we may suspend trade with the supplier for a duration of 6 months to 1 year, depending on the severity of the issue. In extreme cases involving major safety and environmental hazards, price fraud, unfair competition, or bribery, we implement punitive measures, including prohibiting supplier access for a period of three years.

Supplier Communication

We actively engage with our suppliers, proactively communicating our supplier management standards and requirements. Through supplier training programs, special research activities, regular supplier conferences, and other effective means, we discuss industry trends and policy developments to foster collaboration and alignment.

Case

Anton organizes "Sharing for Co-creation, Collaboration for Empowerment" Partner Networking Event

In May 2023, along with the 23rd Beijing International Petroleum & Petrochemical Technology and Equipment Exhibition, Anton, together with Oil Mates and AT-Mall, organized a partner networking event themed "Sharing for Co-creation, Collaboration for Empowerment" to promote exchanges, strengthen cooperation, and broaden the scope of cooperation within the industry. The event attracted more than 80 partners from oil companies, banks and financial investment institutions, as well as other key resource suppliers. The extensive exchanges during the event has built a powerful platform for the development of the industry, and further strengthened the communication and cooperation among partners in the industry.



Anton "Sharing for Co-creation, Collaboration for Empowerment" Partner Networking Event

Total Number of Suppliers

587

By region

China **444** Overseas **143**

Number of suppliers with long-term strategic partnership contracts

108

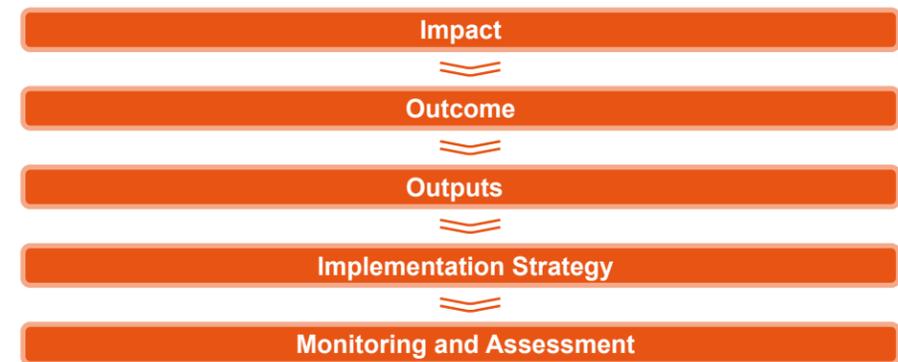
Community Development

Overseas Community Development

We highly respect the religious beliefs, customs, and cultural traditions of the communities where we operate. Our community engagement departments in each business location worldwide regularly meet with community organizations to understand and address local expectations and needs effectively.

We actively engage in community development in the areas where we operate, adhering to local government regulations. Through participation in social welfare and community activities, we contribute to promoting balanced development across various sectors, including the oil industry. Our contributions extend to supporting initiatives in education, poverty alleviation, and disaster relief efforts. These activities are integral parts of our annual performance evaluation criteria. We meticulously assess and monitor the indirect economic impact of our operations on local communities. This responsibility falls under the purview of our ESG committee. Regional ESG management teams conduct quarterly evaluations, monitoring the progress and impacts of specific projects while tracking implementation goals. Additionally, the ESG committee oversees the collection and supervision of project summaries and evaluation reports through our ESG information collection and monitoring platform, further advancing local economic development efforts.

Process for assessing and monitoring the indirect economic impact of a company's operations on local communities



Talent Training and Employment

We are committed to supporting the training and development of talents in the countries or regions where we operate. By offering employment opportunities to local communities and enhancing employee training programs, we aim to bolster local talent development and promote localized employment policies. Our initiatives have not only nurtured a skilled workforce with both technical expertise and management capabilities but have also significantly boosted local productivity and infrastructure development. We provide local employees with career development and promotion opportunities, and through diversified methods, we help to unleash the potential of local talents and provide them with practical experience and a global vision. With these efforts, we aim to contribute more wisdom and momentum to the economic and social development of the local community.

Anton received the Outstanding Contribution to Corporate Culture from Oasis Petroleum Inc., an honor that recognizes our contribution to local communities over the past year. Through our initiatives, we have provided training to skilled workers within these communities and created over 100 formal job opportunities, thereby substantially boosting local employment rates. This achievement not only highlights Anton's prowess in internationalization and globalization but also marks a significant milestone in Ahdeb's localization journey, breaking a decade-long absence of local employees at the CPF station and elevating the localization process to new heights.

In terms of cultural promotion, Anton encourages local employees to actively record and share the highlights of their work and life, as well as the wonderful moments where the community prospers with the oilfield. We inspire our employees to write their observations and experiences, submitting their articles to the oilfield journal. To date, 14 of these articles have been published, not only enhancing Oasis Petroleum Inc.'s cultural outreach in the Ahdeb Field but also fortifying the Company's image. This initiative has provided robust support for our endeavors to bolster community engagement and strengthen our brand presence in the local area.

Donations

Anton actively participates in public welfare undertakings and formulates public welfare donation plans every year to help the development of communities.



Anton assisted Misan Primary School in renovating its campus facilities to create a better educational environment for local children



The Anton Majnoon Oilfield Project Department held a successful donation ceremony at Al-Nasir Middle School. We renovated and maintained the teaching buildings, donated basic teaching facilities such as desks, chairs, benches, projectors, computers, and sent school bags and stationery to local students



Anton hosted basketball competitions with local residents in Chad



In Iraq, Anton donated Ramadan gift packages to poor families in local communities

Charitable and Volunteering Activities

We are committed to supporting society and advancing the rural revitalization strategy through proactive and tangible measures, thereby contributing to the economic and social progress of rural areas. Through a range of philanthropic initiatives spanning education support, earthquake relief, poverty alleviation, and more, we strive to foster social harmony and advancement. In terms of facilitating poverty alleviation through industrial development, we purchase navel oranges, a poverty alleviation product, from the rural areas of southern Jiangxi Province every year to drive the development of the local rural economy. In terms of education assistance, we donated online teaching courseware worth more than RMB 400,000 to Mandou Gacha Village Primary School in the Inner Mongolia Autonomous Region, covering students from grades 1 to 6, contributing to rural revitalization and the development of education in remote areas. In FY2023, Anton donated RMB 1.855 million to community development.



Anton donated books to Mandou Gacha Village in Inner Mongolia Autonomous Region



Anton carried out the community activity of "Sending Warmth and Wishes in the New Year" to offer care and express wishes to Party members in need in the community



Anton volunteers participated in community volunteer service during the 3rd Belt and Road Forum for International Cooperation

Appendix

Annex 1 List of Key Indicators

Economic Performance

Indicators	Unit	2023	
Revenue	RMB hundred million	44.35	
Revenue distribution	China	%	39.4
	Iraq	%	49.9
	Other overseas markets	%	10.8
Total asset	RMB hundred million	98.07	
Tax paid	RMB hundred million	1.31	
Net profit attributable to shareholders of listed companies	RMB hundred million	1.96	
Net cash inflows from operating activities	RMB hundred million	9.17	
Free cash flow	RMB hundred million	5.00	

Environmental Performance

Indicators	Unit	2023
Methane (CH ₄) emissions	Tons	1.49
NO _x emissions	Tons	0.266
SO _x emissions	Tons	0.202
Non-hazardous waste discharged	Tons	3,736.84
Non-hazardous waste discharged per revenue	Tons/RMB million	0.84
Non-hazardous waste (industrial solid wastes) recycled	Tons	25.0
Non-hazardous waste disposed	Tons	3,711.84
Hazardous waste	Tons	30,111.54
Hazardous waste per revenue	Tons/RMB million	6.79
Hazardous waste recycled	Tons	6,777.25
Hazardous waste disposed	Tons	23,334.29

Indicators	Unit	2023
GHG emission (scope 1 and scope 2)	Tons of CO ₂ e	57,837.01
GHG emission per revenue (scope 1 and scope 2)	Tons of CO ₂ e/RMB million	13.04
Scope 1 GHG emission	Tons of CO ₂ e	35,724.16
Scope 1 GHG emission per revenue	Tons of CO ₂ e/RMB million	8.06
Scope 2 GHG emission	Tons of CO ₂ e	22,112.86
Scope 2 GHG emission per revenue	Tons of CO ₂ e/RMB million	4.99
GHG emission reduction	Tons of CO ₂ e	35,538.67
Helped customers reduce GHG emission	Tons of CO ₂ e	19,972.43
Energy consumption	MWh	170,131.44
Energy consumption per revenue	MWh/RMB million	38.36
Electricity consumption	MWh	31,832.16
Electricity consumption per revenue	MWh/RMB million	7.18
Energy consumption – Natural gas	MWh	18,121.58
Energy consumption – Natural gas per revenue	MWh/RMB million	4.09
Energy consumption – Diesel	MWh	114,089.92
Energy consumption – Diesel per revenue	MWh/RMB million	25.72
Energy consumption – Gasoline	MWh	6,087.79
Energy consumption – Gasoline per revenue	MWh/RMB million	1.37
Water consumption	Ten thousand tons	81.08
Water use per revenue	Ten thousand tons/RMB million	0.02
Total water recycled	Ten thousand tons	9.53
Proportion of water recycled	%	11.8
Wastewater discharge	Ten thousand tons	7.183
Wastewater discharge per revenue	Ten thousand tons/RMB million	0.002
Raw materials	Tons	43,009.0
Raw materials per revenue	Tons/RMB million	9.70

Social Performance

Indicators		Unit	2023	
Employees	Total employees	-	6,510	
	By gender	Male	-	5,893
		Female	-	617
	By type	Senior management	-	12
		Middle management	-	489
	By age	Frontline employees	-	6,009
		Below 40	-	4,738
	By region	40-60	-	1,736
		60 and above	-	36
		China	-	3,143
	New employees	Iraq	-	3,026
		Other overseas markets	-	341
	Proportion of female middle managers	-	681	
	Proportion of female employees in intelligence technology-related positions	%	11.27	
	Employ turnover	Employee turnover rate	%	4.10
By gender		Male	%	9.42
		Female	%	1.04
By age		Below 40	%	7.41
		40-60	%	2.53
		60 and above	%	0.06
By region		China	%	7.96
		Iraq	%	0.47
		Other overseas markets	%	0.81

Indicators		Unit	2023	
Remuneration and benefits	Labor contract signing rate	%	100	
	Social insurance coverage	%	100	
Occupational health and safety	Newly-added employees with occupational diseases	-	0	
	Employee physical examination rate	%	100	
	Fatalities by work-related causes	-	1	
	Days away from work	Days	478	
	Total working hours	Hours	20,282,628	
	Total recordable accident rate	Cases/million working hours	0.74	
	Fatality accident rate	Cases/hundred million working hours	4.93	
	Lost time injury rate (LTIR)	Cases/million working hours	0.35	
	Road traffic accident rate	Cases/million kilometers	0.42	
	Safety trainings	-	3,428	
	Employees participating in occupational health and safety training	-	81,215	
	Employees participating in training	-	6,458	
Average training hours per employee	Hours	185.2		
Employees development and training	Employees trained by gender	Male	%	90.45
		Female	%	9.55
	Employees trained by employment type	Senior management	%	0.19
		Middle management	%	7.57
		Frontline employees	%	92.24
	Average training hours by gender	Male	Hours	185
		Female	Hours	187
	Average training hours by employment type	Senior management	Hours	169
		Middle management	Hours	183
		Frontline employees	Hours	203

Annex 2 HKEX ESG Reporting Guide

Indicators		Unit	2023	
Product quality and services	Complaints received concerning products and service	-	8	
	Handling rate of complaints concerning products and service	%	100	
	Customer satisfaction	%	98.90	
R&D and innovation	R&D investment	RMB hundred million	1.12	
	Cumulative patent authorized	-	420	
	Patent applied	-	21	
	Patent authorized	-	30	
	Technical essays published	-	24	
	Operation specifications and standards	-	16	
Supply chain management	Suppliers	-	587	
	By region	China	-	444
		Other overseas markets	-	143
	Number of suppliers with long-term strategic partnership contracts	-	108	
	Number of suppliers removed due to failure in passing ESG assessment	-	27	
Signing rate of <i>Integrity Agreement</i>	%	100		
Anti-corruption	Corruption litigation cases concluded	-	0	
	Directors participating in anti-corruption training	%	100	
	Anti-corruption training hours per director	Hours	3	
	Employees participating in anti-corruption training	-	6,483	
	Anti-corruption training hours per employee	Hours	3	
Charitable activities	Total donation	RMB ten thousand	185.5	
	Participation to voluntary activities	Times	8	
	Volunteers involved	-	110	
	Hours of voluntary activities	Hours	30	
	Beneficiaries of voluntary activities	-	4,000	

Subject Areas	Description	Page
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	24, 26
	A1.1	The types of emissions and respective emissions data.
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	33
A1.3	Total hazardous waste produced and, where appropriate, intensity.	26
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	26
A1.5	Description of emissions target(s) set and steps taken to achieve them.	23
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	26
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	27-28
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	27-28, 62
A2.2	Water consumption in total and intensity.	28
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	23, 27-29
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	28
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	29
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	23
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	27-36
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	29-30
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	31-36

Subject Areas	Description	Page
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	47, 49
B1.1	Total workforce by gender, employment type, age group and geographical region.	48-49
B1.2	Employee turnover rate by gender, age group and geographical region.	63
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	51
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	51
B2.2	Lost days due to work injury.	51
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	50-52
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	53-54
B3.1	The percentage of employees trained by gender and employee category.	55
B3.2	The average training hours completed per employee by gender and employee category.	55
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	47
B4.1	Description of measures to review employment practices to avoid child and forced labour.	47
B4.2	Description of steps taken to eliminate such practices when discovered.	47
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	56-57

Subject Areas	Description	Page
B5.1	Number of suppliers by geographical region.	57
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	56-57
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	56-57
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	56
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	39-40, 42
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	40, 65
B6.3	Description of practices relating to observing and protecting intellectual property rights.	46
B6.4	Description of quality assurance process and recall procedures.	39-40
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	42
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	14
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	14
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	14-16
B7.3	Description of anti-corruption training provided to directors and staff.	16
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	58
B8.1	Focus areas of contribution.	58-60
B8.2	Resources contributed to the focus area.	58-60

Annex 3 GRI Content Index

Statement of use Anton Oilfield Services Group has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI Standard	Disclosure	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	7
	2-2 Entities included in the organization's sustainability reporting	1
	2-3 Reporting period, frequency and contact point	1-2
	2-6 Activities, value chain and other business relationships	7
	2-7 Employees	47-49
	2-8 Workers who are not employees	47-49
	2-9 Governance structure and composition	13
	2-10 Nomination and selection of the highest governance body	13
	2-12 Role of the highest governance body in overseeing the management of impacts	17
	2-13 Delegation of responsibility for managing impacts	17
	2-14 Role of the highest governance body in sustainability reporting	17
	2-16 Communication of critical concerns	18
	2-17 Collective knowledge of the highest governance body	18-19
	2-18 Evaluation of the performance of the highest governance body	17
	2-19 Remuneration policies	17, 49
	2-20 Process to determine remuneration	13
	2-22 Statement on sustainable development strategy	6
	2-23 Policy commitments	47
	2-24 Embedding policy commitments	47
	2-25 Processes to remediate negative impacts	15, 47
	2-26 Mechanisms for seeking advice and raising concerns	14-15
	2-27 Compliance with laws and regulations	14, 23
	2-28 Membership associations	14, 36
	2-29 Approach to stakeholder engagement	18-19
	2-30 Collective bargaining agreements	47, 49

GRI Standard	Disclosure	Page
GRI 3: Material Topics 2021	3-1 Process to determine material topics	19-20
	3-2 List of material topics	19-20
	3-3 Management of material topics	23-60
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	61
	201-2 Financial implications and other risks and opportunities due to climate change	31
	201-3 Defined benefit plan obligations and other retirement plans	49
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	58-60
	203-2 Significant indirect economic impacts	58-60
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	14, 16
	205-2 Communication and training about anti-corruption policies and procedures	14, 16
	205-3 Confirmed incidents of corruption and actions taken	14
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	16
GRI 301: Materials 2016	301-1 Materials used by weight or volume	29
	302-1 Energy consumption within the organization	62
GRI 302: Energy 2016	302-3 Energy intensity	62
	302-4 Reduction of energy consumption	27, 33
	302-5 Reductions in energy requirements of products and services	27, 33
	303-1 Interactions with water as a shared resource	28
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	25
	303-3 Water withdrawal	28
	303-4 Water discharge	25
	303-5 Water consumption	28
	GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
304-2 Significant impacts of activities, products and services on biodiversity		36
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	33
	305-2 Energy indirect (Scope 2) GHG emissions	33
	305-4 GHG emissions intensity	33
	305-5 Reduction of GHG emissions	33-34
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	25

GRI Standard	Disclosure	Page
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	26
	306-2 Management of significant waste-related impacts	26
	306-3 Waste generated	61
	306-4 Waste diverted from disposal	61
	306-5 Waste directed to disposal	61
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	56
	308-2 Negative environmental impacts in the supply chain and actions taken	56-57
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	63
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	49
	401-3 Parental leave	49
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	50
	403-2 Hazard identification, risk assessment, and incident investigation	51
	403-3 Occupational health services	51-52
	403-4 Worker participation, consultation, and communication on occupational health and safety	52
	403-5 Worker training on occupational health and safety	51-52
	403-6 Promotion of worker health	51-52
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51
	403-8 Workers covered by an occupational health and safety management system	50
	403-9 Work-related injuries	64
	403-10 Work-related ill health	64
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	64
	404-2 Programs for upgrading employee skills and transition assistance programs	53-54
	404-3 Percentage of employees receiving regular performance and career development reviews	49
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	47-49
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	47
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	47, 49
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	47
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	47
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	51

GRI Standard	Disclosure	Page
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	58
	413-2 Operations with significant actual and potential negative impacts on local communities	58-60
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	56
	414-2 Negative social impacts in the supply chain and actions taken	56-57
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	39
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	42
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42

ANTON 安東

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)