# 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)



Anton Oilfield Services Group

2024 Sustainability Report

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# **About this Report**



### Reporting Period

This is an annual report covering the period from January 1, 2024, to December 31, 2024. To ensure continuity and completeness of information, certain content extends beyond this timeframe.



# 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 Code, the Stock Exchange of Hong Kong Ltd.



### **Sources of Information**

All information used in this Report is from the annual reports, 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.



This Report is published in Simplified Chinese, Traditional Chinese and English. In case of any inconsistency, please refer to the simplified Chinese version. The electronic version is available on the website of the Stock Exchange of Hong Kong Ltd. (www.hkexnews.hk) and the Company's website (www.antonoil.com).



## **Contact Information**

We welcome valuable suggestions and advice from all stakeholders. Should you have any questions or comments regarding the content of this report, or if you have improvement proposals for Anton Oilfield Services Group's efforts for sustainability, please feel free to contact us through the following means:

Capital Markets Department, Anton Oilfield Services Group



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@ Email: ir@antonoil.com



In 2024, amid the ongoing deep transformation of the global energy industry, Anton continued to advance its strategic transformation and upgrading. Remaining true to our original mission of "becoming a model for the efficient and harmonious development of people and the environment," we empowered industrial upgrading and management efficiency through Al technology. Driven by the upgrading of our global layout and continuous innovation of our business model, we accelerated our transition from a traditional oilfield services company to a green energy technology services company, injecting new momentum into the sustainable development of the global energy industry.

# Globalized Governance Upgrades and International ESG Recognition

In terms of governance, the Group further upgraded its global operations management. Our operations headquarters has been relocated to Dubai, the human resources center has been established in Egypt, a procurement center has been set up in India, and a financial resources center has been established in Hong Kong, China, while Mainland China remained our core base for technology and talent. Together, these centers form a globally integrated operations network. We optimized our compliance management system through digital tools, enhancing both operational efficiency and risk control capabilities. The structure of the Group's Board of Directors was further optimized by the addition of a female director who also serves as Chair of the ESG Committee, strengthening our governance framework. In recognition of our ESG practices, the Group was included in the S&P Global Sustainability Yearbook (China Edition) 2024, the only oilfield services company in China been selected.

## **Driving Low-Carbon Transformation Through Technological Innovation**

Green development is a core component of Anton's strategy. We drive emission reduction for both our own operations and those of our clients through technological innovation. While rapidly expanding our global business, we achieved a 2.8% reduction in greenhouse gas emissions per unit of revenue compared to the previous year. Meanwhile, through the application of precision engineering technologies, natural gas purification treatment, and distributed CCUS services, we helped our clients reduce carbon emissions

by approximately 145,000 tonnes. As a technology-driven enterprise, Anton continues to promote industrial upgrading and launched a series of new solutions, including the "Oil & Gas Field Development Efficiency Solutions," the "Natural Gas Utilization Efficiency Solutions," the "Al Enabled Oil & Gas Development," and the "Oil & Gas Market Place" solutions. We are committed to becoming both an "Oil and Gas Resources Efficiency Enhancement Company" and "Marginal Oil and Gas Resources Development Company," leveraging technology to drive comprehensive efficiency improvements and promote low-carbon, green development across the industry.

# Fulfilling Corporate Social Responsibility and Sharing Development Outcomes

During the year, we launched a global talent recruitment program, attracting outstanding global leaders and young talents. By the end of 2024, Anton's global workforce reached 6.754 employees, with foreign employees accounting for 46.3%. We are committed to promoting equality, openness, cultural integration, and employee care in a diverse work environment, valuing both the health and career development of every employee. Through our "Oil Mates" social media platform, we continued to provide a wide range of professional knowledge and skills training, benefiting industry-wide talent development. We earned ISO 9001 certification and received the "DAMA Data Governance Best Practice Award." positioning ourselves at the forefront of industry quality management. At the same time, we embedded ESG standards deeply into supply chain management and promoted community coprosperity through localized operations. We also continued to actively participate in community building and philanthropy, fulfilling our corporate social responsibility through concrete actions

Every step of Anton's growth has been the result of the collective wisdom and efforts of all our employees and the strong support of our global partners. Looking ahead, we will continue to use technological innovation as an engine to deepen the integration of AI in oil and gas development, establish new benchmarks for zero-carbon technologies, further optimize global collaboration mechanisms, and strengthen cross-regional resource integration. Anton is committed to empowering collaboration with all partners and jointly writing a new chapter for the sustainable development of the global energy industry.

### Statement of the Board

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Anton Oilfield Services Group is committed to integrating Environmental, Social, and Governance (ESG) into its strategic operations and business decision-making processes. The Company complies with global best practices in ESG governance and adheres to the *Environmental, Social, and Governance ("ESG") Reporting Code* by the Stock Exchange of Hong Kong Ltd. to reinforce the Board's oversight and involvement in the Company's ESG initiatives.

2024 Sustainability Report

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 material ESG issues and priorities, as well as and annual sustainability reports, regularly organizing relevant meetings to oversee the progress in fulfilling the Company's ESG objectives.

The ESG Committee under the Board places significant emphasis on the identification and management of ESG and climate change risks and opportunities. By considering macroeconomic policies, regulatory requirements, and industry-specific ESG and climate change focus areas, the Committee actively analyzes and identifies material issues and associated risks and opportunities for the Company; moreover, it assesses the actual and potential impacts of various issues on the Company's business development and strategic planning in the short, medium, and long term, and formulates relevant response measures. The Committee is responsible for setting ESG goals and strategies, overseeing their implementation progress, and evaluating the achievement of such goals. Under the ESG Committee, an ESG Office serves as the executive body, responsible for the comprehensive implementation of various ESG management measures to ensure the orderly progression of ESG efforts.

This report provides a detailed disclosure of Anton Oilfield Services Group's 2024 ESG management system, key initiatives, and practical outcomes. All disclosed content has been reviewed and approved by the Board. Looking forward, we will continue to deepen ESG governance to drive the Company's sustainable development, creating long-term value for stakeholders and promoting high-quality industry 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 Ltd. in December 2007, is a pioneering, globally renowned, integrated oilfield technology services provider. With the long-term vision of becoming a "global leader in green energy technical services", we focus on efficiency enhancement to provide comprehensive products and technical solutions for oil and gas development. We actively advance cutting-edge R&D in oilfield services and deliver tailored solutions to meet the diverse needs of our clients. Anton's operations span across more than 30 countries and regions, including Iraq, China, Kazakhstan, Chad, Indonesia, Pakistan, and others, enabling us to swiftly meet the service demands of clients worldwide. 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. The Company also achieved raid growth in natural gas utilization efficiency solutions, smart and digitized business and platform business. In 2024, Anton's revenue reached RMB 4.754 billion.

### **Anton's Four Business Segments**



### **Oilfield Management Services**

To bring high-quality light-asset 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.

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.



### **Inspection Services**

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.



### **Oilfield Technical Services**

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 services. We aim to enhance the efficiency of customers' efforts of resource development, energy conservation and emission reduction with precise services.

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.



### **Drilling Rig Services**

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.

### **Corporate Culture**

### **Vision**

A Model of Efficient and Harmonious Development for Both Human and the Environment



### **Mission**

Help Others Succeed



### **Business Philosophy**

To Pursue Happiness for Our Employees, Progress of the Society, and Return for Our Shareholders



### **Core Values**

Client-Centric, Hardworking, Learning and Innovation

### **Awards and Honors**

Included in the list of "Beijing Top 100
Private Enterprises in Social Responsibility"
for three consecutive years, ranking 24<sup>th</sup>



The Sixth List of Best Managed
Companies in China



Beijing Foreign-funded R&D Centers



### **Anton 2024**

### **Economic Performance**

Revenue

**4,754** RMB million

Net cash inflows from operating activities

**1,325** RMB million

Total asset

 $10,\!218\,\mathsf{RMB}\,\mathsf{million}$ 

Free cash flow

980 RMB million

Net profit attributable to shareholders of listed companies

242 RMB million

Annual dividend

**73** RMB million

### **Social Performance**

Number of Employees

**6,754** Persons

Client satisfaction

**98.10** Point

Average training hours per employee

Number of patents authorized in 2024

**197** Hours

**25** Items

Total Number of Suppliers

R&D investment

116 RMB million

611

### **Environmental Performance**

GHG emission (scope 1 and scope 2)

**60,655.04** Tons of CO<sub>2</sub>e

GHG emission per revenue (scope 1 and scope 2)

12.76 Tons of CO<sub>2</sub>e/RMB million

Non-hazardous waste discharge

1,395.67 Tons

Energy consumption

162,835.02 MWh

Hazardous waste discharge

33,859.50 Tons

Water consumption

832.0 Thousand tons



# 01 Governance

# **Excellence in Governance Empowering Sustainability**

### Our actions

- Corporate Governance
- Business Ethics and Anti-Corruption
- ESG Governance

### **Key Performance**

- Continuous Optimization of Board Structure
- Obtained the ISO 37001: 2016 Anti-bribery Management System Certificate
- 0 corruption litigation cases
- Featured in S&P's Sustainability Yearbook (China Edition) 2024

### **Contribution to SDGs**





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# **Corporate Governance**

Anton is dedicated to establishing a sound governance structure to regulate business operations and continuously enhance its risk management capabilities, thereby guaranteeing the Company's robust development. By optimizing internal management mechanisms and strengthening risk control, the Company lavs a solid foundation for long-term sustainable development. In 2024, the Company was again honored with the title of "Best Managed Companies in China" in recognition of its exemplary management



Awarded the title of "Best Managed Companies in China" for two consecutive years

### **Improvement in Governance Structure**

Anton strictly observes laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Rules Governing the Listing of Securities on Stock Exchange of Hong Kong Ltd. to continuously enhance its corporate governance structure and elevate the level of corporate governance, thereby providing strong assurance for the Company's long-term stable development.

We prioritize the independence and diversity of our Board. The Nomination Committee conducts regular assessments of the Board Diversity Policy to ensure makeup diversity within the Board. The composition of the Board is carefully considered to align with the Company's business model and development needs, balancing gender, cultural and educational backgrounds, and professional experience to ensure provision of professional and independent opinions on key matters such as business strategy formulation and risk prevention. During the year, upon nomination by the Nomination Committee and after discussion and approval by the Board, the Company added a new female Independent Non-Executive Director and appointed her as the Chairperson of the ESG Committee, which further enhances the gender diversity of the Company's Board and further strengthens the power of ESG governance. As of December 31, 2024, the Company has 8 board directors, among which there are 3 Executive Directors, 1 Non-executive Directors, and 4 Independent Non-executive Directors. In 2024, the Company convened 9 Board meetings and 1 general meetings.

As of December 31, 2024

The Company

8 board directors

The Company convened

Board meetings

Percentage of Independent Non-Executive Director

general meetings

New female Independent Non-Executive Director

Directors **Audit Committee** Remuneration Committee **Nomination Committee ESG Committee** 

Anton's Governance Structure

### **Business Compliance**

The Company rigorously adheres to laws, regulations, and governmental regulatory requirements; by strengthening the construction of compliance management system and enhancing compliance risk control mechanisms, it continually optimizes and improves its compliance management framework, substantially elevating its level of legal and regulatory compliance in operations. We persistently deepen the digital construction of our compliance management system, leveraging digital tools to enhance operational efficiency. We continuously refine contract review processes and contract templates, conducting special audit evaluations and integrating compliance requirements into our systems and procedures.

We continue to strengthen compliance advocacy and training to enhance employees' awareness of compliance risk prevention. In 2024, Anton organized thematic training on legal management systems and legal applicability for new employees. The training covered key aspects of relevant systems such as seal management, contract management, and internal and external legal affairs. Additionally, basic professional ethics and legal compliance were communicated to employees, extensively spreading the concept of compliance within the Company, thereby ensuring that all employees deeply understood and implemented relevant regulations and systems, and enhancing the Company's compliance management effectiveness.

### **Enhancing Risk Management**

Anton continuously refines its internal control systems and risk management framework, establishing effective management mechanisms to comprehensively identify and mitigate various risks encountered during the Company's development, thereby enhancing operational efficiency and risk resilience.

The Company considers external macroeconomic conditions, feedback from internal stakeholders, and business development needs, annually defining key areas of risk management focus and adopting customized control strategies aimed at enhancing overall risk prevention and control capabilities. In 2024, we continued to steadily advance the comprehensive risk management and internal control evaluation efforts, constantly optimizing the assessment system and reinforcing mechanisms for self-inspection and corrective actions. Following the Basic Standard for Enterprise Internal Control and the Company's risk assessment requirements, we organize risk self-inspections and assessments on a quarterly basis across various platform companies, ecosystem enterprises (including their subsidiaries), and relevant responsible departments. These assessments involve various aspects including internal control and governance risks, financial risks, capital risks, budgetary risks, supply chain risks, operational risks, and QHSE risks. We performed in-depth analysis and summarization of the assessment outcomes, upon which targeted risk mitigation measures were established; a quarterly risk assessment summary report was prepared to ensure the effectiveness of risk management.

Additionally, we have introduced an audit supervision letter mechanism, using the oversight function of auditing to rapidly respond to and resolve issues and potential risks identified during the audit. In 2024, the Company carried out specialized audits targeting high-risk businesses and processes; over 40 specialized audit assessments were conducted in key areas such as business expansion into emerging markets, financial operations, and work delivery. During the specialized audit assessments, we presented audit knowledge (case study) to all employees to enhance their awareness of risk management and foster a company culture deeply rooted in risk prevention and control.

# **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 established internal policies such as the Sunshine Purchasing Integrity Commitment and the Integrity Agreement to strengthen the code of conduct and operational guidelines for business ethics, ensuring that all business activities comply with legal and regulatory requirements. In 2024, the Company had no legal cases related to corrupt practices.

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 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. In 2024, the Majnoon Oilfield Project Department of the Company in Iraq obtained the ISO 37001:2016 Anti-Bribery Management System Certificate.

### **Complaints and Reports**

Anton encourages all employees to monitor and report on each other's conduct, protecting and incentivizing whistle-blowing based on reasonable assumptions. To ensure the smooth operation of communication channels for timely and secure handling of corruption reports, we have established localized reporting channels in all countries and regions where we operate; these channels are accessible in the local languages. and the reporting channels, contact information, scope of reportable issues, principles of acceptance, and whistleblower protection policies are clearly detailed on our official website in Chinese, English, and Arabic. Employees, third parties with business relations, and the general public can report any job-related illegal acts concerning the Company's operations while ensuring confidentiality.

The company has established a standardized "Complaints and Feedback" handling process to ensure that all complaints and leads are meticulously processed as per established procedures. We promptly initiate the handling procedures, conducting investigations and taking actions as per regulations and laws, thus ensuring that all reported issues and complaints are dealt with fairly, justly, timely, and accurately. Furthermore, we place paramount importance on safeguarding the legal rights and interests of whistleblowers, stringently requiring the confidentiality of their personal information and the content of their reports. We strictly prohibit any form of retaliation, thereby guaranteeing the safety and trust of all whistleblowers.

In 2024, Anton received a total of 8 reports and complaints through its public whistleblowing channels from both internal and external sources. Upon receipt, the Company immediately conducted interviews and preliminary reviews. The Audit Leadership Team formulated detailed audit plans and work schedules, followed by rigorous verification and investigation of each case. This process culminated in formal investigation reports with proposed resolutions, with appropriate feedback provided to the whistleblowers/complainants. All reported matters were fully and properly addressed in accordance with established procedures, with the majority of cases found to be unsubstantiated upon investigation

In 2024



the Company had

no legal cases related to corrupt practices



Receive Complaint/tip

- Content: Collect and review complaints from different channels daily
- Department: Audit and Oversight

- 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

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- 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

Complaint, Response, and Resolution Process



### **Anti-corruption Culture**

Anton emphasizes the cultivation and dissemination of an integrity culture. Specialized training sessions on topics such as "Sunshine Marketing," anti-commercial bribery, and team ethos building are organized for all board members and employees. Additionally, a series of online training courses like the Popularization and Prevention of Employee Duty-related Crimes, have been developed for employees to enhance their integrity and compliance awareness through self-study. In an effort to strengthen this commitment, we issued a clean and honest holiday initiative letter and the Anton Group's anti-corruption and integrity initiative letter to all employees. Through regular cultural and ethical communication, on-site inspections, and employee seminars, we actively disseminate the Company's ethical code, encouraging all staff to establish and uphold the principle of integrity and self-discipline.

In 2024, to reinforce compliance awareness, eliminate potential irregularities in marketing and business transactions, and enhance the effectiveness and adaptability of our anti-commercial bribery mechanism, the Company launched an audit and inspection campaign focused on "Sunshine Marketing" and anti-commercial bribery practices across all units to identify and promptly address certain potential compliance risks. The Company organized an anti-commercial bribery self-inspection and self-correction campaign during the Anti-Corruption and Integrity Month. This involved inquiries, reviews, and spot checks of potential commercial bribery risks in the routine operations of all employees, as well as audits and assessments of the performance, delivery, discipline, and ethics of leading cadres and personnel in key positions. This initiative aimed to deepen employees' understanding of the significance of anti-corruption and integrity efforts and to foster a clean and positive team atmosphere. Through extensive and in-depth educational training, employees have gained a more profound understanding of the principles of "Sunshine Marketing" and anti-commercial bribery, resulting in a significant enhancement of their awareness regarding compliant business practices. This has laid a solid ideological foundation for the standardized conduct of daily marketing operations.

In 2024



Corruption litigation cases concluded





Employees participating in anti-corruption training

**6.754** Persons



The number of directors participating in anti-corruption training







Anti-corruption training hours per director

**12** Hours



Anti-corruption training hours per employee

### **Supplier Anti-corruption Management**

Anton has collaborated with its partners to establish a corruption-free industrial ecosystem. We have formulated and issued the Anton Supplier/Contractor Code of Conduct, and conducted evidence-inquiry inspections with business partners and suppliers. All suppliers are required to sign both the Sunshine Purchasing Integrity Commitment and the Integrity Agreement as a prerequisite for our transactions. These documents serve as crucial tools in combating corruption and bribery throughout the purchasing process.

### **Fair Competition**

The Company consistently adheres to the principle of fair competition, striving to create a healthy and orderly market environment. To achieve this objective, we rigorously regulate the market conduct of our sales teams to prevent and eliminate the risks of unfair competition. We pledge that, in the course of our business operations, we will not engage in any form of collusion with customers or competitors to unjustly secure projects or contracts. We firmly oppose price fixing and the exchange of bidding information, ensuring that all transactions are conducted under open and transparent conditions. Moreover, we adhere to principles of honest business operations, refraining from engaging in any undue lobbying activities to seek or obtain unfair competitive advantages from government policies. We believe that only through fair competition can we achieve long-term market prosperity and sustainable development for our company.

# **ESG Management**

Anton places significant emphasis on ESG management, considering it a vital component of the Company's sustainable development strategy, having been advancing the ESG principles into its development strategy and daily operations. The Company continually enhances its ESG governance structure and establishes & improves its ESG management mechanism to ensure the effective implementation of all ESG issues. Besides, the Company prioritizes strengthening communication with stakeholders, deeply understanding their concerns, and actively responding to their expectations; this effort aims to harmonize economic benefits with environmental and social benefits.

In 2024, Anton was honored to be included in S&P's Sustainability Yearbook (China Edition) 2024 based on its outstanding ESG practices and disclosure performance. This recognition not only acknowledges Anton's significant achievements in promoting sustainable development, but also highlights its leading position in ESG management.



Anton Featured in S&P's Sustainability Yearbook (China Edition) 2024



### **ESG Governance Structure**

Anton has established a comprehensive ESG management system including the Board, ESG committee, ESG office, and ESG working groups of all business units. This structure creates a clear hierarchical management model, ensuring that ESG management is effectively integrated into the Company's development strategy and daily operations.

The Board of the Company, as the highest decision-making body, is responsible for reviewing and approving the Company's ESG-related objectives, strategies, and management policies; it also examines the annual material ESG issues and sustainability reports, and promotes the integration of ESG elements into the Company's strategic decision-making and daily operations.

The ESG Committee, established under the Board, is primarily responsible for formulating ESG-related strategies, monitoring the performance of ESG actions, and assessing the fulfillment of objectives. Moreover, it keeps track of global ESG trends, providing professional advice to the Board.

The ESG Office, subordinate to the ESG Committee, is composed of various relevant departments. It is responsible for the concrete implementation of ESG plans, coordinating ESG efforts at the Company level, collecting and organizing ESG information from various business units, and reporting to higher levels. Anton's various business divisions, sales regions, and subsidiaries carry out specific ESG practices based on unified deployment by the headquarters. They regularly report their latest progress to ensure the effective implementation of ESG management at all levels.



Anton is committed to intensively cultivating and extensively disseminating ESG principles within the organization. To ensure that new employees fully understand and actively practice ESG principles, the Company has specifically designed an ESG training program for them. This program aims to help new employees efficiently grasp the core essence of ESG, comprehend Anton's sustainability strategy, and inspire their identification with ESG values. Through these carefully designed training activities and the continuous infiltration and practice of ESG culture in daily operations, Anton has gradually built an ESG culture that involves all employees. This culture has injected strong and sustainable momentum into the Company's efforts towards sustainability.







ESG Training Content (Excerpt)

### **Stakeholder Communication**

The Company values the expectations and demands of its stakeholders, identifying them as government/regulators, shareholders/investors, employees, media, suppliers/contractors, customers, and the community. We have established diverse communication channels and respond regularly to the key concerns of our stakeholders to address their expectations.

Stakeholders	Expectations	Communication and Response method	Communication Content	
Government and regulatory agencies	Laws and regulatory compliance     Responding to Climate Change     Business ethics and anticorruption	Policy consultations Meeting and interview surveys Document exchange Information disclosures	Company Operations and Compliance Social Responsibility Performance Tax Payment	
nvestors/shareholders	Corporate governance Laws and regulatory compliance Business ethics and anti- corruption Digital transformation	Shareholder meetings Annual reports Company announcements and press releases Conference calls Roadshows	Financial Performance     Dividend Distribution Policy	
Employees	Employee rights protection     Diversity, equity and inclusion     Employee pay and benefits     Occupational health and safety     Employee training and development	Employee satisfaction survey     Labor unions     Employee training     Smart employee community platform	Strategic Objectives of the Company     Career Development Programs     Health and Safety Policies     Performance Evaluation Results	
©© D() Media	Philanthropy     Stakeholder engagement	Company interviews     Publicity	ESG Progress     Social Responsibility     Performance	
Suppliers/Contractors	Supply chain management     Business ethics and anti- corruption     Stakeholder engagement	Partner networking sessions Supplier assessment Exchange visits E-commerce platform for oil and gas industry	Delivery Schedule     Quality Standards and     Requirements     Procurement Policy	
Customers	Product quality and safety Customer service enhancement Information security and privacy protection R&D and innovation IPR protection Digital transformation GHG emission reduction Our actions Biodiversity conservation	Company portal WeChat public account Anton online service website CRM system SMS cloud service Opinion box Client satisfaction survey Client visits	Product and Service Updates Customer Support Services Feedback	
Communities	Community relations     Philanthropy	Company portal     WeChat public account     Volunteer services     Community activities	Philanthropic Activities     Environmental Measures     Community Contribution     Projects	



### **Identification of Material Issues**

Considering domestic and international standards 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 2024. 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.



Through multi-dimensional data analysis, we benchmarked industry practices against domestic and overseas ESG standards, national regulatory requirements, and key capital market concerns. By aligning with the Company's realities and business layout, we ensured the scientific rigor and representativeness of the selected issues, ultimately identifying 26 material issues.



We conducted questionnaire surveys among key internal and external stakeholders such as government/regulatory agencies, shareholders/investors, employees, press, suppliers/contractors, customers, and communities to collect feedback and assess the significance of ESG-related issues.



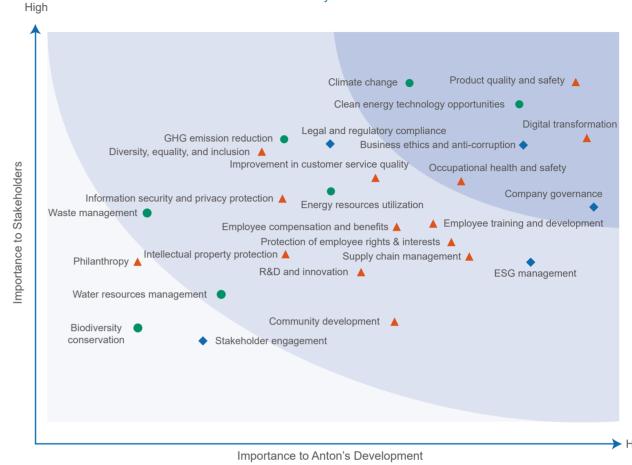
Based on the questionnaire results, we prioritized issues in terms of "materiality to the development of Anton" and "materiality to stakeholders," forming an Anton ESG materiality issue matrix in 2024.



The Company's internal management and external experts reviewed results of the issue screening, ultimately determining the highly material issues, which were then highlighted in this report. This approach aims to better respond to stakeholder expectations and guide the Company's in-depth development of subsequent ESG management efforts.



### Anton ESG materiality issue matrix of 2024



▲ Social

# High materiality

Environmental

Clean energy technology opportunities, Product quality and safety, Digital transformation, Climate change, Business ethics and anti-corruption, Occupational health and safety, Company governance

Governance

# Medium materiality

ESG management, Legal and regulatory compliance, Improvement in customer service quality, Employee training and development, Protection of employee rights & interests, GHG emission reduction, Supply chain management, Employee compensation and benefits, Energy resources utilization, Diversity, equality, and inclusion, Information security and privacy protection, Intellectual property protection, R&D and innovation, Water resources management, Waste management, Community development

# Average materiality

Biodiversity conservation, Philanthropy, Stakeholder engagement

# 02 Environment

# **Environmentally Friendly, Guardians of a Green Homeland**

### Our actions

- Environment Management
- Emission Management
- Resource Utilization
- Responding to Climate Change
- Biodiversity Conservation

### **Key Performance**

- GHG emission (scope 1 and scope 2) per revenue 12.76 Tons of  $CO_2e$  / RMB million
- $\bullet$  Assisted customers in reducing greenhouse gas emissions by 145,305.14 Tons of  $\text{CO}_2\text{e}$
- Wastewater discharge per revenue 0.001 Ten thousand tons/RMB million
- Non-hazardous waste discharged per revenue 0.29 Tons/RMB million
- Energy consumption per revenue 34.25 MWh /RMB million
- The consumption of recycled water 190.8 Thousand tons

### **Contribution 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 Petroleum Technology (Group) Co., Ltd. Furthermore, the Company strictly adheres to the environmental protection laws and regulations in the locations where its operations are based, actively taking measures to reduce the environmental impact of its daily operations, and striving to ensure that its business activities comply with environmental laws and regulations.

To ensure effective environmental management, we continuously improve our Environmental Management System, with the QHSE department and QHSE management personnel from subsidiaries forming the core environmental management team, clear environmental responsibilities are assigned to all functional departments and subsidiaries. Through regular HSE management system audits, HSE inspections, and specialized environmental audits, we continuously monitor and evaluate the implementation of environmental policies across all departments and project. In 2024, Anton Group and the Majnoon Oilfield Project Department obtained the ISO 14001:2015 Environmental Management System certificate, marking a new breakthrough for the Company in environmental management. During the reporting period, no environmental incidents or administrative penalties related to the environment occurred.

### **Management of Environmental Objectives**

Anton has established a scientific objective evaluation system designed to regularly review and assess the fulfillment of the previous year's environmental objectives. By evaluating the degree of objective fulfillment and considering the actual status of the Company's business development and changes in the market environment, the Company reasonably updates its environmental management objectives. To ensure the objectives can be effectively executed and implemented, the Company has also established corresponding action plans and safeguard measures.



### Anton's Objectives in 2024 and Achievement Status Total energy consumption GHG emission does not Water used per revenue stands at exceed does not exceed 200 cubic meters/RMB million 75,800 tons of CO<sub>2</sub>e 240,000 MWh GHG emission per revenue does not exceed Solid waste are disposed legally at and decreases by 12.67 tons of CO<sub>2</sub>e/RMB million 100% compared to 2023

Anton's Objectives in 2025

Total energy consumption does

241,000 MWh

decreases

Water used per revenue stands

GHG emission per revenue does not

12.30 tons of CO<sub>2</sub>e/RMB million

GHG emission does not exceed

**89,163** tons of CO<sub>2</sub>e

Solid wastes are disposed

100%

### **Environmental Risk Identification and Evaluation**

Anton attaches great importance to environmental risk management and strictly adheres to the requirements of relevant regulations such as the Environmental Protection Management Measures and the QHSE Risk Management Measures to comprehensively identify and assess potential environmental risks that may arise during production, operations, and service delivery, including waste gas emissions, wastewater treatment, solid waste disposal, etc. Through systematic analysis of these environmental factors, the Company has identified the key links that may have a significant impact on the environment, thus providing a scientific basis for its subsequent environmental management.

In response to the identified material environmental risks, the Company has developed detailed emergency response plans, stocked corresponding emergency supplies, and regularly organized emergency training and drills for relevant personnel to enhance the Company's ability to respond to and efficiently handle sudden environmental incidents. Moreover, the Company continuously strengthens supervision and management in its daily production processes to ensure that all project operations comply with local environmental requirements, thereby effectively preventing the occurrence of environmental risks.

# **Emission Management**

Anton upholds the highest standards in environmental protection and strictly implements the requirements of relevant laws and regulations such as 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. The company has established a comprehensive system of environmental protection regulations, centered on the Environmental Protection Management Measures, supported by a series of supplementary regulations such as the Solid Waste Management Measures, the Waste Water and Waste Liquid Pollution Prevention and Control Management Measures, the Energy and Water Conservation Management Measures, and the Pollution Prevention and Control Management Measures, to create a systematic environmental management system.

The Company has established clear work specifications, detailed responsibility divisions, and optimized operational procedures. Through a whole-process control model of "source reduction-process control-end treatment", it effectively promotes the implementation of various pollution control measures. The Company strictly controls all types of emissions, implementing standardized management from their generation, collection, to treatment, ensuring that pollutant emissions are fully compliant with standards.

### **Waste Gas Management**

The Company strictly adheres to the air environmental protection laws, regulations, and relevant normative documents of the countries and regions where it operates during its business operations. Upholding the principle of green development, it rigorously controls the emission of waste gases from various business segments.

Our primary air pollutants include methane ( $CH_4$ ), nitrogen oxides ( $NO_X$ ), and sulfur oxides ( $SO_X$ ), which principally originate from the fuel equipment used in drilling and stimulation operations. Moreover, particulate matter emissions primarily come from construction site dust and transportation activities. To effectively reduce the emission of air pollutants generated from various business activities, the Company has implemented a series of stringent waste gas emissions control measures.

### Source Reduction

Adhering to the principle of source control, the Company effectively reduces emissions of waste gas pollutants through multiple measures.

- Prioritizing environmentally friendly materials, using low-volatile environmentally friendly paints and other eco-friendly construction materials to minimize the release of harmful substances at the material selection stage;
- Enhancing efforts in equipment renewal, phasing out outdated production capacities, and upgrading and retrofitting existing production equipment to enhance energy efficiency and reduce the generation of pollutants;
- Continuously optimizing production processes, introducing advanced process technologies, improving operational procedures, and enhancing resource utilization to minimize the generation of pollutants at the source.



Waste Gas Treatment Facility

### **Before Construction**

- Strengthening the management of gas cutting operations to ensure operators are licensed and strictly adhere to operational specifications;
- Reasonably planning and selecting the shortest transportation routes within the construction area, utilizing
  existing road networks wherever feasible to minimize dust pollution from increased traffic and transportation;
- Ensuring all production vehicles for drilling and fracking undergo annual audits, meet tailpipe emissions requirements, and obtain certification marks.

### **During Construction**

- Employing low-energy-consumption and environmentally friendly diesel-powered equipment, and effectively
  regulating the running time of diesel engines, air compressors, and generator sets to reduce fuel consumption,
  equipment wear, maintenance costs, and ultimately, waste gas emissions, thereby minimizing air pollution;
- Assigning clear responsibilities to each production unit/department for managing their own waste gas emissions, and mandating the installation of absorption facilities with advanced technology on all waste gas-generating units to ensure compliance with emission standards;
- Hardening the construction site ground and increasing the frequency of watering to reduce the dust.

### **End Treatment**

Anton attaches great importance to the comprehensive treatment of waste gas pollutants. Based on source reduction and process control, the Company introduces a variety of advanced pollutant treatment techniques tailored to the nature and characteristics of various pollutants, ensuring that the emitted gases are compliant with or superior to environmental standards. The technical means we employ include but not limited to:

- Combustion Method: For combustible organic waste gases, high-temperature combustion is used to convert them
  into carbon dioxide and water for harmless treatment;
- Condensation Method: Certain organic gas components are condensed and separated through cooling, which not
  only reduces pollutant emissions, but also allows for the recycling of certain substances;
- Adsorption Method: Using activated carbon or other high-performance adsorbents to effectively remove harmful substances from waste gases, particularly suitable for conditions with low concentration and high air volume;
- O lonic Purification Method: By applying a high-voltage electric field, fume particles are charged and settled for efficient purification;
- Photocatalytic Oxidation Method: Using ultraviolet light to activate catalysts, organic pollutants are decomposed into harmless small molecules, particularly effective for treating difficult-to-handle gases such as VOCs;
- —O Biodegradation Method: Using the metabolic processes of microorganisms to convert organic waste gases into harmless substances, this is an environmentally friendly treatment approach.

ANTON 安東

### 🖹 Case

### T-ALL INSPECTION uses waste gas treatment facilities to reduce waste gas 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 2024, T-ALL INSPECTION deployed 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 and emitted into the VOC waste gas treatment device through negative pressure, and then processed by the activated carbon-based tritiary 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

2024

Direct emission of CH<sub>4</sub>

**1.26** Tons

NO<sub>x</sub> emissions

**0.22** Tons

SO<sub>x</sub> emissions

**0.19** Tons

### **Wastewater Management**

The Company strictly adheres to the *Environmental Protection Law*, the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and other relevant laws and regulations on water resource protection and water pollution control; it upholds the dual importance of water pollution prevention and water recycling, striving to maximize the protection of water resources.

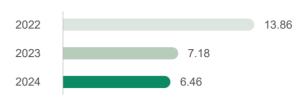
We implement standardized management systems, strengthen equipment maintenance, and use efficient wastewater treatment technologies to centrally treat wastewater generated from drilling, fracturing, and other operations to ensure that pollutants are comprehensively and stably discharged to meet standards. We entrust qualified third-party organizations for transportation and recycling of wastewater and waste liquid produced during production, establish and maintain complete ledger records, and regularly report to regulators.

We strengthen the standardized management of wastewater discharge outlets, requiring all organizations to conduct regular onsite inspections to promptly detect and eliminate potential risks, preventing any leakage or pollution incidents. We enhance the source control of wastewater, optimize the operation and daily management of wastewater treatment facilities, and dewater drilling mud and waste liquids to further reduce environmental impact. Besides, we continuously increase the reuse rate of wastewater, using wastewater generated from underground operations for circulating well washing and recycling fracturing flowback fluids; all waste oil and wastewater generated during production are managed by classification and safely transferred to dedicated storage facilities provided by Party A. They are subsequently handled by a professional team for reinjection, which not only reduces the volume of wastewater discharge, but also decreases the consumption of fresh water.

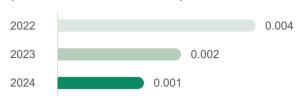


Wastewater Transportation Truck

### Wastewater discharge volume (Ten thousand tons)



# Wastewater discharge per revenue (Ten thousand tons/RMB million)



### **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 relevant laws and regulations. We established and implemented internal management systems, including the Solid Waste Treatment and Disposal Procedures, adhering to the principles of reduction at the source, waste-to-resource conversion, and harmless treatment to ensure compliant, efficient solid waste handling and disposal.

In terms of solid waste management, Anton categorizes solid waste into two major types: general solid waste and hazardous waste based on the source and disposal method, and stringently implements classified management.

### General Solid Waste

A categorized collection system is implemented. Recyclable general solid waste (e.g., waste paper, scrap metal) is centrally collected for resource recovery, while non-recyclable waste (such as household waste) is entrusted to professional sanitation departments for compliant disposal.

### Hazardous Waste

Stringent classified management is performed for hazardous waste. During the collection process, hazardous waste is labeled as "harmful" in accordance with regulations. For recyclable hazardous waste, such as used mineral oil, oily sludge, and drilling cuttings, we engage qualified thirdparty specialized organizations for compliant disposal and resource utilization. For non-recyclable hazardous waste, such as electronic waste, we stringently prohibit random disposal and entrust qualified third-party organizations for compliant treatment. Moreover, the Company has established a hazardous waste inventory management system, implementing standardized management for key stages such as transportation, storage, and sorting of hazardous waste; this ensures that the entire lifecycle of hazardous waste, from generation to disposal, is under control, thus achieving refined management and real-time monitoring of the entire process of hazardous waste.



Fracturing Site Waste Collection Area

### Case

### Utilization and Compliant Disposal of Solid Waste by the Tongsheng Drilling Team

Anton actively promotes resource recycling. All industrial and operational units under the Company rigorously abide by environmental standards, achieving efficient disposal and resource utilization of waste through standardized management processes. Taking Tongsheng Drilling as an example, each drilling team rigorously classifies and manages household garbage, solid waste (including production-replaced parts and slurry material packaging), hazardous waste, and production wastewater based on environmental impact assessments and local government's environmental requirements. For general industrial solid waste, the waste with potential for recycling is identified and disposed of through recycling. To guarantee the safety and compliance of waste disposal, the Company prefers third-party service providers with relevant qualifications and signs stringent treatment agreements with them to clarify responsibilities of both parties. In the transfer of hazardous waste, particularly, a full escort system by dedicated personnel is adopted, equipped with GPS real-time monitoring system, and a linkage mechanism is established with local ecological environment authorities to ensure rapid response and proper actions within 30 minutes in case of anomalies.



**Cuttings Transfer Loading** 

2024

Hazardous waste discharge

33,859.50 Tons

Hazardous waste discharged per revenue

7.12

Tons/RMB million

Non-hazardous waste discharge

**1,395.67** Tons

Non-hazardous waste discharged per revenue

0.29

Tons/RMB million



### **Resource Utilization**

Anton prioritizes the protection and rational use of natural resources, integrating resource and energy conservation into all aspects of production and operations, through various technologies and management measures, the Company strives to maximize resource utilization, aiming for green, low-carbon, and high-quality development.

### **Energy Management**

Anton adheres to the corporate philosophy of green development and strictly complies with relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, continuously improving its energy management mechanisms. Through technological innovation and process optimization, we continuously enhance energy efficiency and promote clean and low-carbon transformation, thereby contributing to the fulfillment of sustainability objectives.

### **Enhancement of Project Energy Efficiency**

Through constant technological improvement and management optimization, we have diligently worked to reduce reliance on traditional energy sources, comprehensively advancing the replacement with clean energy. By continuously improving energy efficiency, we have reduced energy consumption and carbon emission intensity. In 2024, we implemented oil-to-electricity projects in the Northwest and Southwest Business Divisions, optimizing energy use and saving 10,212.20 tons of standard coal, which reduced carbon emission of 27,572.44 tons of carbon dioxide equivalent. In other business divisions and subsidiaries, we implemented energy-saving measures such as reducing fracturing emulsions, optimizing the deployment of operators, optimizing washing workshops, and recycling flowback fluids. The Company total saved 11,572.00 tons of standard coal and reducing carbon emission by approximately 29,680.82 tons of carbon dioxide equivalent throughout the year, having remarkably reduced energy consumption.

### **Promotion of Energy-Saving Operation**



Green Office

We are committed to creating a greener, more environmentally friendly, and efficient workplace. We comprehensively promote a green office model, encourage paperless operations, and strengthen the energy-saving awareness of all employees through various forms of energy-saving education and publicity activities. We have been optimizing the management of lighting, heating, and cooling systems in office areas to reduce energy consumption in day-to-day operations. We implement an "asynchronous communication" mechanism, leveraging diverse information management tools to build a flexible and efficient office model, which further reduces resource consumption and carbon emissions. In 2024, Anton initiated a series of measures including air conditioning control optimization, replacement with energy-saving lighting equipment, paperless office practices, and printer sharing to reduce energy consumption, starting with minor details.



Anton actively advocates for a green and low-carbon lifestyle and work approach, encouraging employees to adopt green mobility methods such as walking, cycling, or using public transportation or carpooling in their daily lives. The Company vigorously promotes a global "Work in the Same Office" program, establishing efficient online collaboration platforms that enable real-time communication between global teams. This effectively reduces the need for business travel due to inter-regional meetings, thereby significantly decreasing energy consumption and carbon emissions associated with travel.



2024

Energy consumption

162,835.02 MWh

Energy consumption per revenue

34.25 MWh /RMB million

Electricity consumption

 $46,051.42\,\mathrm{MWh}$ 

Natural gas

20,149.36 MWh

91,167.99 MWh

**5,466.25** MWh

Energy consumption per revenue (MWh/RMB million)



### **Water Resource Management**

Anton developed the *Waste Water and Waste Liquid Pollution Prevention and Control Management Measures*, which, in conjunction with the specific requirements of each operating location, comprehensively standardizes water resource management and wastewater treatment processes to ensure the compliance and environmental friendliness of water usage practices. The Company has established a comprehensive water resources management ledger system, requiring relevant departments to regularly submit water usage data, thereby achieving dynamic supervision of water usage. Moreover, Anton incorporates water resource management into its key performance indicators, establishing annual water management goals, and directly linking them to executive performance evaluation and compensation incentives; through quarterly, semi-annual, and annual assessments, the Company drives continuous optimization of water resource management.

Anton will continue to intensify innovation in water resource management, focusing on promoting the application of water recycling technologies to reduce fresh water consumption, striving to achieve a leading position in the industry in terms of water efficiency and resource conservation.

### **Water Conservation**

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

We comprehensively promote water recycling technologies during operational construction to minimize the use of fresh water. Specifically, the Company optimizes downhole operation techniques, adopts well washing technology with wastewater circulation, and establishes a fracturing flowback fluid recovery and utilization system to achieve resource recycling and reuse. Moreover, the Company uses boiler hot water from the station area for domestic purposes to further enhance water resource utilization. To make full use of natural precipitation, the Company constructs a rainwater collection system within the wellsite area, equipped with filtration facilities and sedimentation tanks to ensure the rainwater quality meets standards before reuse. Through a series of scientific and effective water resource management measure, Anton has effectively reduced fresh water consumption, improved water recycling rates, and also achieved effective utilization of rainwater, etc. In 2024, the Northwest Business Division implemented a recycling program for returning fluids from platform wells, achieving a water saving of 65,218 tons. In the Oasis Camp, it is advocated that all personnel collect domestic water for purposes such as irrigation of green plants and flushing toilets, thereby achieving the reuse of water resources. Drilling Team 7, Workover Team 1, etc., designed and constructed a rainwater collection system at the wellsite, equipped with advanced rainwater purification facilities. This system filters and sedimentates the collected rainwater to bring it up to standards for reuse, effectively reducing the consumption of fresh water resources.

2024

Water consumption

83.20 Ter

Water use per revenue

**0.02** Ten thousand tons/RMB million

The consumption of recycled water

19.08 Ten

The rate of recycled water reached

22.94%

### **Material Management**

The main raw materials used in our production and operations include barite, fracturing sand, ceramsite, proppant, cement, bentonite, etc. For these primary materials, the Company continuously increases investment in technological research and development and optimizes production processes to achieve resource conservation and efficient utilization. The Company prioritizes the use of green, non-toxic, and recyclable new materials. By improving the material recycling and reuse mechanism, we maximize material utilization, minimize material consumption per operation, thereby effectively reducing waste generation and minimizing the environmental impact. In 2024, Anton Shandong Precede used coiled tubing as an auxiliary tool for sand control, enabling the reuse of materials and reducing material consumption per well. This directly decreased steel consumption by approximately 20.6 tons, effectively reducing the consumption of raw materials.

2024

Raw materials consumption

**51,445** Tons

Raw materials consumption per revenue

10.82 Tons/RMB million



# **Responding to Climate Change**

Anton attaches great importance to the challenges brought about by climate change and actively responds to the international community's focus on climate issues. Referring to the framework recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company systematically advances its climate change management from four dimensions: governance, strategy, risk management, and metrics & targets.

### Governance

The Company has established a three-tier organizational structure for climate change, establishing a smooth internal communication mechanism to effectively implement work related to climate change response.



### Top-level Decision-making Body

The Company's board of directors and chief executive officer jointly participate in the identification and decision-making of climate-related risks and opportunities, establish corresponding management indicators and mechanisms, and supervise and guide the implementation of the work.



### Strategic Planning and Oversight

The chief executive officer establishes a clear strategic framework based on an in-depth analysis of climate-related risks and opportunities, and continuously supervises and reports on the progress of daily management and objectives implementation.



### Daily Management and Coordination

The ESG office is responsible for the daily management and advancement of climate-related work, maintaining close communication and collaboration with the relevant heads of various departments and business units to ensure the smooth progress of climate-related risk and opportunity identification, information disclosure, and other related work.

### **Strategy**

The Company maintains a close watch on the latest policy dynamics, laws and regulations, technological innovations, and market development trends in low-carbon economic transformation globally and in China. Over the years, the Company has continuously carried out special research, intensively analyzing the opportunities and challenges related to climate change, and incorporating climate change issues into its core strategic planning and daily operational management. Through in-depth identification and assessment of climate risks and opportunities, the Company comprehensively identifies and analyzes the potential impacts of climate change on its operations, and establishes corresponding response strategies based thereon. It seizes the development opportunity of green and low-carbon transformation to promote sustainable development of the enterprise.

### **Risk Management**

Anton has established a systematic process for climate risk identification, assessment, and management. Through comprehensive analysis of various climate risk possibilities and their impacts, researching climate change-related policies, regulations, and market trends, the Company accurately identifies key climate risks that have a significant impact on the Company and develops targeted management plans to address them.



### 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.

Anton's Process of Identifying, Assessing and Managing Climate-related Risks



In 2024, we continued to identify and analyze physical risks and transition risks related to the Company's operations, and formulated corresponding measures in combination with 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> <li>Damage to engineering sites, office buildings, and equipment, resulting in property losses</li> <li>Impact on normal operations due to damaged equipment, inability of employees to work normally</li> <li>Disruption in production due to supply chain interruptions</li> </ul>	<ul> <li>Closely monitor and regularly update climate-related data, and issue timely warnings</li> <li>Develop emergency response plans for natural disasters and continuously enhance preparedness</li> <li>Identify vulnerable assets and procure necessary insurance coverage</li> </ul>
Physic	Chronic Risks: Persistent heat, drought, etc.	<ul> <li>Rising temperatures increased use of cooling equipment, elevating energy consumption and operational costs</li> <li>Challenges in outdoor work during hot seasons may reduce operational efficiency</li> <li>Intensified water supply constraints in water-scarce areas</li> </ul>	<ul> <li>Apply energy-efficient cooling equipment</li> <li>Meticulously organize production activities; improve operational efficiency</li> </ul>
	Policy and Legal Risks	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
ansition Risks	Technology Risks	Failure to identify and adopt low-carbon technologies in a timely manner, leads to falling behind peers in the low- carbon transition and diminishing the effectiveness of our transition efforts	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 company
Transi	Market Risks	<ul> <li>Rising raw material and energy costs, concerns about climate change, and declining demand for fossil fuels</li> <li>The public may drive the market towards low–carbon products and services, thereby influencing the demand for fossil fuels</li> </ul>	Build an energy information platform to monitor and analyze energy use and improve energy control capabilities     Increase market development efforts and increase the share of external markets
	Reputational Risks	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	<ul> <li>Actively conduct stakeholder engagement, identify important topics, and formulate response actions</li> <li>Actively and steadily promote the green and lowcarbon transition, improve sustainability, and actively respond to climate change</li> <li>Improve the quality and transparency of ESG disclosures and respond to stakeholders' concerns</li> </ul>

### **Climate Change-related Opportunities**

	Opportunity	Response	
Resource Efficiency	Demand for more energy-efficient equipment and low-carbon technologies     Policy incentives for green transition	Focusing on resolving resource inefficiencies, we comprehensively propose the "Oil & Gas Field Development Efficiency Solutions," the "Natural Gas	
Products and Services	Adoption and promotion of green and low-carbon products     Integrated climate change response solutions for the industry	Utilization Efficiency Solutions," the "AI Enabled Oil & Gas Development" solutions and the "Oil & Gas Market Place" solutions. We actively explore the application of new technologies, new equipment, and new processes to improve resource efficiency and reduce energy bills	
Market	Huge market demand for green energy development	<ul> <li>Identify and respond to supportive government policies and green projects</li> </ul>	
	Expansion to global markets	Strengthen low-carbon technology R&D and promotion     and continuously increase the share of green and low-	
	Ability to aggregate resources	carbon products	
Resilience	Identification of alternative energy and	Engage in the development of global emerging markets	
Nesilletice	<ul><li>energy diversification solutions</li><li>Participation in renewable energy projects</li></ul>	<ul> <li>Promote the development and utilization of renewable energy</li> </ul>	

### **Metrics and Targets**

Anton actively implements China's strategic objectives of "peaking carbon emissions and achieving carbon neutrality," unswervingly promoting the achievement of the strategic objectives of peaking carbon emissions and achieving carbon neutrality. The Company scientifically sets short-term and long-term management objectives for carbon emissions, regularly reviews and updates these objectives, explores and promotes innovative green development models, and steadily advances the Company towards a low-carbon and sustainable direction:



By 2025, our total greenhouse gas (GHG) emissions target is set to be no larger than 89,163 tons of  $CO_2e$ , with GHG emissions per revenue no larger than 12.30 tons of  $CO_2e$  / RMB million revenue. This reflects a 3% reduction from 2024;



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.

2024

GHG emissions (scope 1 and scope 2)

60,655.04

Tons of CO<sub>2</sub>e

GHG emission intensity (scope 1 and scope 2)

12.76

Tons of CO2e / RMB million

Direct (scope 1) GHG emissions

29,844.80

Tons of CO<sub>2</sub>e

Direct (scope 1) GHG emissions per revenue

6.28

Tons of CO<sub>2</sub>e / RMB million

Indirect (scope 2) GHG emission

30,810.23

Tons of  $CO_2e$ 

Indirect (scope 2) GHG emissions per revenue

6.48

Tons of CO<sub>2</sub>e / RMB million



### **Climate Actions**

As a leading oilfield technology service company, Anton is always committed to providing customers with advanced technical solutions, helping them remarkably reduce greenhouse gas emissions during oil and gas exploration and development. Furthermore, the Company continues to advance its own efforts for emission reduction, constantly reducing its greenhouse gas emissions through technological innovation and stringent operation management, and striving to achieve sustainability objectives. In 2024, Anton assisted its customers in reducing greenhouse gas emissions by 145,305.14 tons of carbon dioxide equivalent through professional technical support.

### **Empowering Industry Partners**

Based on the characteristics of the oil and gas industry, we developed the "asset leasing solution for green oil and gas development" to facilitate the green and low-carbon transformation of the industry.

### Engineering asset sharing and leasing services

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 services

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.

### Energy saving and emission reduction asset services

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 lowenergy 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.

### Specialized services for emission reduction and management

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.

### New energy power generation services

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.

### Distributed CCUS service

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.

### Case

### **CCUS Project in Northwest China**

In 2024, we collaborated closely with our partners to successfully advance the CCUS inspection project in Northwest China, having completed construction for 4 well-times. Simultaneously, the Inspection Group collaborated once again with this partner to provide technical services of tubing gas seal inspection for the 30 wells in the pilot demonstration area of this CCUS project. The precise technical services effectively prevented the risk of oil and gas well leaks, thereby avoiding potential fire hazards, well abandonment, and other major safety accidents. This action not only enhanced operational safety, but also remarkably reduced the escape of methane and other greenhouse gases.



Operation Site of Air Seal Inspection of the CCUS
Project in Northwest China

### **Promoting Technical Exchange in the Industry**

Anton continuously explores cooperation opportunities to promote the green transformation of the industry, actively participates in supporting development of the oil and gas industry and green low-carbon development in multiple regions, actively attends industry conferences, and explores opportunities for the linkage between natural gas emission reduction and carbon trading business. In 2024, we were invited to attend the Natural Gas Blueprint Summit in Sarawak, Malaysia. Anton showcased its localized natural gas industry chain solution and signed a strategic cooperation agreement with local partners, having reached a strategic cooperation on low-carbon and natural gas industry chain construction. The signing of this strategic cooperation agreement helps the local area to support the construction and development of a low-carbon economy in Sarawak and Kuching Port by promoting the replacement of diesel with natural gas, the application of natural gas power, and the construction of the natural gas chemical industry; this is achieved by building globally leading CCUS (carbon capture, carbon storage, and utilization) capabilities.



Service Exhibition at the Malaysia PETROS Natural Gas Blueprint Summit



### **Exploration of Emission Reduction in Anton**

To effectively manage carbon emissions in its own operations and fulfill emission reduction objectives, we have established a systematic greenhouse gas emissions management system. By establishing the Greenhouse Gas Emissions Management Measures, the Company closely integrates greenhouse gas emission control indicators with production and operation indicators to implement integrated management. In all aspects of production and operation, Anton strictly implements greenhouse gas emission control measures, covering equipment optimization, process improvement, and other aspects. Besides, the Company regularly organizes training sessions related to climate change to continuously enhance the environmental awareness and management capabilities of team members, ensuring that a high level of professional competence and execution is maintained in addressing climate change.



Anton Online Training Course on Carbon Emission

In 2024, we continued to implement the "Energy Efficiency Improvement" program, vigorously promoting the use of clean energy and low-energy consumption technologies, as well as digital transformation to aid emission reduction.



Promotion of clean energy utilization

Actively deploying new energy technologies such as PV and hydrogen energy, and intensively integrating these new energy technologies with traditional oil and gas businesses by innovative technical means, to promote the transformation and upgrading of oil and gas development towards low-carbon and green directions. In addition, the Company is committed to building a comprehensive green and low-carbon platform. Through the intensive application of digital technologies, it strives to create an intelligent and green oil and gas development scenario, injecting strong momentum into realization of the industry's green and sustainable development

By adopting advanced production processes and technical equipment, and through comprehensive measures such as the recovery and reuse of greenhouse gases, safe storage, and professional disposal, the Company stringently controls greenhouse gas emissions. The Company encourages all organizations to accelerate technological upgrades and phase out outdated production capacities, and to combine various governance measures to ensure effective control of greenhouse gas emissions and contribute to "peaking carbon emissions and achieving carbon neutrality." In 2024, we launched 12 measures under the "Energy Efficiency Improvement" program, cumulatively saving 11,572.00 tons of standard coal, which is equivalent to reducing greenhouse gas emissions by approximately 29,680.82 tons of carbon dioxide equivalent.



Development of low energy consumption technologies



Application of digital Intelligence technology

We are actively advancing the R&D and application of intelligent oil and gas technologies through digital transformation and technological innovation. Based on advanced data models and analytical tools, we continuously optimize algorithms to enhance operational efficiency, thereby addressing the challenges posed by complex geological conditions with greater precision. These measures not only significantly reduce resource consumption and carbon emissions, but also improve the quality of service experience for our customers.



### Application of Digital Twin Technology at the Loc Wellsite

In 2024, we introduced digital twin technology to the Loc Wellsite to further optimize its construction and operation efficiency. The project implemented an advanced 3D visualization-based smart oil and gas wellsite production management and control system, combined with IoT infrastructure for comprehensive upgrades in intelligence and digitalization. Through independent R&D and collaborative efforts, the Company successfully created an IoT-based smart control system suitable for natural gas processing, featuring low power consumption, high reliability, and low cost. This innovative practice not only remarkably improved project operation efficiency, but also achieved higher production and better economic benefits at a lower investment cost, thus providing strong support for the Company's continuous optimization of resource allocation and enhancement of operational performance.





Operation Site of the Loc Wellsite

# **Biodiversity Conservation**

Anton integrates the concept of ecological protection into all its business operations, striving to minimize any negative impact on ecosystems or biodiversity. The Company also recommends its customers to take proactive measures to mitigate the environmental impact of their business activities, collectively promoting biodiversity conservation.

In line with the *Environmental Protection Management Procedures*, the Company explicitly sets out specific requirements for ecological and environmental protection and stringently implements environmental protection measures during project planning and construction. The Company actively promotes the use of environmentally friendly and energy-saving equipment and technologies, optimizes construction processes, reduces land disturbance and resource consumption, and protects the integrity of the local ecosystem.

### In the early stages of project development

Anton conducts a comprehensive environmental impact assessment for proposed projects to ensure that all new, modified, expanded, and relocated construction projects complete environmental assessment reports and obtain government approval during the preliminary design phase.

### In the selection of construction sites

the Company stringently avoids ecological environments, and strictly prohibits operations in environmentally sensitive areas such as severe water-scarce regions, habitats of rare and endangered flora and fauna, and areas with special ecosystems, to minimize potential threats to biodiversity.

### In daily operations

the Company pays special attention to preventing the infringement of oil stains and pollutants on the environment, and ensures that the surrounding ecology is not damaged by measures such as the installation of anti-seepage facilities and timely cleaning of stains. Furthermore, the Company commissions professional organizations to perform real-time dynamic monitoring of the operational areas and regularly collects soil and water samples to promptly detect and resolve potential issues, ensuring that the ecological environment remains unharmed.

Anton also actively participates in the promotion and public welfare activities of biodiversity conservation. By organizing events such as World Environment Day, the Company popularizes environmental knowledge among employees and partners, thus enhancing their awareness of ecological protection. The Company encourages project teams to carry out ecological restoration and environmental public welfare projects locally, contributing to the promotion of biodiversity conservation and ecological improvement.

# O3 Society Shared Responsibility, Creating a Harmonious Society

### **Our actions**

- Product Quality and Services
- Employee Development
- Supply Chain Management
- Community Development

### **Key Performance**

- Number of employees: 6,754
- Research and development investment: RMB 116 million
- Number of patents newly authorized: 25
- Number of suppliers: 611

### **Contribution to SDGs**







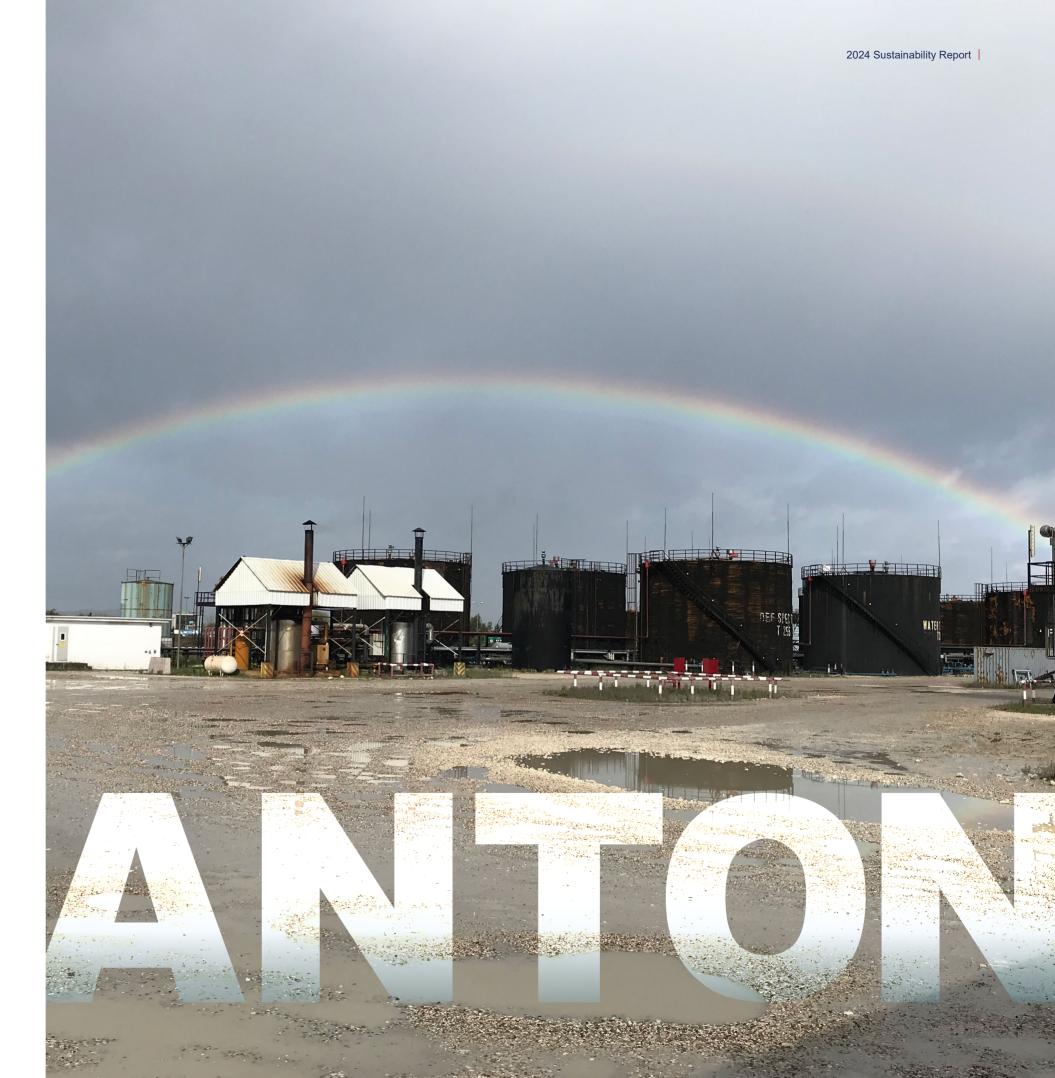






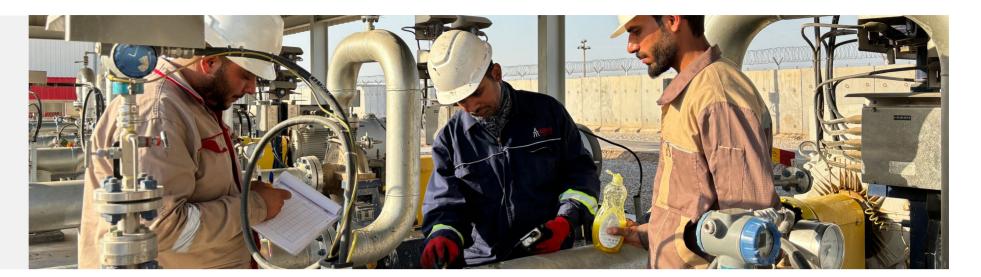






# **Product Quality and Services**

Anton adheres to the principle of "Life, Environment, Customer, Excellence", and is devoted to continuously improving the product quality management and control levels. We manage every link with precision, optimize customer service quality, and provide high-quality products and excellent services to create diverse values. We will continuously improve our product quality and services management system, helping the company actively respond to quality service challenges under the new business forms.



Anton's Product Quality and Services Objectives in 2024

First-Pass Yield of products and services

100%

Project satisfaction

100%

### **Strengthening Quality Management and Control**

Anton strictly follows the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, and the *Regulations for the Implementation of the Standardization Law of the People's Republic of China*, and other relevant laws, regulations, and standards. We prioritize comprehensive quality management as a key aspect of corporate development. We have established a quality management system that covers the entire lifecycle of the product, including design, manufacturing, process management, and quality inspection. We conduct targeted quality control and optimization in phases to ensure the product quality is controllable at every phase. To ensure that every aspect of product manufacturing strictly complies with safety standards, the company actively participates in quality management system certifications and other qualification evaluations. In 2024, we have passed the ISO 9001:2015 Quality Management System certification.

### **Quality Management System**

We have developed the internal management system of the *Quality Planning Management Program*, which provides standardized norms and guidance for setting quality targets for our products and services, product realization, measurement analysis, and continuous improvement. These systems clearly define the responsibilities and authorities of each department, standardize quality planning procedures including quality objectives, product and service realization, monitoring and measurement, and analysis for improvement, ensuring orderly quality management work and promoting a steady increase in quality levels.

### **Product Inspection**

To further standardize quality management and ensure product quality, we have compiled the *Non-Conforming Output Control Procedures*, which systematically identify and strictly regulate all products that do not meet requirements during production and service processes. In the case of serious non-conforming products, after approval by the company's management, we should actively and promptly initiate a product recall and take measures such as replacement, temporary substitution, or compensation as appropriate, with recalled products being disposed of. By establishing a rapid response and accountability recall mechanism, we can take corrective and preventive measures in a timely manner when issues are identified, preventing non-conforming products from further circulation and expanding negative impacts. Meanwhile, we regularly conduct data analysis and root cause tracing of non-conforming outputs, continuously optimizing production processes and service standards to ensure that the products and services we deliver meet high-quality standards. In 2024, the Company did not experience any product recalls due to quality and safety issues.

To ensure product quality standards while improving the efficiency of quality management and saving manpower and resources, we actively promote the digitalization transformation in the field of quality management. Relying on digitalization tools such as the intelligent production and operation platform, production intelligent control platform, and CRM customer relationship management system, we achieve online intelligent management of quality control, improving the precision and execution efficiency of quality management and control, offering strong support for the continuous improvement of product quality.

Moreover, the company provides various forms of product quality compliance special training for employees, such as Customer-Centered QHSE Management Training, All-Around Technical Introduction of Anton, and Operation Permit Management Training. Through on-site workshop visits and specific case analyses, these trainings help new employees quickly master key skills and product delivery points, improving work efficiency and product quality control capabilities.



2024 Outstanding Contractor



Outstanding Contribution Contractor at Iraq East Baghdad Oilfield

### **Optimization of Service Experience**

The company adheres to the value of customer centricity, highly values customer needs, and has established a Customer-Centered QHSE Management Model. We continuously optimize service processes, strengthen the construction of the service team, and strive to provide more professional, efficient, and attentive services to meet the diverse needs of our customers.

### **High-Quality Products and Services**

To enrich the content of customer project services and solidify customer relationships, the company has developed and implemented the *Base Construction Framework Method*. This method aims to achieve high-quality service delivery through lean operation management of existing projects, thereby promoting the growth of new businesses. We adopt a strategy of "using the old to promote the new", driving the diversified development of services, product lines, and customer resources.

Simultaneously, the company has also formulated the *Special Work Management Measures for New Market Development*, ensuring responsibility is assigned to individuals, and tasks are delegated layer by layer. We combine online oilfield industry databases with offline market promotion activities to conduct in-depth analysis and evaluation of existing customers. We pay special attention to potential customers and categorize them into five star levels based on business development prospects and the closeness of cooperation. This classification method helps us target new customers effectively, uncover new market opportunities, expand our global market network layout, and form new business growth points. To ensure the effective execution of new market development work, the company conducts periodic inspections and supervision through regular meetings, monthly discussions, and other forms, improving work efficiency and ensuring our market development strategies are implemented smoothly.

The company recognizes the importance of communication with customers and has developed the *Customers' Four Steps to Experience Management*. This involves collecting highlights and suggestions on customer experience, compiling summary reports, and fostering a customer experience mindset among all employees, ensuring that there are no blind spots or gaps in the entire process of customer experience management, thereby enhancing brand value and market competitiveness.

To further optimize customer management, the company has adopted an online customer relationship management (CRM) system, using digitalization to establish and manage customer profile archives. We utilize information-based tools for satisfaction evaluations, collect feedback through online follow-ups, and develop rectification plans based on this feedback, achieving efficient customer management.

We have formulated the *Customer Satisfaction Management Procedures*, perfecting the management and implementation methods for customer satisfaction surveys. The company conducts at least one survey per quarter, collecting and analyzing customer feedback to implement customer satisfaction surveys. Regular satisfaction surveys help us gain a deep understanding of customer satisfaction with the company's product quality, delivery efficiency, and service levels, and analyze satisfaction trends. In response to areas of dissatisfaction identified in survey results, we quickly identify the main causes and take appropriate corrective and rectification measures. These measures ensure that our product quality, delivery speed, and service standards accurately meet the actual needs and expectations of customers, thereby enhancing market sensitivity and service capabilities. In 2024, the average score of customer satisfaction for Anton's global business division was 98.10. We will continue to optimize service processes and quality, devoted to continuously improving customer satisfaction.



To ensure the smooth communication and feedback channels for customer complaints, we utilize a variety of online and offline channels, including the company's official website, the WeChat public account of Anton Oilfield Services Group, the Anton online service website, SMS cloud services through the CRM system, and customer visits, to quickly gather feedback on product quality or services. We immediately initiate a response mechanism, make timely rectifications, and conduct follow-up visits. We strictly document the entire feedback handling process in the CRM system, which not only facilitates our real-time tracking and implementation of customer issue resolution but also provides detailed data support and reference for subsequent work improvements.







Letter of Thanks from PetroChina

### 🚉 Case

# Roc Oil Corner 70 Well Site Pressure Boosting Dehydrogenation Project Expansion Reaches New Daily Processing High

On January 22, 2025, the daily processing capacity of the Roc Oil Corner 70 well site pressure boosting dehydrogenation project successfully exceeded 3.3 million cubic meters. Since the project went into production in April 2023, it has undergone several technical transformations and expansions. The Asset Leasing Services Group reasonably adjusted the process sequence and division of labor, overcame numerous difficulties, and successfully increased the daily processing capacity from the initial designed capacity of 1.95 million cubic meters per day to the current level. The annual processing capacity of the project is expected to exceed 1.1 billion cubic meters after the expansion, with an additional one-third of revenue. The successful expansion and efficient operation of the Roc Oil Corner 70 well site pressure boosting dehydrogenation project demonstrate the excellent organizational and coordination capabilities of the Asset Leasing Services Group and validate its professional strength and efficient execution in complex project management.



Group Photo of the Asset Leasing Services Group

In 2024

Letters of commendation from clients

101 Pieces

Anton's customer satisfaction stood at

98.10

### **Responsible Marketing**

The company always adheres to the *Advertising Law of the People's Republic of China* and other relevant national laws and regulations, devoted to implementing responsible marketing, advertising, and sales policies. We insist on integrity as the foundation and resolutely prohibit providing any sales plans that may be unfair or misleading to customers. In the design and promotion of products and services, we always highlight ensuring the accuracy and transparency of information to prevent any adverse effects on customers.

### **Clients' Privacy and Information Security**

The company resolutely protects customer privacy and information security, has formulated the *Anton Confidentiality Management Measures*, and established a comprehensive commercial secret protection mechanism. This mechanism implements full-process control over the generation, transmission, storage, and destruction of confidential information to prevent the risk of leaks. The company's information confidentiality follows the principles of compliance, strict secret-keeping, division of responsibilities, and strict processes. Commercial secrets are categorized into three levels based on importance: "top secret", "confidential", and "secret", with clear provisions on the scope of knowledge and management requirements for each level. To ensure the implementation of confidentiality responsibilities, the company has established a hierarchical management system, with department heads and personnel involved in secrets assuming corresponding levels of confidentiality duties. Besides, the company has developed strict confidentiality operational procedures and a supervision and inspection mechanism. This year, the company was awarded the "2024 DAMA Data Governance Best Practice Award", and the Anton Group Majnoon Oilfield Project Department obtained the ISO/IEC 27001:2022 Information Security Management System certificate.

To deepen the confidentiality awareness of all employees, the company requires new employees to sign a *Confidentiality Agreement* upon hiring, clearly defining their confidentiality obligations and liabilities for breach. Furthermore, the company has established an incentive mechanism to encourage employees to actively engage in confidentiality work. Employees who can timely discover and report potential leak risks, propose effective confidentiality measures, or excel in other confidentiality work will be recognized and rewarded.

Meanwhile, the company has launched a variety of information security training programs aimed at comprehensively improving employees' information security knowledge and skills. These trainings not only teach employees how to effectively identify phishing emails, false information, and scam tactics but also provide specific strategies for preventing information leaks and defending against hacker attacks. To consolidate the outcomes of the training, the company has implemented a quarterly information security self-inspection system, ensuring that employees continuously enhance their information security protection capabilities and form long-term security awareness and behavioral habits.



### **Technology Innovation Management**

Anton always regards technological innovation as an important component of its corporate strategy, dedicated to driving the energy industry's transformation towards efficiency, sustainability, and intelligence through research and development investment, technological breakthroughs, and the transformation of outcomes.

### **Innovation Management System**

Anton highly values innovation-driven growth, updates its innovation management methods, and continuously promotes the establishment of a new type of technology innovation system that spans the entire lifecycle of innovative technology products and the entire industry chain. We strive to create a new business model that is eco-friendly and involves multi-party collaboration. We continuously enhance our comprehensive support capabilities for large-scale energy projects, explore new technologies to support capital operations and business financialization, optimize decentralized management, and improve the quality of the Amoeba management model, aiming for refinement and breakthroughs in every management aspect. Moreover, Anton has formulated the *Measures for the Management of Production and Construction Projects*, providing systematic planning and management for technology development projects, clarifying the professional experience and technical capability requirements for project leaders, and ensuring the efficient progress and smooth implementation of the company's production and construction projects.

### **Stimulation of Innovation Vitality**

We always see research and development innovation as the core driving force for the company's development, dynamically adjusting the proportion of research and development investment according to business needs each year and incorporating it into the annual budget to ensure sufficient resources for the development of new products and technologies. We recruit technical professionals with a global perspective annually, establish an advisory committee, and invite top industry external advisors to provide professional consultation and guidance for the technological development of various units, ensuring a robust talent pool. Meanwhile, Anton has established technology centers in regional companies across the company, upgraded research and development centers in international locations such as Dubai and Cairo, and supported the construction of a global technology network.

Anton encourages technical staff to actively engage in the independent research and development of products and technologies and the transformation of outcomes. We have established the *Measures for Scientific and Technological Rewards*, using equity incentives, research bonuses, and other methods to attract and retain high-end research and development talents, stimulating the enthusiasm and creativity of research and development personnel. Simultaneously, we have integrated innovation capability into the employee performance evaluation system, recognizing and rewarding teams and individuals who have made outstanding contributions to innovation, fostering an organizational culture that encourages, respects, and dares to innovate.

Anton strengthens the deep integration of industry, academia, and research, promotes cross-functional and cross-disciplinary collaborative innovation within the company, and formulates *Anton's Four Steps to Product Innovation*, to facilitate joint innovation with customers and achieve the standardization and scaled promotion of innovative products. To comprehensively accelerate the accumulation and upgrade of technological resources, we actively establish research collaborations with renowned universities such as China University of Petroleum (Beijing), China University of Geosciences (Beijing), Southwest Petroleum University, and Northeast Petroleum University, broadening the sources and pathways for technological innovation.

### **Digital Transformation**

This year, Anton kept abreast of industry trends and formulated the *Management Measures for Data Visualization Development and Operations Services*, continuously advancing the research and development of AI application products in the industry. The company is dedicated to building a digital intelligence platform that covers the entire chain of products, business, and management, achieving a transformation towards all-scenario applications, and comprehensively enhancing the company's level of intelligence and operational efficiency. In 2024, the company was recognized as "Smart Innovation Benchmark Enterprise" and "2024 Annual Leader in Corporate Intelligent Leadership", with its projects selected as "AI Application Benchmark Cases", "Typical Case of AI Empowering New Industry by the Ministry of Industry and Information Technology", and "Energy Industry Digitalization Model Cases", and its products obtained the AI Large Model Industrial Application Capability Evaluation Certificate.



The Al Large Model Industrial Application Capability Evaluation Certificate





Oilfield Industry Al Joint Research and Development Platform This platform imports high-quality scenario data from Anton's historical records and practical experience, equipped with high-performance computing clusters and specialized AI acceleration hardware facilities. Using advanced data analysis tools and algorithms, it develops solutions tailored to specific needs of the oil and gas industry. The platform supports users in utilizing Anton's developed simulation testing environment to safely test new technologies and processes under virtual conditions, significantly reducing risks and costs in application. In 2024, the platform was recognized as a "Typical Case of AI Empowering New Industry by the Ministry of Industry and Information Technology."



Anton Large Model Intelligent Agent Application Platform This platform integrates functions such as model management, finetuning training, and the construction and application of intelligent agents, providing visualization tools and use scenarios, and reducing the cost of enterprise application of large models. Through this platform, enterprises can quickly customize intelligent agents to adapt to complex business scenarios including production manufacturing, customer service, and supply chain management, further enhancing operational efficiency and promoting quality and efficiency in business operations.



Anton Quick Oil & Gas GPT Platform

This platform combines oil and gas information services, enterprise management digital intelligence services, and oilfield site engineering services, using advanced AI technology to provide customized solutions for oil and gas knowledge acquisition, talent recruitment, internal management optimization, and oilfield site engineering design. Additionally, it supports multi-device compatibility and offers immersive virtual training and emergency simulation exercises to meet various training needs.



Fiber Optic Remote Monitoring Data Analysis Platform This platform integrates DTS/DAS real-time data collection and remote monitoring capabilities, enabling parallel monitoring of multi-well group fiber optic data and supporting remote download. The platform provides authorized users with convenient login, data quality control, and download services, equipped with a comprehensive database management system covering fiber optic data and well data management, as well as data retrieval, review, and graphical display. Furthermore, the platform has powerful intelligent real-time analysis capabilities, quickly processing data such as leak point analysis and gas-liquid interface analysis, providing qualitative and quantitative interpretations, and offering intelligent analysis support for diverse application scenarios.



Digital Cuttings Target Identification Platform This platform is equipped with tools for identifying the pores of cuttings particles and can recognize pores and fractures in image samples through image recognition algorithms, obtaining geometric parameters and generating multi-dimensional statistical analysis data on demand. Meanwhile, the platform can calculate rock mechanics parameters based on cuttings BSE images and energy spectrum results, which are used for reservoir heterogeneity evaluation, drilling engineering guidance, and fracturing scheme optimization.



Smart Production and Operations Management Platform This comprehensive management platform covers nine major operational areas including orders, operations, revenue, accounts receivable, accounts payable, cash flow, and fixed assets. This year, we coordinated the iterative upgrade of the smart production and operations management platform across all levels of the Company's operations management units, successfully launching over 1,000 visualization function pages, improving data accuracy and timeliness by more than 50%, fully realizing the platform's support for multi-language, multi-currency, and multi-role applications. It has been deeply integrated with the Amoeba management model, added early warning monitoring functions, enhanced the functionality and practicality of the platform, and provided strong data support and decision-making assistance for operations management units at all levels.



ChatBl Platform

Anton has independently researched and developed the data-driven large model (ChatBI) platform, which allows business users to interact with the BI platform in a natural language conversation, accessing data, analysis conclusions, and visual charts at any time. The platform ensures data security by limiting user access to their respective business department's data, preventing the amplification and misuse of data access permissions. This platform improves work efficiency, reduces labor costs, and promotes information transparency and sharing.



Data Asset Visualization Management Platform This platform facilitates the entire lifecycle management of the Company's data assets, making them manageable, findable, knowable, usable, and evaluable, and aids in the establishment of a standardized and integrated data service system. During the development process, we comprehensively organized data assets and enhanced the awareness and capability of management personnel to utilize data through the platform, promoting continuous improvement in the quality of the Company's operations management.



Process Management Platform The company has launched the English version of the process management platform, supporting global online office operations and improving work efficiency and employee satisfaction. In addition, the platform can handle an extensive backlog of process management tasks, having already processed over 50,000 items, significantly improving the efficiency of business process approvals.

To comprehensively promote the management process of digital intelligence transformation and upgrading, Anton has organized a series of artificial intelligence skill training activities aimed at enhancing the management efficiency of the entire company. These training activities help the company's managers and employees understand the principles of artificial intelligence technology and master practical application methods in different management scenarios, effectively promoting the company's steady progress on the path of digital intelligence transformation.

### Case

### Anton and Kunlun Digital Held a Grand Strategic Cooperation Signing Ceremony

In July 2024, Anton Oilfield Services Group and Kunlun Digital Technology Co., Ltd. (hereinafter referred to as "Kunlun Digital") held a strategic cooperation signing ceremony, marking the beginning of a new chapter of collaboration in the fields of oilfield digital intelligence and artificial intelligence in oil and gas development. The two parties will jointly build an industrial internet platform for the oil and gas industry, empowering each other in nine key areas including complete sets of digitalization services for EPC projects and artificial intelligence services in oil and gas development, to promote a mutually beneficial business model. Looking forward, Anton and Kunlun Digital will continue to deepen cooperation, enhance communication and collaboration, and jointly advance the implementation of digital intelligence cooperation projects in the oilfield, bringing more digital intelligence innovation and breakthroughs to the oil and gas industry.



The Scene of the Strategic Cooperation Signing Ceremony Between Anton and Kunlun Digital

### **Intellectual Property Rights (IPR) Protection**

Anton attaches great importance to the protection and management of intellectual property rights, strictly abides by relevant laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*, and has formulated the company's *IPR Management Measures* to standardize the management process of IPR, promote the transformation and application of scientific and technological outcomes, and prevent legal risks related to IPR. Anton commits that the products or services provided do not infringe on the IPR and other legitimate rights and interests of any third party. This year, Anton filed 40 new patent applications, obtained formal authorization for 25 patents, received authorization for 17 domestic software copyrights, and published 39 technical papers.

To accumulate and solidify the company's knowledge assets, achieve the co-creation, sharing, orderly transfer, and effective application of knowledge within the company, Anton has established an online enterprise knowledge management platform, realizing the dynamic management and internal sharing of IPR information. In 2024, the company optimized the catalog function of the knowledge management platform and established a management ledger for qualification certificates and IPR. Focusing on the Company's core business processes, a total of over 27,000 items related to production construction, marketing, and operation projects, including plans, summaries, and cases, were accumulated and archived throughout the year; more than 30,000 management support reports and summary documents were managed; and over 110 new types of technical, operational, and management electronic online training courses were created.

To ensure the professionalism and systematicness of IPR management, the company has established a dedicated department for the daily maintenance and management of IPR, covering copyright, patent rights, technology secrets, and trademark management. We focus on the protection of innovative outcomes, promptly apply for patents, trademarks, and copyrights for new technologies, products, and brands to ensure that innovative outcomes are legally protected.

The company has established a knowledge management incentive system designed to inspire employees' enthusiasm for participating in knowledge management, ensuring the sustainability and normalization of the company's knowledge management. We encourage employees to actively maintain the company's IPR and provide rewards for employees who have made significant contributions in the creation, protection, management of IPR, and the transformation of scientific research outcomes, as well as those who effectively prevent infringement behaviors and protect the company's IPR. Meanwhile, for any act of unauthorized copying or other forms of infringement of the company's IPR, we will promptly initiate legal proceedings and take all necessary measures to protect the company's legitimate rights and interests, ensuring that our innovative outcomes and business interests are properly protected and not infringed upon.



A total of over

**27,000** items related to

production construction, were accumulated and archived throughout the year



More than

30,000 management support reports and summary documents were managed



Over

110 online training courses were created

### **Contribution to Industry Development**

Anton actively promotes exchanges and resource sharing with outstanding enterprises in the industry and is devoted to achieving efficient sharing and optimal allocation of resources, with a view to jointly advance the innovative development and sustained prosperity of the industry through mutual learning and complementing each other's strengths. In 2024, Anton hosted the 1<sup>st</sup> Anton Oil and Gas Reservoir Geotechnology Conference, participated in industry exchange activities such as the Abu Dhabi International Petroleum Exhibition and the Beijing International Oil Exhibition, boosting the development of the industry.

Moreover, Anton is dedicated to expanding international cooperation channels, thereby continuously enhancing its brand's global competitiveness. This year, Anton's successful inclusion as "member of the APEC Energy Partner Network" by the National Energy Administration not only serves as an authoritative recognition of the Company's international influence, but also lays a significant foundation for our global expansion. Leveraging this platform's advantages, Anton will further intensify strategic collaborations with energy agencies and multinational corporations worldwide to accelerate the establishment of a global energy cooperation network.

### 🚉 Case

### The 1st Anton Oil and Gas Reservoir Geotechnology Conference Held at Xi'an Shiyou University

On January 6, 2024, the one-day 1<sup>st</sup> Anton Oil and Gas Reservoir Geotechnology Conference was grandly held at the Conference Center of the Yanta Campus at Xi'an Shiyou University. The conference, hosted by Anton Oilfield Services Group, themed "Integration of Seismic, Geological, and Engineering for Technological Leadership and Breakthrough Contributions", invited experts to share cutting-edge knowledge in the industry and the latest research outcomes and technical application cases in seismic, geological, and reservoir studies around ten topics. The innovative combination of integrated seismic, geological, and engineering development with artificial intelligence expanded the horizons of the attendees and provided new ideas for oil and gas exploration and development.



Group Photo of the 1<sup>st</sup> Anton Oil and Gas Reservoir Geotechnology Conference

### Case

# Anton Debuted at the 24<sup>th</sup> China International Petroleum & Petrochemical Technology and Equipment Exhibition

In March 2024, the 24<sup>th</sup> China International Petroleum & Petrochemical Technology and Equipment Exhibition opened grandly at the China International Exhibition Center (New Hall) in Beijing. Anton debuted at Booth E1210 in Hall East 1, with the theme of "Anton's Comprehensive Solutions for Oil and Gas Development", showcasing Anton's concept of sustainable development in oil and gas. At the exhibition, Anton arranged multiple thematic presentations, offering personalized services and customized solutions to specific customers and technical needs, sharing the latest outcomes of Anton's comprehensive solutions for oil and gas development, devoted to continuously improving geological engineering technology capabilities, and creating breakthrough contributions through joint innovation with customers.



Group Photo of the Team at the 24<sup>th</sup> China International Petroleum & Petrochemical Technology and Equipment Exhibition

### **©** Case

# Anton Attended the Malaysia PETROS Natural Gas Blueprint Summit and Signed a Strategic Cooperation Agreement

In November 2024, Anton Oilfield Services Group attended the Malaysia PETROS Natural Gas Blueprint Summit, where it showcased Anton's localized industrial chain solutions for natural gas and the overall strength of Anton's Chinese ecological partners in the natural gas field. Supported by the Hong Kong listed company VPower Group, Anton set up an LNG power generation project model based on VPower Group and China National Technical Imp. & Exp. Corporation at the summit venue and signed a strategic cooperation agreement with Petroleum Sarawak Berhad in collaboration with local partners, facilitating international cooperation.



Anton Attended the Malaysia PETROS Natural Gas Blueprint Summit

# **Employee Development**

Anton regards its employees as the company's most valuable asset, continuously optimizing and perfecting the human resource management mechanism to ensure standardized management of talent recruitment. We uphold the principle of mutual respect, value the development of diverse talents, and with a comprehensive remuneration and benefits system and talent training program, we continuously enhance employees' sense of belonging and team cohesion, striving to create a fair, open, harmonious, and progressive workplace atmosphere.

In 2024, Anton constructed a global human resources information sharing center, establishing a human resources information management service system centered in Egypt, facing the globe, laying the foundation for the Company's global services. In addition, the company comprehensively organized and improved the global employee handbook, global campus recruitment compensation plans, and localized employee leave, business travel, attendance, and welfare management systems, enhancing the global adaptability of the systems and further increasing the well-being of employees in various locations.

### **Compliant Employment**

Anton adheres to equal and compliant employment, strictly following the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. Based on international human rights standards and the legal provisions of the business operating locations, we have established recruitment and employment management systems applicable to employees of different nationalities and regions. We firmly oppose any recruitment discrimination based on nationality, race, age, religious belief, gender, educational background, or physical health and resolutely resist the employment of child labor and forced labor. We adopt strict identity verification measures during the recruitment and contract signing process to eliminate the risk of employing child labor and maintain a zero-tolerance attitude towards any form of forced labor, including prison labor, debt labor, slave labor, and human trafficking.

The company fully respects human rights and supports the international human rights principles established by the *Universal Declaration of Human Rights*, including the *International Bill of Human Rights*, the International Labour Organization's 1998 Declaration on the *Fundamental Principals and Rights at Work*, and the *UN Guiding Principles on Business and Human Rights*. Meanwhile, we strictly comply with all local, national, and international laws and regulations on human rights protection and the exercise of human rights in our business operating locations and have formulated the *Human Resources Social Responsibility Policy* to systematically monitor and ensure the implementation of human rights. To further safeguard the legitimate rights and interests of employees, we respect the right of employees to form or join trade unions and support employees in expressing their demands through legal channels. The company has established a smooth reporting channel to ensure that employees can safely and conveniently report issues, and we strictly keep the confidentiality of the reporting information and deal with it promptly, effectively protecting the legitimate rights and interests of employees from infringement.

We rely on diversified talent introduction mechanisms such as school-enterprise cooperation, campus recruitment, and social recruitment to actively absorb outstanding talents with different backgrounds and characteristics. As the talent team continues to expand and global business operations deepen, traditional human resource management models have become insufficient to meet the company's development needs. To this end, Anton explores new paths for the digitalization transformation of human resources, with the aim of enhancing management efficiency through technological innovation.

This year, we referencing global corporate standards, completed the sorting, adjustment, and optimization of the human resource system framework, revised the global human resource system, comprehensively covering organizational structure, position setting, compensation system, recruitment process, talent training, performance evaluation, and daily employee management. This revision significantly improved the standardization and systematicness of the company's human resource management, providing strong support for the deepening of the global strategy.

### **Diversity and Inclusiveness**

Anton's business network spans the globe, and we have assembled a diverse workforce of various nationalities, ethnicities, cultures, genders and ages. We firmly believe that a diverse talent structure can stimulate innovative thinking, promote cross-cultural exchanges, support Anton's innovative development, and bring a broader market perspective and competitive advantage. We support localization construction, actively recruit talents in the locations where we operate, and assist in the training of local talents, reserving solid and reliable backup forces for Anton. In 2024, Anton recruited 843 employees from 17 countries, including 468 employees working in China, 290 employees working in Iraq, and 85 employees working in other overseas countries, thus deepening the global talent layout.

Anton is committed to creating a diverse and inclusive work environment with equal opportunities to ensure that the human resources philosophy of "Co-Creation, Sharing and Win-Win" is embodied in the whole cycle of talent selection, training, appointment and retention. In 2024, a total of 593 non-Chinese employees were recognized, accounting for 13.43% of the total number of recognized employees. As of December 31, 2024, a total of 25 non-Chinese employees held middle and senior management positions in Anton's global business operations, reflecting the effectiveness of Anton's practice of "doing global business with global talents". We adhere to gender equality, attach great importance to the career growth and promotion of female employees, fully implement the policy of equal pay for equal work, and eliminate any form of gender discrimination. 2024, the proportion of female employees in middle and senior management positions was 17.5%, injecting more diversity and inclusiveness into the company's governance. In addition, Anton actively fulfills its social responsibility and pays attention to equal career opportunities for disadvantaged groups. Through special recruitment, job adaptation and other initiatives, a total of 7 employees with disabilities were recruited in 2024, continuing to build an inclusive and diverse employment ecosystem.

### **Case**

### School-Enterprise Cooperation in Cultivating Minority Language Talents

In May 2024, a delegation led by Fan Yonghong, President and Chief Technology Officer of Anton Oilfield Services Group, engaged in in-depth discussions with Beijing International Studies University, Beijing Language and Culture University, Peking University, and the University of International Business and Economics on the introduction of language talents, student-oriented training, and school-enterprise cooperation. As Anton's global business development accelerates, the demand for minority language talents has been increasingly growing. Through exchanges and discussions with language universities, Anton hopes to establish a long-term and stable cooperative relationship with higher education institutions to jointly cultivate more outstanding talents with an international perspective and professional skills.



Anton and Beijing International Studies University Carry out School-enterprise Cooperation and Communication



Anton continues to promote its global talent strategy, attracting international outstanding students through overseas recruitment channels to optimize the global talent structure. This year, Anton has carried out campus recruitment in the Middle East, Southeast Asia and other regions, and universities in Indonesia, Pakistan and other countries to select talents.

Case

### Anton Conducts Campus Recruitment Activities Overseas

In 2024, Anton carried out campus recruitment activities in prestigious institute and universities in Indonesia and Pakistan. In Bandung Institute of Technology, which is the top ranked petroleum university in Indonesia, President Pi Zhifeng gave a comprehensive introduction of the Group's development history, business layout and talent training system to the attending teachers and students, and the overseas students exchanged views with the campus recruitment team on topics such as career development paths and professional and technical cultivation, etc. The activity received more than 310 job-seeking CVs of fresh graduates, and organized on-site interviews for 114 people, and 21 outstanding students passed the preliminary examination and entered the review session. The school recruiting team set up special lectures and interactive communication sessions to help students from overseas colleges and universities to deeply understand Anton's corporate culture and talent needs.

Through the overseas recruitment activities, Anton has successfully introduced high-quality overseas talents and reached consensus with universities on deepening school-enterprise cooperation, which has effectively enhanced Anton's influence in the field of overseas higher education.





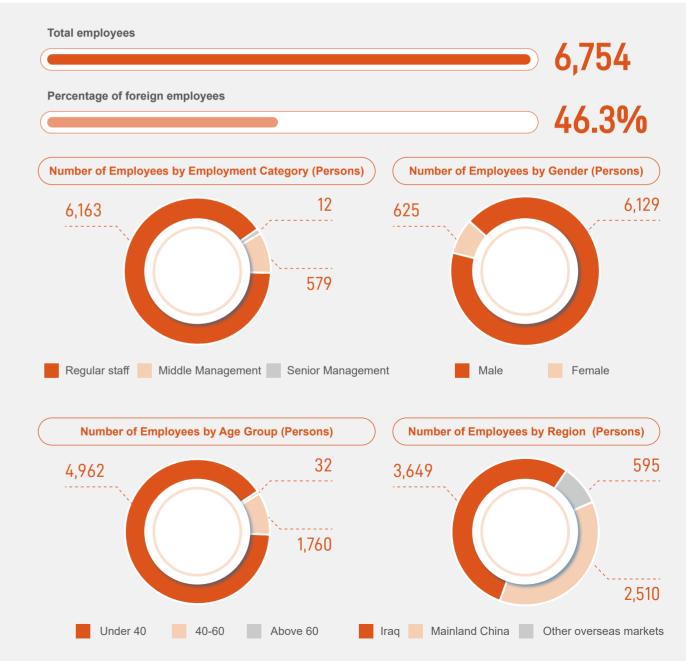
Anton Successfully Conducted Campus Recruitment Activities at Four Renowned Universities in Indonesia: Universitas Pendidikan Indonesia, Institut Teknologi Bandung, Telkom University, University Indonesia



Anton's Career Fair in Pakistan







### Remuneration and Benefits

Adhering to the principle of value co-creation, Anton has formulated the *Anton Group Comprehensive Compensation Management Measures*, establishing a compensation system based on the evaluation of capability and value, supplemented by employee incentives. The system is benchmarked against industry standards and trends, aiming to provide employees with competitive salaries and benefits. To encourage operations managers and key position holders, the company has implemented an equity incentive plan, sharing business outcomes with employees. Moreover, the company has established a diverse and multi-dimensional incentive mechanism, formulating internal systems such as the *Group Company Position Incentive Model*, *Anton Group Honor System*, *Group Company Special Contribution Award Implementation Rules*, *Anton Group Annual Outstanding Employee Award Management Measures*, *Anton Partner Plan*, and *Marketing Project Operation Evaluation Incentive Implementation Rules*, to enhance employee satisfaction and well-being, and to assist employees in growing and enabling the company's value creation in both directions.



Position Incentives: The company categorizes positions into operational incentive positions, project operational incentive positions, hourly award incentive positions, and piecework award incentive positions, providing incentives based on the position type.



Anton Group Honor System Incentives: The company recognizes and rewards outstanding employees and teams at various units and levels, such as presenting meritorious service awards, long-service awards, and annual best operational team awards, to create an atmosphere of competition and excellence.



Comprehensive Compensation Incentives: The structure of comprehensive compensation includes basic salary, regional (national) difference wages, specific situation subsidies, bonus wages, and benefits. Bonus wages specifically include business awards, project operation awards, piecework awards, excess business awards, and special contribution awards. The company takes a composite compensation structure to incentivize employees and stimulate organizational vitality and innovative potential.



Anton Partner Plan: The company categorizes partners into work partners, project partners, and business partners based on their responsibilities and contributions. By clearly defining responsibility levels, the plan stimulates employees' initiative, closely integrating employee contributions with the company's development.



Marketing Project Operation Evaluation Incentives: The company implements operation evaluation incentives after the completion of marketing project orders, encouraging employees to summarize experience, explore innovative breakthroughs, leverage their personal value, and promote project development.

### **Employee Benefits and Care**

Anton always regards the protection of employee rights and humanistic care as a vital component of corporate management. In accordance with internal systems such as the Anton Employee Welfare Management Measures, Employee Vacation Management Measures, and Management Measures for the Family Members of Dispatched Employees, we have established a comprehensive welfare security system that covers all employees throughout their entire career development cycle. We legally pay full amounts for pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance, and housing provident funds. Moreover, we provide all employees with supplementary medical insurance and accidental injury insurance to strengthen the defense line for employee health and livelihood. We not only offer legal paid leave benefits such as marriage leave, maternity leave, paternity leave, and breastfeeding leave but also convey corporate warmth during important moments in employees' lives, such as marriage, childbirth, birthdays, and serious illnesses, through customized gift packages and condolence gifts. Apart from that, we regularly plan and organize social gatherings, cultural and sports activities, outdoor excursions and mountain climbing to help employees achieve work-life balance and further enhance their sense of belonging and team cohesion.

For overseas employees, we have developed special care programs, including annual home leave benefits for foreign employees, welfare for the families of assigned employees, and a children's education support plan. On local important holidays such as the Kazakhstan Oil Workers' Day, the Iraqi Eid al-Fitr, and the Dubai Eid al-Adha, the company distributes holiday benefit packages to employees stationed abroad, respecting and integrating into local cultural traditions.

The company maintains open communication channels by regularly holding democratic appraisals and feedback communication meetings, employee representative assemblies, and communications with trade union representatives, ensuring that employee opinions are fully expressed and efficiently addressed.

### 🚉 Case

### North Central Iraq-OAS Joint Customer Corban Festival Visit and Employee Recognition Event

On June 20, 2024, during the Corban Festival, Anton's Vice President Ren Yingpeng, together with the OAS business division, held a symposium in the Ahdeb Field meeting room. Attendees included Mr. Azher, Chairman of the Ahdeb Field Joint Management Committee (JMC), Mr. Jiang Ming, General Manager of Oasis Petroleum Inc., and Mr. Ding Mingming, Executive Deputy General Manager, among other key leaders. The event aimed to share the joy of the holiday, demonstrate team cohesion and a friendly atmosphere, and recognize outstanding employees who have made exceptional contributions to the stable production and continuous development of the oilfield.



North Central Iraq-OAS Joint Customer Corban Festival Visit and Employee Recognition Event

### 🙀 Case

### Anton Petroleum China Region Award Ceremony

To enhance team cohesion, strengthen the company's team culture, and make senior employees feel valued, on March 13, 2024, Anton held the Award ceremony for the China region. Attendees included Group Executive Vice President Liu Guoqing, Chairman of the Drilling Industry Group Ma Jianmin, China Region President Zhang Yanping, and other leaders, as well as the Award recipients and key employees from various locations in the China region. The event recognized and awarded the Award recipients and key personnel, encouraging them to continue to play a leading role and create their own value.



Anton Petroleum China Region Award Ceremony



### Case

### Anton Xinjiang Region Trial Repair Business Division Spring Festival Frontline Visit

On January 26, 2024, the Trial Repair Business Division of Anton Xinjiang Region, led by General Manager Yan Hui and General Manager of the Karamay and Tuha Business Division Jiang Chao, visited the Shanshan, Turpan, and Jimsar locations of the Tuha Trial Repair Project Department to carry out safety inspections, visits, and employee discussion sessions for the grassroots front-line Amoeba teams during the Spring Festival. The visit aimed to gain a deep understanding of the work and living conditions of the on-site employees, with leaders providing answers and assistance for employee confusion and stress. This frontline visit strengthened the connection between management and employees, enhancing employees' sense of belonging, motivation, and team cohesion.



Group Photo of Anton Xinjiang Region Trial Repair Business Division Frontline Employee Visit



On January 6, 2024, the Anton Dubai office, Led Personally by Chairman of the Board, Completed a 7-kilometer Running
Event on Palm Jumeirah Island

### **Occupational Health and Safety**

Anton upholds the value of "QHSE first, then Anton", adhering to legal regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. We have established internal systems like the *Occupational Health Management System* and the *Employee Health Examination and Evaluation Management Measures*, and instituted a comprehensive safety production responsibility system. This system clearly defines the responsibilities of each department, regularly identifies and controls occupational health risks, and timely prevents health and safety risks in production activities, providing employees with a safe and stable working environment. This year, Anton has been certified with the ISO 45001 Occupational Health and Safety Management System.

### → Anton's Occupational Health and Safety Management Objectives in 2025 →

Comprehensive equipment intact rate stands at

100%

The coverage rate of occupational health examination reaches

100%

Motor Vehicle Accident Rate (MVAR) per million kilometers stands no higher than

0.20

Compliance rate of the utilization of safety input stands at

100%

Total recordable incident rate (TRIR) per one million man-hours is no higher than

0.64

Elimination of serious and largescale liability accidents in production operations (including fire and explosion, serious injury and death of personnel in well blowout, etc.) QHSE training program completion rate stands at

100%

Lost Time Injury Factor (LTIF) per million working hours stands lower than

0.28

Occupational disease injury accidents are eliminated

Anton conducts irregular occupational health and safety management inspections, identifying issues through internal audits and taking immediate corrective measures to ensure safety in production. In this year's occupational health and safety management internal audit, we covered four major regions: Xinjiang, Southwest, Northwest, and North China, involving 24 operational sites. The audit team used a variety of methods including document review, on-site observation, and personnel interviews, strictly adhering to the standards of the occupational health and safety management system.

In response to issues identified in the internal audit, the company has developed a special rectification plan, focusing on infrastructure construction, employee capability and awareness enhancement, risk management, emergency management, occupational health management, and the setting of target metrics, as well as control of production and service processes. We are devoted to continuously raising the level of occupational health and safety management, ensuring the sustained stability and continuous improvement of the safety production situation.



SIBA Comprehensive Maintenance Project First Quarter 2024 HSSE Outstanding Performance Award

### **Safety Production**

The company has formulated the QHSE Operation Plan and the HSE Operation Plan Management Measures to strictly regulate internal safety management. We regularly execute multiple safety checks and evaluations, including occupational disease hazard factor testing, hidden danger inspection and control, high-altitude safety checks, employee health management supervision, and the annual QHSE compliance evaluation.

Moreover, the company stipulates that all projects must prepare a QHSE plan before initiation and file it in document form. This is aimed at setting QHSE work objectives and plans for the project, clarifying the QHSE management organizational structure and responsibilities, identifying and evaluating QHSE risks, formulating emergency response plans, and regularly supervising to ensure timely correction of non-compliant issues. For projects in high-risk industries, the company requires the legal entity undertaking the project to hold a safety production permit and conduct a self-evaluation of qualifications according to the *Guidelines for Standardization of Safety Production in the Petroleum Industry* to ensure efficient and compliant safety production. In 2024, Anton comprehensively promoted the application of the QHSE Safety Dual-Control Management System, achieving a dual guarantee of health and safety through digitalization. Relying on this platform, all operational units of the Company performed hidden danger inspections, identified risk points and hazard sources in operational projects, and established an online mechanism for graded risk control, thereby comprehensively improving the efficiency of safety management.

We legally pay work injury insurance for all employees and purchase additional safety production liability insurance for their employees, ensuring the personal safety of employees. For employees exposed to occupational risks, the company has developed protective measures for labor protection and occupational health management. We post occupational hazard warnings and signs at production sites, ensure adequate labor protection equipment is provided, and hire qualified third-party organizations to conduct real-time testing of site dust and noise, promptly identifying safety hazards and preventing employees from being exposed to high-harm environments for extended periods, the number of work-related deaths in our company in each of the last three years was one.

### **Employees' Physical and Mental Health**

Anton has formulated and issued the *Anton Group Employee Health Management Measures*, which establish a system for recording employee health files, creating a health declaration system for employees and a file for occupational diseases. The company identifies and tracks health risks for key position personnel to ensure that on-duty employees pass medical examinations. Moreover, the company provides psychological counseling for employees in need and actively organizes team-building activities to maintain employees' physical and mental health.

### Safety Education and Training

The company strictly executes the three-tier safety education and training requirements, combining informatization and offline training methods. All employees have received safety production education and training, as well as pre-job competency evaluations, to ensure that employees have the necessary knowledge and skills for safety production, thereby comprehensively improving their safety education capabilities. In 2024, the company invested in special training funds to conduct training for all employees, including safety production laws and regulations, occupational disease prevention, and certification training that meets the technical requirements of their positions. Moreover, we organize activities such as Crane Safety Month, Traffic Safety Month, and Safety Production Month to prevent and reduce safety incidents, continuously strengthening employee safety awareness.

### **©** Case

### Crane Safety Month

In July 2024, Anton initiated a "Crane Operation" safety special activity, with the participation of 18 units. The activity was carried out in phases, including crane operation safety awareness training, crane operation accident case analysis, and comprehensive chain hazard inspection of crane activities. During this safety month, the company identified three core issues: defects in equipment and facilities, inadequate safety protection measures, and weak safety awareness among personnel. Corresponding improvement strategies were implemented to continue strengthening crane operation safety knowledge training. Before operations, a professional safety evaluation team was organized to strictly manage non-operating personnel, and the management of crane rigging at the operation site was enhanced. This activity covered all employees of each unit. using a "unit self-inspection + headquarters supervision" mechanism to promote systematic hazard inspection and rectification among the 18 units, significantly improving employees' risk identification and emergency response capabilities in crane operations.



Hoisting Safety Month Safety Awareness Training for All Employees

Anton initiated a "Crane Operation" safety special activity, with the participation of

18 units

### **Safety Drills and Emergency Response**

To comprehensively enhance employees' emergency response capabilities, we have established a regular emergency drill mechanism, organizing specialized drills such as fire evacuation, flood mitigation, and electrical shock rescue every year. Through highly realistic simulated scenarios, such as office building fire smoke simulations, employees have systematically mastered key skills such as emergency response plan activation, evacuation route identification, and the use of emergency equipment. Meanwhile, we adopt a "theoretical training + practical evaluation" dual-track model to strengthen employees' self-rescue and mutual aid skills, ensuring that every employee can "respond quickly, handle standardly, and collaborate efficiently" in emergency situations, thereby solidifying the last line of defense for the company's safety production.





Anton places a high priority on employee training and development, constructing a comprehensive training and development system that covers the entire career cycle, providing employees with a diverse and multi-dimensional learning platform and growth path.

### **Employees Development and Training**

We have formulated internal policies such as the Anton Oilfield Services Group Employee Learning and Training Management Measures and the Anton Oilfield Services Group Internal Trainer Management Measures to support employees in learning advanced technologies, mastering professional skills, improving management levels, and realizing self-worth. To encourage employees to develop long-term careers within the company, we have compiled the Employee External Study Management Measures, offering opportunities for external study, encouraging employees with good performance, alignment with company culture, and a desire for learning and development to participate in external courses, further education, and obtaining qualification certificates.

As an important platform for talent training, the Anton Petroleum Innovation Academy offers a variety of training courses for employees, covering management training, cultural training, innovation training, informatization training, professional skills training, and basic quality training, enhancing employees' personal quality and capabilities in all dimensions and promoting the company's value creation. In 2024, the Petroleum Innovation Academy conducted 356 training sessions worldwide.

### Case

### Anton Global Future Leaders Training Camp

In December 2024, the first session of the Anton Group's Future Leadership Enhancement Training Camp concluded successfully, with 9 trainees from different countries actively participating and completing the program. The training camp was conducted in English and offered a variety of leadership practice projects to help cultivate leadership thinking. In the American University Leadership Workshop, trainees discussed topics such as the transformation of managerial roles and cross-cultural communication, and experienced leadership in simulated business scenarios. Moreover, the training camp included technical courses, allowing trainees to delve into professional knowledge in areas such as oil and gas field development geology research, drilling technology, and downhole technology, and to exchange ideas with experts, comprehending cutting-edge technologies. This training camp not only strengthened the trainees' leadership skills but also enhanced their professional capabilities.



Group Photo of the Anton Global Future Leaders Training Camp trainees

### Case

### Anton Invited to the 2024 Talent Internationalization Forum

In June 2024, the Talent Internationalization Forum was successfully held in Beijing, with Anton and several other companies invited to attend. The forum focused on new trends in corporate internationalization, practical experience of going abroad, and how professional talent service institutions can empower companies for international expansion, providing a platform for in-depth exchange and learning for companies and talents. In the future, Anton will comprehensively launch global recruitment activities, devoted to the long-term introduction and training of strategic talents on a global scale, actively expanding overseas business, and offering strong talent support for the internationalization of the company.



Scene of the 2024 Talent Internationalization Forum

### Case

### Iraq MOC-ANTON Joint Employee Training

On August 14, 2024, the 15-day Iraq MOC-ANTON joint employee training activity was successfully concluded. The training was conducted in English and covered the latest trends in the oil industry, electric submersible pump oil production technology, and Anton well completion product services. To enhance practical experience and achieve a deep integration of theory and practice, the training included a field trip to the Yanting County pressure boosting dehydrogenation project, with the project leader providing answers and explanations. This training deepened the friendship between the employees of the two countries, promoted cultural exchange, and laid a solid foundation for long-term cooperation between the two parties in the future.



Group Photo of the 2024 Iraq MOC-ANTON Joint Employee Training Activity

### Case

### Anton China Region Dry Powder Fracturing Fluid Technology Training and Seminar

In April 2024, the Anton China Region hosted a dry powder fracturing fluid technology marketing training and seminar in Chengdu, combining both online and offline formats, with a total of 120 participants. The training invited industry experts to explain the principles, key points, difficult points, and breakthroughs of dry powder fracturing technology, helping the China Region team master the dry powder fracturing fluid technology, accurately identify market targets and risk factors, and achieve a significant breakthrough in the Chinese market. The attendees studied diligently, actively discussed and exchanged ideas, striving for comprehensive development with dual roles in sales and technology. The seminar was well-received, and the China Region plans to continue arranging a series of training courses, including online classes and videos recorded by scientific institutions, to help technical talents broaden their knowledge and enhance professional skills.



Anton China Region Dry Powder Fracturing Fluid Technology Training and Seminar

ANTON 安東

### 🖹 Case

### Anton Iraq Region's First Local Employee Eaglet Training Camp Successfully Held

In April 2024, the Anton Iraq Region successfully concluded its first local employee Eaglet Training Camp, which spanned four days. The training aimed to enhance the comprehensive professional quality and global leadership of local employees, injecting new vitality into the globalization transformation of the Iraq team. The camp's curriculum covered topics such as Anton Corporate Culture, All-Round Products and Services, Anton Innovation Methods, Team Management, and Occupational Health Management. To cultivate the trainees' team collaboration skills, the camp also organized outdoor competitive expansion activities such as daily morning runs, fitness exercises, track ball, and compass runs. This specialized training deepened the local employees' sense of identity with the company, strengthened their team collaboration abilities, and laid a solid foundation for the company's localization of talent training.



Group Photo of the Anton Iraq Region's First Local Employee Eaglet Training Camp Team

### Case

# 2024 Anton Campus Recruitment Induction Training and 17<sup>th</sup> Ant Training Camp (China Station) Officially Opened

In July 2024, the Anton campus recruitment induction training and the 17<sup>th</sup> Ant Training Camp (China Station) officially commenced, with 191 new members from 30 universities across 5 countries actively participating. The Ant Training Camp was designed around multiple dimensions such as Anton's innovative management and work model, globalization, platform-style development, innovative thinking concepts, and corporate social responsibility. By constructing a simulated Amoeba operating unit and learning the OKR goal-setting work principle, trainees experienced corporate operations management firsthand and reflected on and optimized strategies in practice. This training camp helped strengthen the trainees' team collaboration skills and individual leadership, supporting talent training.



Group Photo of the 2024 Campus Recruitment Induction Training and 17<sup>th</sup> Ant Training Camp (China Station)

### **Employee Promotion**

The company adheres to the global talent management philosophy of "focusing on the right people, bold in usage, promoting self-driving, and empowering growth". We value talent training and retention, and have established internal systems such as the Anton Future Successor Training Plan Management System, High Potential Talent Management Measures, Anton Oilfield Services Group Compilation of Talent Management Related System Principles, Anton Petroleum Management Cadre Youthful Appointment Requirements, and Anton Petroleum Deputy Position Management Measures, to establish diverse employee promotion and training channels, and to promote employees' self-driven steady growth.

Future Successor Training Plan This plan targets all standardized middle and senior management and technical positions
within the company. Trainees should identify with the Anton's corporate culture, meet
the six criteria for talents, and have no restrictions on their field of study. The company
implements dynamic management of the trainees to ensure effective resource allocation.

High Potential Talent Management Plan • High potential talents refer to individuals who can rapidly develop in management or professional channels and become successors for future company management or technical expert positions, demonstrating high performance at higher-level positions. The company implements dynamic management for high potential talents, with comprehensive special training (including training, coaching, job rotation, special work arrangements, promotion, and incentives) for employees selected through the annual evaluation and included in the high potential talent pool (approximately 5% of the total staff in each unit).

Trainee Deputy
Position
Management
Plan

• The trainee deputy position is a reserve cadre resource pool established by the company based on strategic development needs. The company selects young talents who meet the criteria and places them in different levels of management positions for practical learning and experience, helping young talents grow rapidly.

Global Management Trainee Plan  This plan requires trainees to rotate globally, quickly growing into core talents for technical and professional positions or management positions, and becoming key management position reserve talents.

To standardize employee rank promotion, improve the evaluation criteria for rank promotion, and ensure that employee quality meets the qualification requirements of their respective ranks, the company conducts semi-annual and annual evaluations, promoting employees who meet the promotion requirements.

Indicators	Unit	2024	
Employees participating in training	Persons	6,754	
Total number of employee training attendance	es	Attendances	1,013,100
Average training hours per employee		Hours	197
Percentage of trained employees to all employees	oyees	%	100
Franksissa trainad by garder*	Male	%	90.75
Employees trained by gender*	Female	%	9.25
	Senior Management	%	0.18
Employees trained by employment category	Middle Management	%	8.57
	Regular staff	%	91.25
Average training became by gooder	Male	Hours	197
Average training hours by gender	Female	Hours	191
	Senior Management	Hours	172
Average training hours by employment category	Middle Management	Hours	190
	Regular staff	Hours	218

<sup>\*</sup>Note: The percentage of trained employees by category is calculated as "number of trained employees in the category/total number of employees".

66

# **Supply Chain Management**

Anton has formulated internal systems such as the *Supplier Management Measures*, the *Supplier Management Process*, and the *Supplier On-site Inspection Management Regulations*, establishing a comprehensive supplier management system that covers supplier access, evaluation, risk management, quality management and control, ensuring full traceability throughout the process and standardizing supplier management. Moreover, Anton utilizes the Supplier Relationship Management (SRM) system to build an intelligent, end-to-end supplier management system. Based on the supplier tag classification function, we achieve precise communication and collaboration. We continuously optimize the functional modules of the SRM platform to support precise supplier screening, real-time tracking of task progress, and intelligent data analysis, providing a scientific basis for procurement decisions.

The company has established a systematic supplier management training system, regularly organizing specialized training on supplier negotiation skills, management system processes, review and evaluation standards, key points of quality management and control, and risk warning management. Through case teaching, scenario simulation, and practical drills, we help employees master the key skills of online supplier platform management and supplier communication, improving work efficiency.

### **Supplier Access**

In the supplier access process, the company adheres to the principles of quality, cost, delivery, service, integrating environmental, social, and other ESG factors into the supplier selection criteria. To control supplier quality, we establish a supplier inspection working group that takes on-site inspections, visual judgments, tendering selections, evaluation selections, and negotiated selections to further review the supplier's qualifications, equipment, safety production environment, HSE and quality management systems, and product research and development capabilities. We prioritize suppliers with ISO 14001 and other related professional system certifications, nationally recognized new technologies, energy-saving and environmentally friendly products, and suppliers owning proprietary IPR products. This year, Anton registered a total of 611 suppliers worldwide.

We have developed the *Anton Petroleum 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.

Total number of suppliers

611

To further mitigate environmental and social risks associated with suppliers, Anton classifies suppliers post-accession into certified and uncertified suppliers. Certified suppliers are subdivided into the following four categories:

Preferred or Exclusive Suppliers

Those with a solid foundation of cooperation, significant impact on the business operations of the company, and who have signed exclusive cooperation agreements or strategic framework agreements, and are given priority in cooperation under equal conditions.



Those with a good foundation of cooperation, primarily providing products and services to the company, with a business cooperation period of 3 years or more, and eligible for continued cooperation.



Those with a certain level of cooperation, providing products or services that are vital to the company's core resources.



Those with a foundation of cooperation, where products and services are readily available in a fully developed market, and can be procured through bidding or negotiation.

Uncertified suppliers refer to those with no procurement history, potential for development, and upon trial, are eligible for immediate procurement and warehousing. Through classification, the company can adopt targeted management measures based on the importance of suppliers, optimize resource allocation, and improve management efficiency.





### **Supplier Evaluation and Risk Management**

We have established a multi-dimensional supplier performance evaluation system. In accordance with the *Annual Supplier Performance Evaluation and Evaluation Management Measures*, we conduct comprehensive evaluations of suppliers' contract execution capabilities through a combination of single-order evaluations, semi-annual, and annual periodic evaluations. This includes aspects such as product quality upon arrival, contract performance rate, delivery timeliness, payment term preferential capabilities, price competitiveness, and after-sales service quality. Based on the evaluations results, suppliers are categorized into four levels. For suppliers that do not meet the standards, we implement immediate rectification or removal mechanisms, suspend transactions for six months, provide detailed feedback on issues, and continuously track their improvement efforts. Moreover, Anton conducts annual scoring for suppliers, selecting outstanding suppliers of the year and awarding them with the "Excellence in Quality Award", "Excellence in Collaboration Award", and "Outstanding Contribution Award" to recognize their exceptional performance, deepen strategic partnerships, and jointly promote the high-quality development of the supply chain.

To further optimize supplier management, we have established a risk classification mechanism for suppliers, categorizing them into high, medium, and low-risk levels, and implementing dynamic monitoring. Each week, the system automatically aggregates the latest operational data and risk events of suppliers to ensure management has timely access to supplier risk dynamics. Meanwhile, we have introduced a third-party credit information platform (Qichacha) to compare supplier-submitted information with business registration information and to implement intelligent early warnings to prevent supplier risks.

### **Supplier Quality Management**

The company has formulated the *Quality Management Measures for Material Purchasing* and the *Supplier Quality Management and Control System* to achieve comprehensive quality management and control throughout the supplier procurement process. In the supplier accession phase, we implement a "five-dimensional evaluation mechanism", including qualification review, product quality certification, supply performance evaluation, production environment audit, and quality assurance system certification, to ensure suppliers meet the company's quality requirements from the source. In the order execution phase, we dynamically monitor the delivery quality of suppliers through a combination of single-order quality reviews and periodic evaluations. Furthermore, we have established a closed-loop "risk complaint-removal accountability" mechanism, smoothing the channel for supplier quality risk feedback to ensure early detection and resolution of issues.

To address product quality issues, we will implement graded handling based on the severity of the problem and hold suppliers accountable.

Unused Products • If products are found to be non-compliant during warehouse inspection, transportation, storage, installation, and commissioning, the company will take measures such as returning, exchanging, or claiming according to the contract.



 Products that do not meet quality requirements or violate national laws, regulations, standards, and contract provisions, causing economic or reputation loss to the company, will be handled through work stoppage, rework, or compensation.



 The procurement execution unit will resolve disputes with suppliers through negotiation as per contract terms. If negotiations fail, the matter will be referred to the company's legal department for intervention, and legal proceedings will be initiated if necessary.

### **Supplier Communication and Empowerment**

Anton maintains open communication channels with suppliers through email, phone, WeChat public account, website, and professional software systems. To further improve communication efficiency, the company has established a regular communication and information feedback mechanism for suppliers, strengthening cooperation in product development, technological innovation, talent training, and knowledge sharing, complementing each other's strengths, and continuously improving the collaborative efficiency of the supply chain.

To deepen the global layout of the supply chain, we actively expand into markets with low-cost advantages, such as India and Dubai, establishing strategic partnerships with high-quality local suppliers to help us broaden procurement channels and reduce costs. Meanwhile, Anton adopts an "online + offline" dual-driven model to empower suppliers, ensuring the continuous stability of the supply chain.

### Online Empowerment

Leveraging the digitalization platform of the oil and gas exhibition hall and the public account matrix, we carry out special promotion activities to increase the brand visibility of suppliers.

### Offline Empowerment

By combining six major business models including training and product agency, platform services, channel services, service agency, agency procurement, and alliance cooperation, we provide entire-chain support to help suppliers improve product quality, explore new customers, and expand market share.

Case

# Platform Sharing, Empowerment through Collaboration - Anton and Dubai Partner Reception Successfully Held

On November 3, 2024, to promote exchange within the industry, Anton Oilfield Services Group hosted the Anton 2024 Partner Reception, with 127 senior management personnel from 73 top smart manufacturing, oil and gas equipment companies, and other core resource partner firms worldwide actively participating. At the event, partners shared industry trends and collaboration needs, laying a solid foundation for jointly advancing the transformation and upgrading of the global oil and gas industry.



Anton's "Empowering Collaboration"

Partner Reception in Dubai

Indicators		Unit	2024
Total Number of Suppliers		Suppliers	611
Number of suppliers with long-term	n strategic partnership contracts	Suppliers	119
Number of Cumpling by Design	Number of Domestic Suppliers	Suppliers	436
Number of Suppliers by Region	Number of Overseas Suppliers	Suppliers	175

# **Community Development**

Anton actively engages in community building, dedicates itself to philanthropy, and supports rural revitalization, earnestly performing its corporate social responsibilities through concrete actions, and is devoted to promoting social harmony and progress.

### **Overseas Community Development**

Anton always adheres to the principle of localized operations, based on local development, and maintains a high degree of respect and attention for the religious beliefs, cultural traditions, and social customs of the regions where it operates, establishing community communication mechanisms to facilitate interaction with local communities. In all our business locations globally, we have established public relations departments that work in collaboration with the legal department to handle community engagement-related matters. This ensures timely understanding and response to the core needs of the community, effectively addressing various issues and disputes. Moreover, we regularly conduct community satisfaction surveys to collect and analyze feedback, formulating targeted community support plans to promote synergistic development of the Company and the community. To intensify cultural integration, we regularly conduct specialized training for our international staff on religious practices, languages, and cultures, thus continually improving our cross-cultural communication capabilities.

To effectively promote the economic and social development of the local areas, the company will strictly comply with local regulations and actively take part in philanthropy activities, deepening community co-construction cooperation. We integrate social responsibility practices such as school co-construction and educational support into the daily performance evaluation system of all departments, with this part accounting for 10% of the total evaluation. The company's ESG Committee will take on a leadership role, responsible for the dynamic monitoring and evaluation of the community's economic impact. The regional ESG execution teams will track and manage the target achievement degree and implementation progress of key projects, and the social benefits they generate through the establishment of a quarterly performance evaluation mechanism. Simultaneously, the ESG Committee, with the help of the ESG information collection and management platform, achieves instant data collection, risk early warnings, and strictly supervises project progress and report preparation, thus providing a strong decision-making basis for optimizing community investment strategies and continuously stimulating the potential for endogenous growth of the local economy.

### Process for Assessing and Monitoring the Indirect Economic Impact of a Company's Operations on Local Communities



### **Case**

# Oilfield and Local Collaboration to Build Flood Defense Lines

Within China, Anton places a high importance on communication and cooperation with local governments and communities, with designated personnel in each business location responsible for liaising with government and community representatives. On June 28, 2024, the government and community communication officer of Anton's Tarim Business Division received a request from the Hadedun Town in Shaya County, Aksu Prefecture. The town planned to conduct a flood control and disaster relief drill to enhance employee preparedness. The Tarim Trial Repair Project Department promptly responded to the local government's call, quickly organizing personnel and materials to participate in the local flood control and disaster relief drill and was awarded the "Oilfield-Local Harmonious Co-Building. Promoting Prosperous Development" banner by the Hadedun Town government. This action demonstrated Anton's team spirit and a high sense of social responsibility, earning high recognition from the local government and community.



The Banner Awarded to the Tarim Trial Repair Project Department by the Hadedun Town Government

### 🚉 Case

### Anton Majnoon Oilfield and Basra Education Bureau Join Hands to Build Child Road Safety Defense Lines

In 2024, the road safety management department of Anton Mainoon Oilfield, in collaboration with the Basra Education Bureau, launched an annual road safety campaign targeting students from first to third grade in 12 schools around the oilfield. Through interactive teaching, the campaign guide the oilfield road traffic safety personnel to impart important knowledge and skills to the students, such as obeying traffic laws and safely crossing pedestrian crossings, and conducted fun scenario simulation activities to deepen their understanding and practice. Moreover, the students received high-visibility vests to enhance their visibility near roads. The activity improved the students' safety awareness and self-protection capability in trafficintensive areas, strengthening Anton's communication and cooperation with the local community.



Anton and the Local Community Collaborating on a Road Safety Campaign

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### **Charitable and Volunteering Activities**

Anton is deeply involved in the field of philanthropy, actively engaging in community welfare and targeted poverty alleviation efforts. We are dedicated to providing assistance and support to vulnerable groups through concrete actions, promoting the overall well-being of the community. In 2024, Anton continued to increase its investment in public welfare, with a cumulative donation amount reaching RMB 1.61 million.

- Anton established scholarships in six domestic petroleum colleges, with a total annual donation amount of RMB 800,000 for scholarships and grants;
- Anton purchased poverty-alleviation navel oranges from the rural areas of Gan Nan in Jiangxi, stimulating the local rural economy;
- The Anton Party Committee regularly conducts gift visits during holidays, assists the needy, and carries out volunteer services;
- Anton rigorously abides by the environmental protection regulations of local governments, ensuring that all production operation activities meet local environmental standards. On this basis, the Company actively promotes the application of green and clean energy, introduces environmental facilities such as wastewater treatment systems and energy-saving and emission-reducing equipment to minimize pollution emissions during production. Furthermore, the Company actively participates in environmental public welfare activities in the local communities, collaborating with local environmental organizations to conduct environmental education and public awareness campaigns, thereby fulfilling its corporate environmental responsibilities.

### 🖹 Case

### Anton Oilfield Services Group Establishes the Anton Scholarship

On December 20, 2024, Anton Oilfield Services Group held a donation ceremony for the Anton Scholarship at the Yanta Campus of Xi'an Shiyou University. Senior leaders from Anton, along with the Party Secretary and other leaders from Xi'an Shiyou University, attended the event. Mr. Luo Lin expressed his gratitude to Xi'an Shiyou University for continuously providing high-quality talents to Anton and hoped for further cooperation to jointly promote talent training. The establishment of the scholarship demonstrates Anton's support for education, deepens cooperation between the company and the university, and aids in the training of oil industry talents and the integration of industry, academia, and research.



Certificate Award Ceremony for the Anton Scholarship

### 🗽 Case

# Anton Donated Sports Equipment to Support Education in Mandou Gacha

In 2024, the Anton Party Committee launched the "Anton's Love for Mandou, Public Donation for Physical Strength" education support and donation campaign, donating a batch of high-quality sports equipment worth nearly RMB 70,000 to the Mandou Gacha village school in the Inner Mongolia Autonomous Region. Over the past three years, the Anton Party Committee has consistently shown concern for rural education, actively engaging with the Mandou Gacha government, and has donated more than 6,000 extracurricular books and teaching courseware worth RMB 400,000 to local schools, supporting the development of local education.



Anton's Targeted Assistance to Mandou Gacha in Inner Mongolia

### Case

# Anton's Iraq Majnoon Oilfield Project Department Organized All Contractors to Actively Participate in Ramadan Food Donation

During Ramadan in 2024, Anton's Iraq Majnoon Oilfield Project Department organized all contractors to actively participate in the Ramadan food donation, contributing basic living supplies such as rice, flour, cooking oil, beans, and sugar to assist local families in need. Through this Ramadan food donation, Anton provided substantial assistance to families in urgent need, strengthened the company's ties with the community, enhanced Anton's image and social reputation in the surrounding communities, and earned recognition and respect from all sectors of Iraqi society.



Anton Majnoon Oilfield Project Department's Ramadan Food Donation

Indicators	Unit	2024
Public welfare donation amount	RMB ten thousand	161

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# **Appendix**

### **Appendix 1 List of Key Indicators**

### **Economic Performance**

Indicators		Unit	2024
Revenue		RMB hundred million	47.54
	China	%	35.00
Revenue distribution	Iraq	%	54.70
	Other overseas markets	%	10.30
Total asset		RMB hundred million	102.18
Tax paid		RMB hundred million	2.65
Net profit attributable to shareholders of listed companies		RMB hundred million	2.42
Net cash inflows from operating activities		RMB hundred million	13.25
Free cash flow		RMB hundred million	9.80

### **Environmental Performance**

Indicators		Unit	2024
	Methane (CH <sub>4</sub> ) emissions	Tons	1.26
	NO <sub>X</sub> emissions	Tons	0.22
	SO <sub>X</sub> emissions	Tons	0.19
	Non-hazardous waste discharged	Tons	1,395.67
Emissions	Non-hazardous waste discharged per revenue	Tons/RMB million	0.29
	Non-hazardous waste disposed	Tons	1,375.67
	Non-hazardous waste (industrial solid wastes) recycled	Tons	20.00
	Hazardous waste discharged	Tons	33,859.50
	Hazardous waste discharged per revenue	Tons/RMB million	7.12

Indicators		Unit	2024
Emiosiss	Hazardous waste disposed	Tons	29,741.00
Emissions	Hazardous waste recycled	Tons	4,118.21
	GHG emission (scope 1 and scope 2)	Tons of CO₂e	60,655.04
	GHG emission per revenue (scope 1 and scope 2)	Tons of CO <sub>2</sub> e/RMB million	12.76
	Scope 1 GHG emission	Tons of CO <sub>2</sub> e	29,844.80
0110	Scope 1 GHG emission per revenue	Tons of CO <sub>2</sub> e/RMB million	6.28
GHG	Scope 2 GHG emission	Tons of CO <sub>2</sub> e	30,810.23
	Scope 2 GHG emission per revenue	Tons of CO <sub>2</sub> e/RMB million	6.48
	GHG emission reduction	Tons of CO₂e	29,680.82
	Assisted customers in reducing greenhouse gas emissions	Tons of CO₂e	145,305.14
	Energy consumption	MWh	162,835.02
	Energy consumption per revenue	MWh/RMB million	34.25
	Electricity consumption	MWh	46,051.42
	Electricity consumption per revenue	MWh/RMB million	9.69
Resource	Natural gas consumption	MWh	20,149.36
consumption	Natural gas consumption per revenue	MWh/RMB million	4.24
	Diesel consumption	MWh	91,167.99
	Diesel consumption per revenue	MWh/RMB million	19.18
	Gasoline consumption	MWh	5,466.25
	Gasoline consumption per revenue	MWh/RMB million	1.15
	Water consumption in total	Ten thousand tons	83.20
Water	Water consumption per revenue	Ten thousand tons/RMB million	0.02
resource management	The consumption of recycled water	Ten thousand tons	19.08
	Proportion of the recycled water consumption	%	22.94



Indicators		Unit	2024
Water	Total wastewater discharged	Ten thousand tons	6.46
resource management	Wastewater discharged per revenue	Ten thousand tons/RMB million	0.001
Packaging	Raw material consumption	Tons	51,445
materials	Raw materials consumption per revenue	Tons/RMB million	10.82

### **Social Performance**

Indicators			Unit	2024
	Total employees		Persons	6,754
	Number of	Full-time	Persons	6,690
	employees by employment type	Part-time	Persons	64
	Number of	Senior Management	Persons	12
	Number of employees by	Middle Management	Persons	579
	employee category	Regular staff	Persons	6,163
	Number of	Male	Persons	6,129
	employees by gender	Female	Persons	625
	Number	Under 40	Persons	4,962
Foot month	Number of employees by age group	40-60	Persons	1,760
Employment		Above 60	Persons	32
		China	Persons	2,510
	Number of employees by region	Iraq	Persons	3,649
	, , , , ,	Other overseas markets	Persons	595
		Master's degree and above	Persons	257
	Education level	Bachelor degree	Persons	1,026
	ratio of Chinese employees	Junior college degree	Persons	558
		Technical secondary school and below	Persons	1,161
	Number of employees	with disabilities recruited	Persons	7
	Total number of new e	mployees	Persons	843

Indicators				Unit	2024
	Proportion of women i	n manage	ement	%	11.17
Employment	Proportion of women of	on the boa	ard	%	12.50
Remuneration	Social insurance cove	rage		%	100
and benefits	Labor contract signing	rate		%	100
	Employee turnover			Persons	399
	Employee turnover rat	е		%	5.91
	Employee turnover	Male		%	7.00
	rate by gender	Female		%	1.46
		Under 4	0	%	7.56
Employ turnover	Employee turnover rate by age group	40-60		%	2.62
	, , , ,	Above 60		%	1.66
	Employee turnover .	China		%	10.01
		Iraq		%	0.81
	, ,	Other o	verseas markets	%	1.81
	Employees participating in training			Persons	6,754
	Total number of employee training attendances			Attendances	1,013,100
	Average training hours per employee			Hours	197
	Percentage of trained employees to all employees			%	100
	Employees trained by gender*		Male	%	90.75
			Female	%	9.25
Employee training			Senior Management	%	0.18
	Employees trained by employment category		Middle Management	%	8.57
			Regular staff	%	91.25
	Average training hours	s by	Male	Hours	197
	gender		Female	Hours	191
	Average training hours by employment category		Senior Management	Hours	172
			Middle Management	Hours	190
			Regular staff	Hours	218

<sup>\*</sup>Note: The percentage of trained employees by category is calculated as "number of trained employees in the category/total number of employees".



Indicators		Unit	2024
	Employee physical examination rate	%	100
	Fatalities by work-related causes	Persons	1
	Percentage of fatalities by work-related causes	%	0.01
	Total labor hours	Hours	23,420,403
	Days away from work	Days	161
	Hours lost due to work injuries	Hours	1,932
	Number of work safety accidents	Times	17
Occupational health and safety	Fatality accident rate	Persons /100 million working hours	4.27
,	Road traffic accident rate	Cases/ million kilometers	0.22
	Total recordable accident rate	Times/million working hours	0.73
	Lost time injury rate (LTIR)	Cases/million working hours	0.34
	Severity of work injury accidents	Days/million working hours	20.1
	Safety trainings	Times	99,167
	Total training hours for occupational health and safety	Hours	296,938
	Product recalls due to quality and safety issues	%	0
Product quality and services	Handling rate of complaints concerning products and service	%	100
	Number of complaints received concerning products and service	Times	6
	R&D investment	RMB million	116
	Cumulative patent authorized	-	443
R&D and	Patent applied	-	40
innovation	Patent authorized	-	25
	Technical essays published	-	39
	Software copyright authorizations	-	17

Indicators		Unit	2024
	Total number of suppliers	Suppliers	611
	Number of domestic suppliers (including Hong Kong, Macau, and Taiwan)	Suppliers	436
Supply chain management	Number of overseas suppliers	Suppliers	175
	Number of suppliers discontinued	Suppliers	19
	Number of suppliers with long-term strategic partnership contracts	Suppliers	119
	Corruption litigation cases concluded	Times	0
	Directors participating in anti-corruption training	Persons	8
Anti-corruption	Anti-corruption training hours per director	Hours	12
	Employees participating in anti-corruption training	Persons	6,754
	Anti-corruption training hours per employee	Hours	12
	Participation to voluntary activities	Times	11
	Volunteers involved	Persons	150
Community development	Hours of voluntary activities	Hours	40
	Public welfare donation amount	RMB ten thousand	161
	Proportion of donation total in revenue	%	0.03



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# Appendix 2 Index of the Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide

Subject Areas	Description	Page
A. Environmen	ntal	
Aspect A1: Em	issions	
	Information on:	
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General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	23
	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
A1.1	The types of emissions and respective emissions data.	27
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	36
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	29
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	29
A1.5	Description of emissions target(s) set and steps taken to achieve them.	24-27
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.	24, 28-29
Aspect A2: Use	e of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	23, 30
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	31
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	32
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	23, 30
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.	23, 31-32
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	32
Aspect A3: The	e Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	23, 40
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	23, 40
Aspect A4: Cli	mate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	33-36
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.	37-40
B. Social		
Aspect B1: Em	and a summand	

Subject Areas	Description	Page
	Information on:	
	(a) the policies; and	
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	53
	relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
B1.1	Total workforce by gender, employment type (for example, full- or part- time), age group and geographical region.	56
B1.2	Employee turnover rate by gender, age group and geographical region.	78
Aspect B2: Hea	alth and Safety	
	Information on:	
	(a) the policies; and	
General Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	60
	relating to providing a safe working environment and protecting employees from occupational hazards.	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	61
B2.2	Lost days due to work injury.	79
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	60-62
Aspect B3: De	velopment and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	63
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	66
B3.2	The average training hours completed per employee by gender and employee category.	78
Aspect B4: Lat	pour Standards	
	Information on:	
General	(a) the policies; and	
Disclosure	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	53
	relating to preventing child and forced labour.	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	53
B4.2	Description of steps taken to eliminate such practices when discovered.	53
Aspect B5: Su	pply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	67
B5.1	Number of suppliers by geographical region.	70
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.	68-69
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	69
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	69



Subject Areas	Description	Page
Aspect B6: Pro	oduct Responsibility	
	Information on:	
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	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
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B6.2	Number of products and service related complaints received and how they are dealt with.	45, 79
B6.3	Description of practices relating to observing and protecting intellectual property rights.	51
B6.4	Description of quality assurance process and recall procedures.	43-44
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	47
Aspect B7: An	ti- corruption	
	Information on:	
General	(a)the policies; and	
General Disclosure	(b)compliance with relevant laws and regulations that have a significant impact on the issuer	13
	relating to bribery, extortion, fraud and money laundering.	
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.	13
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	13-14
B7.3	Description of anti-corruption training provided to directors and staff.	15
Aspect B8: Co	mmunity 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.	71
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	72-74
B8.2	Resources contributed (e.g. money or time) to the focus area.	72-74

## Appendix 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 2024 to 31 December 2024 with reference to the GRI Standards.

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	2-8 Workers who are not employees	54
	2-9 Governance structure and composition	12
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	2-11 Chair of the highest governance body	3
GRI 2:	2-12 Role of the highest governance body in overseeing the management of impacts	16-17
General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	16
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	2-22 Statement on sustainable development strategy	16
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	2-29 Approach to stakeholder engagement	18
	3-1 Process to determine material topics	19
GRI 3: Material Topics 2021	3-2 List of material topics	20
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GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	72-74
2016	203-2 Significant indirect economic impacts	72-74
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GRI Standard	Disclosure	Page
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OIN 505. Emissions 2010		
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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	53, 67



GRI Standard	Disclosure	Page
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GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	53, 67
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	71
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# 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)