

# ANTON 安東

安東油田服務集團  
Anton Oilfield Services Group

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3337)

SUSTAINABILITY | 2020  
REPORT



*“To become a model of efficient and harmonious development  
between mankind and the environment”*

Cover Legend : Employee of Anton Oilfield  
– 2020 National Model Worker  
— Mr. ZHANG Hongbo

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# ABOUT THIS REPORT

## SCOPE OF REPORTED ORGANIZATION

This report covers business operations of Anton Oilfield Services Group (“**Anton**” or the “**Company**”) and all its subsidiaries (the “**Group**”), as the same scope of the Annual Report.

## TIME PERIOD OF THE REPORT

From 1 January 2020 to 31 December 2020 (“**Reporting Period**”), with some information and figures tracing back to earlier years beyond the stated reporting period in order to enhance the comparability and perspective view of this Report.

## REPORT CYCLE

This Report is published annually, our last ESG Report was published in July 2020.

## CONTENT SCOPE

This Report covers the important matters and performance of the Group in the governance, environmental and social aspects during the reporting period.

## SOURCES OF INFORMATION

Information is sourced from summaries and statistics of the Company documents, statistical reports as well as the performance reports of its subsidiaries.

## REPORTING PRINCIPLES

**Materiality:** The materiality of our ESG issues is determined by the Board. The process of stakeholder communication and identification of material issues and the materiality matrix are all disclosed in this report.

**Quantitative:** Statistical standards, methods, assumptions and/or calculation tools for quantitative key performance indicators herein and source of conversion factors are all explained in the definitions of the report.

**Balance:** This report shall provide an unbiased picture of the environmental, social, and governance performance of our Group during the reporting period. It should avoid selections, omissions, or presentation formats that may inappropriately influence the decision or judgment by the report readers.

**Consistency:** The statistical methodologies applied to the data disclosed in this report shall be consistent.

## **ABOUT THIS REPORT**

### **COMPILATION GUIDELINES**

This report is mainly based on GRI Sustainability Reporting Standards by the Global Sustainability Standards Board (GSSB), and complied with the requirements of the “Environmental, Social and Governance (ESG) Reporting Guidelines of the Stock Exchange of Hong Kong.

### **REPORTING LANGUAGE**

This report is published in Chinese Traditional and English versions. If there is any ambiguity, the English versions shall prevail.

### **FORM OF RELEASE**

This report is published in both print and electronic formats. The electronic version can be found on the website of the Stock Exchange of Hong Kong ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the company ([www.antonoil.com](http://www.antonoil.com)).

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# BRIEF INTRODUCTION

## OVERVIEW

Anton is a leading independent and integrated oilfield services provider with a global footprint across major oil and gas development regions. As such, our Company has the PRC business headquarters in Beijing, the PRC and the global business headquarters in Dubai. We are an innovative company offering a full suite of products and integrated solutions throughout the entire oil and gas development process. We help our customers stimulate production and minimize costs by leveraging our strong geological and engineering expertise.

We are committed to deepening our engagement inside the global emerging markets of oil and gas development. We operate in many countries and regions, including China, the Middle East, Africa, Central Asia, Southeast Asia and Latin America. This truly global network provides us the agility to support our customers and fulfill their service needs.

Our products and services cover the full spectrum of oil and gas development and meet the diverse needs of our customers for maximizing the value of their oil and gas assets. These products and services include those targeted at different stages of oil and gas development, a full range of professional resource services, and integrated solutions.

Our corporate culture is rooted in the traditional oriental culture. Customer centricity, diligence, continuous learning and innovation form the bedrock of our core values. Our mission is to help our customers succeed, share our success with our employees, and pursue win-win development with our partners.

Our vision is to become a model of efficient and harmonious development between mankind and the environment. We are committed to “excellent operatorship” in each engineering project to maximize the value for our customers. While our business grows, we do our best to make social impact and engage with the communities around us for harmonious development.

## BRIEF INTRODUCTION

### CHAIRMAN'S MESSAGE

The year 2020 will certainly go down in history. With the sudden global outbreak of COVID-19 pandemic, we have witnessed what was vulnerable and what was strong, which also made us realize how important the sustainable development was. At the beginning of 2020, we conceptualized the construct of a “Brand-new Anton”, in order to deal with the development of digital technology and new energy solutions. However, the construct of a “Brand-new Anton” came up against the outbreak of COVID-19 pandemic, as well as the acceleration of low-carbon development in 2020. The “Brand-new Anton” just pointed out the direction for us to deal with the new and changing environment, especially the uncertain environment. We change the way of oil development through a comprehensive innovation to achieve sustainable development. In the midst of the dramatic environmental changes of 2020, the “Brand-new Anton” has taken a very difficult, solid, but productive step towards its continuous improvement and its long-term goals. A brand new Anton has entered the industry.

In terms of the environment, the “Brand-new Anton” focuses on three points. Firstly, to reduce its own carbon emissions. We have improved the efficiency of operations and reduced the overall consumption of energy through technological improvements. We have improved efficiency through a comprehensive information management system, and reduced unnecessary business trips through online “working in the same room” for asynchronous communications, resulting in improved efficiency and reduced emissions. In 2020, Anton’s emission reduction measures were very effective, reducing the Greenhouse Gas emission per revenue by approximately 36.5% as compared to that in 2019. Secondly, to help customers to improve efficiency and reduce emissions. In 2020, Anton has proposed a “platform-based ecological development” and comprehensively introduced and empowered partners to provide all-round services to customers and apply new technologies to help customers improve efficiency, save energy and reduce emission. The precise engineering services of Anton have also made significant progress in 2020, which has helped customers achieve more efficient resource development. Thirdly, to actively expand the low-carbon business and the intelligent oilfield business. In 2020, we were actively preparing to establish a new energy company to actively develop new businesses such as CCUS and geothermal energy. We also plan to establish an intelligent oilfield company to help customers to achieve digital transformation. Anton’s continuous efforts in technological innovation have been recognized by the society. In 2020, Anton was awarded the “Beijing Top 100 Private Technology”.



## BRIEF INTRODUCTION

In terms of social responsibility, a very important task for Anton in 2020 was to fight against the epidemic. Anton's employees around the world have joined the team to fight the epidemic and, more importantly, helped our customers and the communities we serve to fight the epidemic together. We have invested a large amount of money to contribute to the community's fight against the epidemic. We received various awards for the fight against the epidemic, including the title of "Pioneer in the Fight against the Epidemic" for our Beijing headquarters. Meanwhile, after the outbreak, we gave our employees maximum freedom, implemented flexible working arrangements and strengthened training so that they could get help and learn and grow during the difficult times. At the same time, when it was difficult to recruit during the epidemic, we solved the employment issues for graduates by means of information technology and network recruitment. In addition, Anton insisted on helping to alleviate poverty, and was awarded the title of "Advanced Enterprise in Poverty Alleviation" in the market area it serves, while Anton's employees also won various social honors, including National Model Worker and March 8 Red Flag Bearer.

In terms of governance, Anton established an ESG committee in early 2020 to oversee the ESG works of the Group. Anton has also re-upgraded its corporate culture and put forward fundamental values, particularly the concept of following traditional ethics and values which are shared by all. We put forward an employee-oriented operation philosophy which aims to pursue happiness for our employee, progress for the social and returns for our shareholders. The comprehensively upgraded corporate culture can better promote Anton's sustainable development. Under such operation philosophy, Anton implemented an employee shareholding plan in 2020 and completed the issuance of the first tranche of restricted shares. Anton also comprehensively improved its systems for maintaining business ethics, anti-corruption and other compliance, and continuously and consistently improved their implementation. During the past year, Anton was awarded various management honors, such as the title of "Best Investor Relations Company" from Corporate Governance Asia.

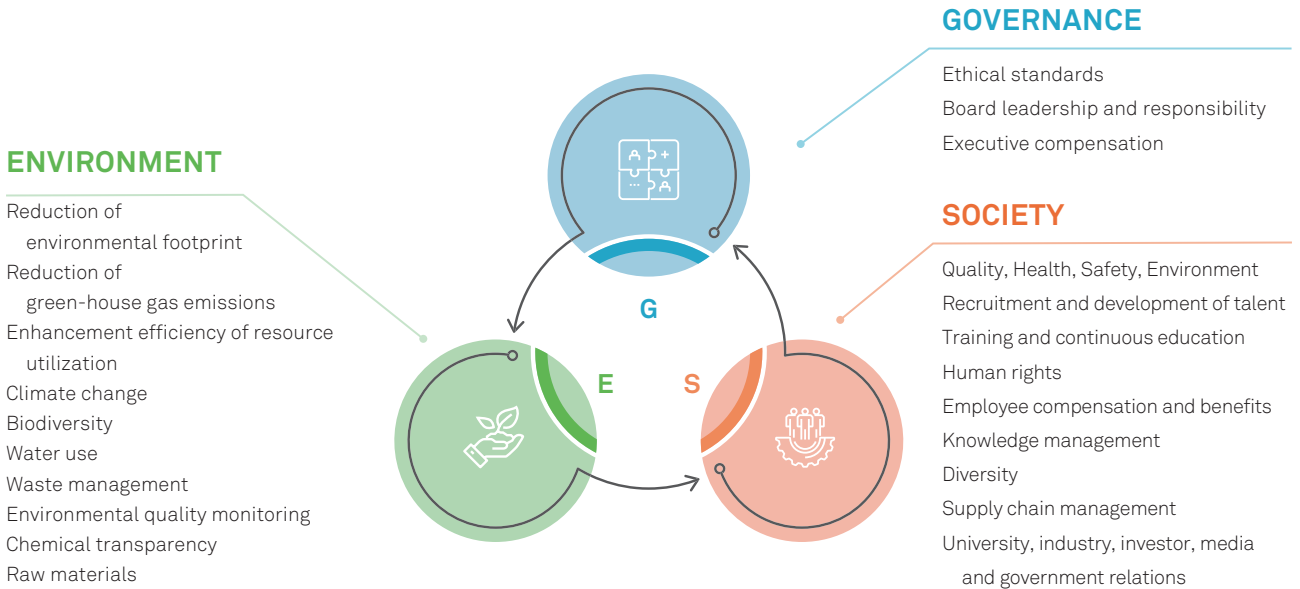
Anton's vision is to become a model for the efficient and harmonious development of people and the environment. Through the construction of the "Brand-new Anton", we hope to promote the protection of the environment and the more efficient and harmonious development of the industry. We also hope to promote the progress of society through the construction of the "Brand-new Anton". We will continue to improve our work and make progress every year through continuous efforts, ultimately contributing to the environment and society, as well as the sustainable development.

Financial Performance		Unit	2020	2019
Revenue Contributions	China	percentage	<b>59.4</b>	46.9
	Iraq	percentage	<b>31.1</b>	39.6
	Other Overseas	percentage	<b>9.5</b>	13.5
Revenue		RMB million	<b>3,087.7</b>	3,589.5
Profit Attributable to Equity Holders		RMB million	<b>-95.8</b>	268.6
Free Cash Flow		RMB million	<b>305.4</b>	238.8

## BRIEF INTRODUCTION

### ESG GOALS, POLICIES AND MANAGEMENT STRUCTURE

Pursuant to the GRI Standards and ESG Guide in Appendix 27 to the HKEX Main Board Listing Rules, we have consulted our stakeholders on the relevant ESG topics through a questionnaire, identified and evaluated ESG issues material to Anton from the stakeholders' perspective, developed a materiality matrix and conducted our ESG management and disclosures accordingly.



Matrix of Anton's Material ESG Topics



# CORPORATE GOVERNANCE

## BUSINESS ETHICS AND CONDUCT RULES

Anton strictly complied with the Company Law of the PRC, Law of the PRC Against Unfair Competition, the Criminal Law, the Criminal Procedure Law, the Anti-Money Laundering Law, the Punishment Ordinance for Civil Servants Working in Administrative Organs and other laws, provisions and requirements for anti-corruption and clean administration and the laws and regulations of the countries where we operate. During the reporting period, the company did not have any cases of commercial bribery, extortion, fraud, money laundering and unfair competition that violated laws and disciplines.

Our ethical standards go beyond meeting legal and regulatory requirements, they help us grow as a reputable company while achieving our mission to help others succeed. Our culture is inspired by timeless Oriental wisdom and comprises five core values: benevolence, accountability, courtesy, wisdom, and trustworthiness. These values in turn shape our ethical standards.

- Benevolence. We ask ourselves to show benevolence and care for others as we act in our others' best interest, helping them succeed.
- Accountability. We hold ourselves accountable to others and take responsibility where our commitments extend.
- Courtesy. We conduct ourselves with courtesy, honesty and integrity; comply with laws, regulations and business norms; and respect other religions and cultures.
- Wisdom. We behave wisely and refrain from putting short-term gains before long-term interests, or benefiting ourselves at the expense of others. We strive for win-win solutions.
- Trustworthiness. We want to be perceived as trustworthy, and we will not do anything that would tarnish our credibility. We make good on our commitments, and our commitments must truthfully reflect our capabilities.

We are committed to conducting our business ethically and using these aforementioned values to guide us. We set clear expectations for our people and members of the Board. We expect our suppliers and business partners to respect our values and to act in ways consistent with our ethical standards.

## TRANSPARENT MARKETING

We introduced the policy on “transparent marketing” in 2007 and has been strictly enforcing this policy since. We require our employees to market our services with transparency, which means to win business fairly and honestly. We prohibit our employees from offering commissions, rebates, gift vouchers and valuables to customers in any form or for any reason, or any other questionable misconduct that may constitute a bribe. We also prohibit our employees from accepting or soliciting commissions, kickbacks, gift vouchers and valuables in any form or for any reason, and other misconduct for personal gains. Any misconduct mentioned above is considered a punishable violation of the Company's transparent marketing policy.

## CORPORATE GOVERNANCE

We require paper records for marketing and sales activities to be kept for audit purposes. We train our employees on transparent marketing, including case studies on dos and don'ts. Our internal audit department has the right to review the marketing and sales records and investigate any activity that violates our ethical code. The enforcement of the transparent marketing policy has been subject to ongoing audits and oversight by the internal audit department for many years.

In FY2020, the internal audit department conducted multiple audits on key regional operations of the Group and randomly reviewed the full records of 14 marketing and commercial personnel from these regional operations. No violation of the Company's transparent marketing policy has been found.

### **ANTI BRIBERY**

We do not acquire business through bribery, nor do we make payments to government officials. We have enforced strict anti-corruption rules from the outset of our company. We provide anti-corruption training and legal support to our employees to prevent violations wherever they are conducting business activities.

We prohibit giving bribes to or taking bribes from our suppliers or business partners. Signing an anti-corruption agreement with the company is a pre-condition for dealing with us.

We encourage anonymous tips and disclosures about actual or suspected violations of our anti-corruption policy. We have made this system public, and we protect whistleblowers. We further expand upon these policies in this report.

The Company has also formulated the Code of Conduct for Employees Engaged in Sales and Commercial Negotiations, which provides detailed instructions on appropriate behaviors and manners, principles to follow, management of records and archives, and business etiquettes for employees involved in marketing and contract negotiations.

We regularly organize campaigns to advocate and promote our code of ethics. In FY2020, in order to deepen the reach of the Group's anti-corruption and integrity efforts, raise employees' awareness of integrity and self-discipline, consciously resist unethical temptations and corruption, and fortify the line of defense against corruption and dereliction, we carried out a group-wide, month-long campaign with anti-corruption and integrity-building activities under the theme of "protecting our common home" from 16 November 2020 to 15 December 2020. All the members of our head office functions, product departments, sales regions and subsidiaries were mobilized to participate in refresher courses with case studies and cautionary tales and self-audits to "build personal integrity, compliance and self-discipline awareness" and "improve anti-corruption awareness, initiative and accountability", to ensure the effectiveness of the campaign. They also shared experience and produced summaries of the learning to promote common progress. We encourage our employees to be on alert for any misconduct, whistle-blow based on facts, integrate anti-corruption and integrity codes into their daily routines, and gradually institutionalize a broad, deep and impactful system of anti-corruption and integrity.

### CONFLICT OF INTEREST

Conflict of interest refers to the potential risk or damage to the interests of the Company or stakeholders resulting from an employee performing a certain job given his or her special status, social connection or position, etc.

The conflicts of interest identified by the Group and the avoidance policies established in response include the following two components:

**Professional recusal:** Professional recusal refers to the recusal of an employee to avoid conflict with interested parties during their employment at Anton. It includes recusal for personal reasons, i.e., non-compete restrictions given the employee's special status, previous full-time or part-time work experience or any other reason; and recusal due to specific role and social connections, i.e., if the employee's family member or intimate partner is an employee of or performs work for the counterparty that could potentially threaten or damage the interests of the Company or other interested parties.

The Company provides clear instructions and policies for the specific matters in the relevant categories. Employees who are involved in related matters must immediately declare to the Human Resources Department and sign a recusal agreement with the Company to strictly enforce the recusal policy.

**Non-compete:** For management officers above certain seniority and employees in specific positions under confidentiality obligations, the Company requires that a non-compete agreement be signed with the Company at the time of onboarding. During their employment with the Company and for a specific declassification period after their departure from the Company, such employees must not, without the written consent of the Company, work in other organizations in the same or similar business as the Company and its affiliated companies or that compete with them, work part-time or provide services in any other form, nor shall they produce or manage their own products or services that are the same or similar to those of the Company and its affiliated companies, or engage in other activities that compete with the products or business of the Company and its affiliates.

### FAIR COMPETITION

We uphold fair competition in China and beyond. We do not collude with customers or competitors to win projects; we do not exchange price or bidding information with competitors; we do not lobby the government for favorable policies that afford us an unfair advantage. We believe our success must come from fair play.

### **SUPPLIER AND BUSINESS PARTNER MANAGEMENT**

Our suppliers and business partners must enter into an anti-corruption agreement with us before transacting with us, as we have zero tolerance for corruption of any kind. We encourage our suppliers and business partners to report any unfair treatment or bribery demands from our employees. We have a certification program to qualify our suppliers and business partners. They must meet criteria such as compliance with laws and regulation and endorsement of our ethical standards. We are also committed to avoiding controversial minerals in our procurement process.

### **CUSTOMER ASSETS PROTECTION**

We may gain access to customer assets, including but not limited to business information, data, equipment, property, products, and other assets. We are liable for protecting these assets; keeping the information confidential; preventing data breaches; and avoiding damage to the equipment, property and products. We implement rigorous measures to protect customer assets.

### **INTELLECTUAL PROPERTY RIGHTS PROTECTION**

We have established a management system to protect intellectual property rights. We file for patent protection as soon as we develop a new technology. If the know-how is not eligible for patent protection, we protect it through non-disclosure agreements and confidential disclosure agreements. We reserve the right to take legal action against anyone using our intellectual property illegally.

### **INSIDER TRADING**

Employees in possession of any material information about Anton, such as unannounced financial metrics, marketing plans, product development, major progress on business, information about human resources, proposed mergers and acquisitions, etc., are prohibited from divulging such information to others, and they are barred under the insider transaction rules from trading our stocks, bonds and other securities we may issue in the capital market.

### **WHISTLEBLOWER PROGRAM**

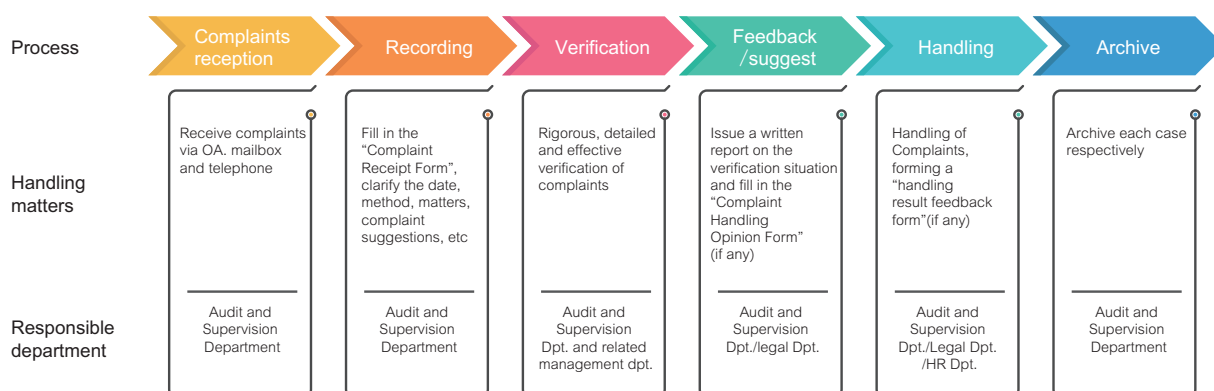
The Company has a complete and clear whistleblower program, which is managed by our internal audit oversight department. Whistleblowing in local languages is available in all countries and regions where we operate. The Company's official website also publishes information on whistleblowing channels and contact information in English, Chinese and Arabic, and provides statements on the scope of reportable conduct, acceptance principles and policies for protecting whistleblowers.

Anyone, including employees, customers, suppliers, and partners, can raise concerns about and report an actual or potential violations of our ethical code at any time. In addition, our Chairman has made his contact information public to encourage whistleblowers to come to him and to internal audit simultaneously. We respect the whistleblower's choice in line and method of communication, or between speaking openly and anonymously.

## CORPORATE GOVERNANCE

The Company has developed a rigorous complaint, response and resolution process, requiring all tips or complaints received be processed fairly, justly, expeditiously, accurately and effectively, and all relevant data generated in complaint acceptance and processing be stored and managed. We will maintain strict confidentiality on whistleblowers. It is our responsibility to protect them, and we expressly forbid whistleblower retaliation.

### Complaint, response and resolution process



The Company's audit oversight department communicates with the employees of the head office departments, country offices and business lines from time to time to identify any matter that violates the relevant policies and rules of the Company. In FY2020, the audit oversight department reached out to all departments of the Group and proactively conducted and completed 41 audits.

In FY2020, the Company received a total of 14 complaints/tips through the open reporting channels, all of which were strictly and thoroughly vetted, and subjected to robust processing and feedback in accordance with the protocol. Targeting verified common violations, the Company prepared and disseminated case studies that anonymized names and project information in the quarterly group-wide "Team Behavior Code" summary and refresher training sessions to reinforce company policy, warn against violations and prevent a repeat of similar violations.

## EQUAL OPPORTUNITIES AND TALENT DEVELOPMENT

We are a proponent of the UN Global Compact, as our business footprint covers both China and other emerging markets. Offering opportunities equally and continuously is an important ethical standard for us. We observe fair employment practices and offer equal opportunities to employees, suppliers and business partners. We prohibit discrimination based on race, color, gender, age, sexual orientation, ethnicity, disability, religion or cultural tradition in hiring, promotion, rewards, compensation and access to training and job rotation. We provide a safe workplace for employees and offer them opportunities for training and continued learning.

## CORPORATE GOVERNANCE

### **ADDRESSING CLIMATE CHANGE**

Recognizing that climate change is an issue of global significance, we are committed to climate action. We offer technologies to help customers develop cleaner energy and reduce their environmental footprint and emissions. We recognize the challenges of energy transition and are committed to shifting towards cleaner energy. We are committed to driving employees, suppliers and business partners to reinvent business models and the energy mix so that we can reduce greenhouse gas emissions, transform our entire business ecosystem and address climate change issues.

### **PROTECTING THE ENVIRONMENT**

We strive to reduce our environmental footprint, cut greenhouse gas emissions and optimize resource efficiency by transforming business models and applying advanced technological solutions. We ensure that everyone in our business ecosystem is aware of the importance of environmental protection and call for their action.

### **CONTRIBUTING TO SUSTAINABLE DEVELOPMENT**

We are committed to promoting education and wellness and to driving social and environmental sustainability through better technology-based solutions. We are dedicated to fostering economic prosperity in the communities we serve, helping them to fight poverty and grow economically through access to better tools, technology and networks.

## CORPORATE GOVERNANCE

### GOVERNANCE STRUCTURE

#### SHAREHOLDER GOVERNANCE AND EMPLOYEE STOCK OWNERSHIP PLAN

We aim to adopt an advanced governance structure. We want our employees to have ownership in the business and participate in top-level decision-making. To this end, we developed the Employee Stock Ownership Plan (ESOP).

The ESOP consists of stock option, restricted stock incentive and an employee share purchase plan. In FY2020, 105 employees in key positions were granted stock options and restricted stocks under the plan. In addition, more employees have invested in our stock. Driven by these plans, our employees have become more motivated. We expect that in the near future, employees will become one of the most important shareholder groups.

Having our employees own an equity interest in the company creates a better system of checks and balances. Employees feel more assertive and are better empowered to identify potential violations of our ethical code in their day-to-day activities or actions that may undermine our sustainability goals. They have rights to vote against the Board in general meetings, or even call a meeting. These plans have fortified our governance structure.

#### BOARD GOVERNANCE STRUCTURE

The Board is at the center of our corporate governance. The composition of the Board strictly follows the principles of balance, fairness and diversity in terms of backgrounds and experiences. The Board appoints the most competent managers to ensure strong and sustainable growth. As of 31 December 2020, the Board consists of seven members (three Executive Directors, one Non-executive Director and three Independent Non-executive Directors). There are no financial, business, family or other material relationships among members of the Board. Each director brings unique expertise and experience to the table.

#### BOARD COMMITTEES

**Four committees are established under the Board: the audit committee, remuneration committee, nomination committee and QHSE committee (QHSE committee had been updated to ESG committee on 21 May 2020).**

##### Audit Committee

The Audit Committee is responsible for interacting with external auditors; making proposals to the Board on the appointment, retention and dismissal of the external auditors (as well as setting remuneration and terms of appointment); and reviewing the integrity and accuracy of our financial information in the financial reports. The Audit Committee also oversees our financial reporting system and internal control procedures to mitigate financial risks to our operations. The Audit Committee has three members, all of whom are Independent Non-executive Directors, namely Mr. ZHU Xiaoping, Mr. ZHAN Yongyi and Mr. WEE Yiaow Hin. Mr. ZHU Xiaoping is the Chairman of the Audit Committee. He is well-versed in accounting matters and an accounting professor at Renmin University of China. In FY2020, the Audit Committee held two meetings.

### **Remuneration Committee**

To establish a reasonable remuneration policy and incentive scheme and to protect our customers and investors, the Remuneration Committee strictly reviews and recommends the terms of remuneration, benefits, bonuses and other allowances of the Directors and senior management, makes proposals to the Board on the remuneration policy and structure for all the Directors and senior management and approves and monitors the enforcement of such policies and schemes. The Remuneration Committee is comprised of two Independent Non-executive Directors, Mr. WEE Yiau Hin and Mr. ZHU Xiaoping, and one Executive Director, Mr. LUO Lin. Mr. WEE Yiau Hin is the Chairman of the Remuneration Committee. He has extensive work experience in multinational corporations such as Shell and Petronas. He is familiar with the international norms on compensation. In FY2020, the Remuneration Committee held one meeting.

### **Nomination Committee**

The Nomination Committee is responsible for reviewing the structure, composition and diversity of the Board; making recommendations on the policy and procedures for the nomination of Directors; identifying and nominating candidates for directorship; vetting the candidates on merit, assessing against objective criteria and considering the diversity on the Board; making recommendations to the Board on the appointment or re-appointment of Directors, and succession planning for the Directors, Chairman and the Chief Executive Officer; assessing the independence of the Independent Non-executive Directors and submitting conclusions to the Board; and reviewing the Board Diversity Policy, in particular the measurable objectives contained therein to ascertain their appropriateness and the progress towards them. The Nomination Committee is composed of two Independent Non-executive Directors, Mr. ZHANG Yongyi and Mr. WEE Yiau Hin, and one Executive Director, Mr. LUO Lin. Mr. ZHANG Yongyi is the Chairman of the Nomination Committee, He has extensive experience in talent development, evaluation and promotion. In FY2020, the Nomination Committee held one meeting.

### **ESG (Environment, Society and Governance) Committee**

On 21 May 2020, the Board resolved to upgrade the QHSE Committee to the ESG Committee. The new ESG Committee consists of three Executive Directors, Mr. LUO Lin, Mr. PI Zhifeng, and Mr. FAN Yonghong. Mr. PI Zhifeng is the Chairman of the ESG Committee. The ESG Committee has the following roles and responsibilities: to assist the Board in reviewing and evaluating our current ESG performance; to advise the Board on matters that may affect our ESG standards and policies; to review our ESG report and submit the final report for Board approval; to engage the Board fully in our ESG governance, reporting and disclosure activities. In FY2020, the ESG Committee held one meeting.

About our previously established QHSE Committee: This Committee was established by the Company on 21 January 2013. QHSE is an important norm for the oilfield services industry. We adopt international standards to improve service excellence both domestically and internationally. The QHSE Committee assists the Board in reviewing the Company's QHSE performance and overseeing QHSE management and reporting procedures and systems. It also helps develop the Company's QHSE program and oversees its effective implementation. The QHSE Committee also advises the Board on matters affecting our QHSE standards. Two Executive Directors (Mr. LUO Lin and Mr. PI Zhifeng) sit on the QHSE Committee and Mr. PI is the Chairman.



## CORPORATE GOVERNANCE

### Directors

We consider the current Board to be sufficiently balanced and diverse, in line with the needs of our company. We may revisit and optimize its composition from time to time to reflect our business model and specific needs. The Nomination Committee reviews the Board Diversity Policy on a regular basis to ensure its continued relevance.

Board of Directors as at 31 December 2020:

LUO Lin  
PI Zhifeng  
FAN Yonghong  
HUANG Song  
ZHANG Yongyi  
ZHU Xiaoping  
WEE Yiaw Hin

### BOARD MEETINGS

In FY2020, we convened 9 Board meetings, 2 Audit Committee meetings, 1 Remuneration Committee meeting, 1 Nomination Committee meeting and 1 ESG Committee meeting. We also convened an Annual General Meeting during this reporting year.

In addition to the biannual Board meetings where we announce performance results, we also hold quarterly Board meetings (“**Quarterly Meetings**”) to better facilitate the strategic and supervising roles of the Board. Senior management is invited to these meetings to strengthen communication between the Board and management. The Quarterly Meetings mainly focus on key issues in four areas: strategic topics, operational progress, quarterly financial budget and results, and feedback of communication with capital markets and investors. Each quarter, a summary report on these four areas is prepared for the previous quarter and the Board discusses how to advance on the plans in these areas for the next quarter.

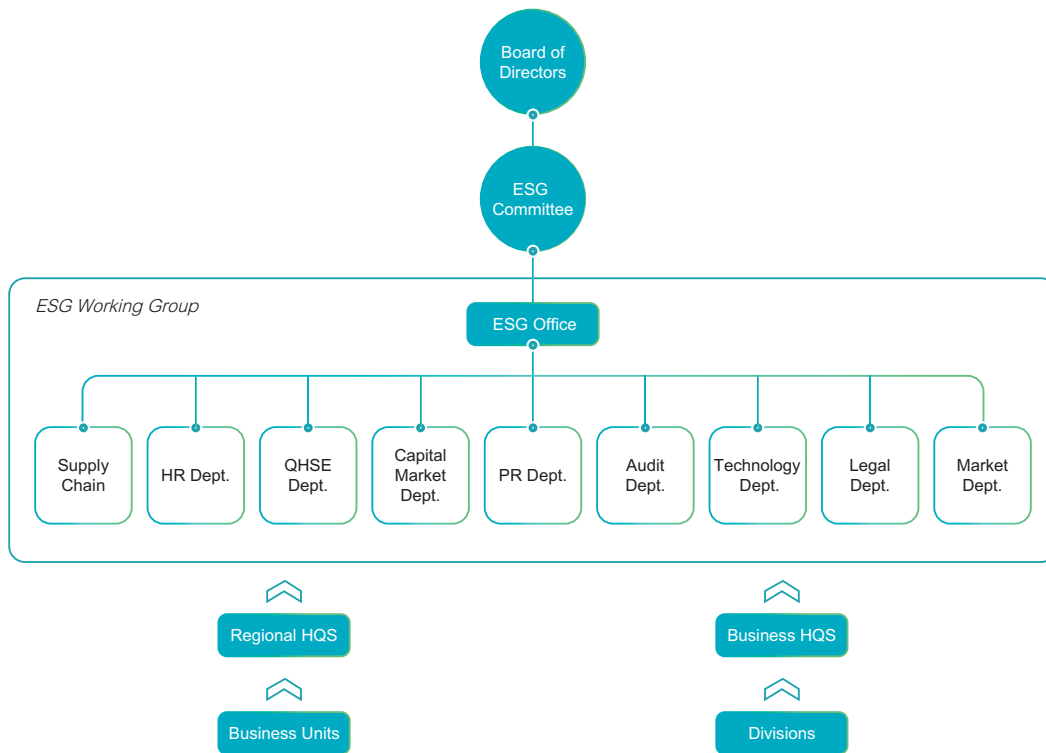
Between two Quarterly Meetings, each Executive Director receives a copy of the monthly financial report and management report and holds business meetings with management to obtain information on monthly performance, check progress and mentor management on effective planning. Management will circulate a monthly brief to all the Directors that summarizes important issues with respect to marketing, operations, business development, human resources and important news around our industry in capital market, etc.

The management submits monthly management briefings to all the directors that summarize the market trends, performance results, business development, human resources, ESG, and capital market actions.

**ESG MANAGEMENT UNDER THE BOARD**

The Board is responsible for our ESG strategies and reporting, including the identification and assessment of our material ESG issues and risks, to ensure that we have an effective ESG risk management and internal control system. It regularly reviews our ESG performance and approves disclosures in our ESG reports. The Board has also cleared this report for disclosure.

The ESG Committee, previously known as the QHSE Committee, assists the Board in managing ESG issues. An ESG office was set under the ESG Committee, in charge of organizing and leading the ESG working group, which has representatives from relevant functions concerned with ESG issues, includes departments such as Public Relations, Capital Market, QHSE Management, Human Resources, Supply Chain, Marketing, Technology Development, Legal and Internal Audit. All departments in the head office have appointed an ESG liaison officer on the working group who is responsible for the implementation of specific ESG programs and the collection and submission of ESG information on behalf of this department. The business division, sales regions and subsidiaries carry out specific activities in accordance with the requirements of the head office and submit ESG updates on a regular basis.



**EXECUTIVE COMPENSATION**

Our compensation scheme is designed to motivate our executives to work diligently towards sustainable development. Beyond a base salary, executives also receive variable pay linked to our KPIs. The most important KPIs are Net Profit and Free Cashflow, as they are a proxy of the quality of our growth. We want growth, but more importantly, we want high-quality growth. In addition to the rigorous financial KPIs, a more important KPI which is pre-condition of annual variable pay of executive is performance of QHSE. An executive failing to meet the QHSE objectives for the year will lose his or her entire annual variable pay, even with outstanding financial performance.

## CORPORATE GOVERNANCE

We encourage our executives to place long-term sustainability above short-term gains. Under this philosophy, stock incentives make up a significant portion of their total package. In 2020, our Directors and over 99 employees (including top executives, mid-level managers and principal officers) received such stock incentives.

Promotion is one of incentive to executive, the criterion of promotion is designed around our core value and performance. Promotion from within has been part of our culture since our inception in 1999, because we believe the longer time the employees stay with us, the deeper understanding of our core values they will have. More than 90% of our key employees and executives have completed internal rotation, training and other career development programs over the years. They were promoted because they not only generated stellar financial performance and achieve strategic milestones for the company, but they practice and promote our core values in their day to day works.

## INTERNAL SUPERVISION AND AUDIT

Our Internal Audit Department is responsible for supervising internal controls and managing the whistleblower program. It performs routine audits of important matters and reports directly to the Chairman.

The Internal Audit Department performs four types of audits: Financial Audits, Operation Audits, Compliance Audits, and Discipline Supervision. With Financial Audits, we check if any spending of operation and project violates our internal control requirements. With Operation Audits, we check if management or employees carry out their duties as requested, if they carry out their duties in line with operation system. With Compliance Audits, we check if our employees complied with laws, regulations and internal policies. For example, we check if marketing and sales met our requirements of Sunshine Marketing and if our employees complied with the anti-corruption guidelines. With Discipline Supervision, we check if our employees conducted themselves in alignment with our values and if there was any breach of our values, and anonymous tip audits.

In FY2020, the internal audit team proactively performed and concluded 41 audits, including financial and operational activities, compliance, management oversight, team behavior, employee discipline and dedicated anti-corruption and integrity audits.

To facilitate internal and external oversight, we keep our communication channels public. We set up various anti-corruption tip lines by telephone, WeChat, internal email, mailbox and public e-mail addresses. Anyone with knowledge or suspicion of a breach of our ethical standards can send a tip to Internal Audit or the Chairman directly. We maintain the anonymity of the whistleblower for protection.

We learn from the best practices of other organizations such as democratic dialogue, which requires participant shares what he or she can improve with others, and offers suggestion of what other peers can improve sincerely.

# ENVIRONMENT

Anton's vision is to become a model for the high-efficient and harmonious development between mankind and environment, as an integral part of our strategy, we strive to minimize the negative externalities of our business operations on the environment and maximize the efficiency of resource utilization.

We built our business model around this objective, and our value proposition is to optimize production and lower costs for our customers through integrated solutions. We aim to help customers produce more with less. As such, our business model is grounded in achieving sustainability goals for both our customers and ourselves.

## ENVIRONMENTAL POLICY AND MANAGEMENT SYSTEM

Based on stakeholder communication, the Company's management has developed our environmental policy, which was deliberated by the Group's ESG Committee (formerly the QHSE Committee) and approved by the Board before being formally promulgated and enforced. The policy was informed by the United Nations Sustainable Development Goals (UN SDGs), Basel Convention, International Association of Oil and Gas Producers (IOGP) Environmental Guidelines, ISO 14001 Environmental Management System standards and local laws and regulations. It contains our environmental objectives, management systems, awareness building efforts and industry-specific challenges; it covers climate change, biodiversity, water use, waste management, environmental quality monitoring, logging and reporting, evaluation, investigation and internal and external audits.

We established our environmental management system under this policy. The system assigns responsibilities to each functional department, product division, sales area, subsidiary, and joint venture. It enables compliance with the policy and rewards positive outcomes while also prohibiting policy violations and punishing negative outcomes.

The internal control team is responsible for auditing the policy's enforcement in each functional department, product division, sales area, subsidiary, and joint venture, and the team reports directly to the Chairman.

## MATERIAL ENVIRONMENTAL ISSUES (MEIS)

Anton is an oilfield service company, we help address the managerial and technological challenges surrounding oil companies' exploration and development processes. Our services and products include oilfield management services, oilfield engineering services, and the related tools and materials. After numerous consultations with stakeholders, the Board and management have identified three environmental issues that are material to our business: 1) the reduction of our operational footprint, 2) the reduction of greenhouse gas (GHG) emissions, and 3) the enhancement of resource efficiency.

We believe that our integrated business model, novel technology solutions, and robust management system empowers us to address these issues and enhance our environmental commitments.

We keep a continuous communication with our stakeholders, consulting for their latest comments and suggestions on our MEIS.

Internally, we provide MEIS related training to our employees to lift their consciousness on environment issues.

We report our MEIS and key environmental performance figures once a year in our sustainability reports.

## ENVIRONMENT

### MEIS MITIGATION

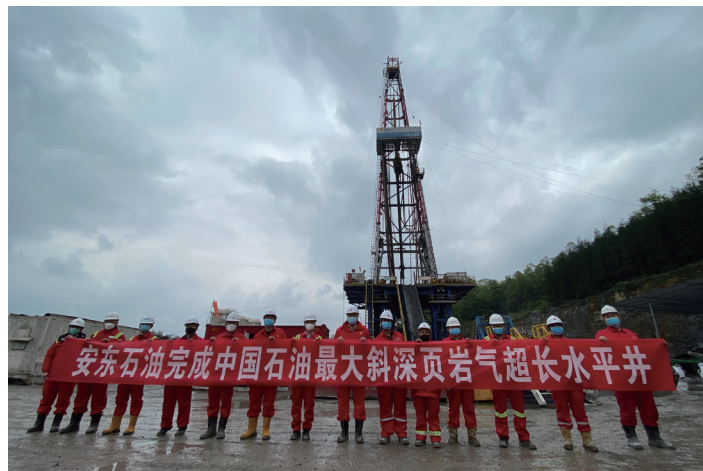
#### REDUCTION OF OPERATIONAL FOOTPRINT

We strive to reduce our customers' operational footprint through technology that enables them to produce more with fewer wells, which in turn will reduce our own footprint.

Our "sweet spot solution" for reservoir geological studies is one of our key technologies for reducing the number of wells required for oil and gas production. We apply this solution to the entire process of drilling, completion, and recovery. The real-time surface data collected from reservoir studies allows us to engineer our customers' assets more precisely and develop them more efficiently.

In FY2020, our "sweet spot" solution was further deployed in the shale gas basin of southwest China. We helped our customers complete the deflecting section – horizontal section drilling and completion engineering for the deepest shale gas ultra-long horizontal well engineering in China. Our "sweet spot" service team helped develop an integrated geo-engineering design, and the field team orchestrated and scientifically deployed core technologies such as look-ahead pore pressure prediction analysis, strong plugging and dual lubrication mud system, intelligent drilling stimulation and steering, and aggressive drilling parameters. Relying on targeted geo-engineering integration services, we achieved safety, speed and efficiency throughout the drilling and engineering process, and productivity gains per well for our customers. This solution is currently being promoted in the Iraqi market.

In addition, we have helped our customer conduct comprehensive geological studies in the southern oilfield in Chad in Africa. Through precision modeling, we informed production operations and helped our customer conduct high-quality gas reservoir evaluation and select favorable development targets to enable targeted and efficient development of resources.



### REDUCTION OF GREENHOUSE GAS EMISSIONS

One of our environmental objectives is to reduce greenhouse gas (GHG) emissions for both customers and ourselves. It is our responsibility to offer technology solutions that assist customers in developing cleaner energy.

We offer integrated solutions for natural gas development to our customers. In China, about 80% of our projects are services involved with natural gas development, including ultra-deep gas wells in Xinjiang, tight gas reservoirs in the Ordos Basin and shale gas wells in Sichuan. In Kazakhstan and other foreign countries, we offer technologies to help customers maximize natural gas production from very low permeability formations.

In our own activities, we are committed to cutting our GHG emissions by transitioning to cleaner energy and greener solutions. Since 2017, we have been replacing diesel engine equipment, such as rigs and pressure pumps, with electrical equipment, cutting consumption of diesel for more than 20 thousand tons. These changes have helped to significantly reduce our operational GHG emissions. In FY2020, we actively sought out power grid equipment suppliers/service providers to connect local grid lines to the drilling and engineering platforms, and to fully implement energy-saving, low-emission and clean production by substituting oil for electricity. The power grid equipment supplier/service provider independently developed the JLD-10 special equipment, which runs on electricity instead of oil and was deployed in shale gas development to save energy and the costs associated with the transportation and storage of diesel fuel and the maintenance and fuel consumption of the generator units. In FY2020, the two platforms achieved cut of carbon emissions of 703.01 tons and sulfur emissions of 17.79 tons from drilling rigs. Furthermore, our technological innovation team has worked relentlessly to phase out petroleum-based materials. One example of this is the drilling fluid we have been promoting for use in the Sichuan shale gas basins. This fluid works similarly to oil-based mud but is environmentally friendly and has a lower emissions profile.

Meanwhile, we have raised awareness for GHG emissions among our employees, urging them to take environmentally conscientious actions in their day-to-day lives. For example, we encourage our employees to use green forms of transportation when commuting to work, such as public transportation or cycling, which is better for their health and the climate.

We recognize that reducing greenhouse gas emissions is more than an obligation under international standards, the gap between our current management and the higher requirements for reducing greenhouse gas emissions exposes us to reputation, market, and business risks. We have incorporated these risks into an essential part of our risk management, and we timely carry out identification and monitoring of this risk.

In FY2020, we identified this risk as a significant matter and presented it for thematic discussion at our quarterly Board meetings. We discussed current international requirements on greenhouse gas emissions reduction, our gaps and related risks, and developed a business transformation strategy accordingly. We are committed to further greening our industry mix, services and products and to closing the gaps.

## ENVIRONMENT

Many of the markets we serve have proposed clear emissions reduction targets, for example, China. The Chinese President made a formal commitment to the international community at the UN General Assembly in September 2020 that China will strive to peak CO<sub>2</sub> emissions by 2030 and achieve carbon neutrality by 2060. This points to a major trend for China to further optimize its energy mix, energy saving and emissions reduction in the coming years. As a conventional energy company, we see gaps in our current business structure for adapting to the industry norm of transition. After management discussion and approval by the Board, we launched special low-carbon energy and renewable solutions and smart oil and gas field solutions in FY2020, leveraging our industry expertise, technology portfolio and market advantages. We are committed to helping our customers realize the digitalization and low-carbon transition of their oil and gas assets. Our low-carbon and renewable solutions include: natural gas recovery, carbon capture, recovery and storage, geothermal development and utilization, low-carbon business consulting and carbon asset management. Our smart oil and gas field solutions include: integrated smart management solutions for chemical industrial parks, smart security, smart environmental protection, smart emergency management, smart fire prevention, smart logistics, smart integrated operation and management solution for chemical industrial parks, and smart center.



In 2020, facing the new situation brought by the epidemic, we also actively adopted information technology to promote management improvements. During FY2020, we launched a “shared office plan” within the global business scope, that is, through online platforms, regular real-time communication and exchanges within the global business scope. all meetings such as quarterly meeting, interim meeting were changed to online. This greatly reduced the traffic consumption required by employees in different business areas to participate in meetings, and is more efficient and environmentally friendly. At the same time, we have also carried out “asynchronous communication” to improve the flexibility of employees’ work. Through a variety of information platforms and methods, we have achieved the improvement of management efficiency and work efficiency, and at the same time, we have opened a new way of working that is more energy-saving and emission-reducing.



## ENVIRONMENT

### ENHANCEMENT OF RESOURCE EFFICIENCY

To provide our products and services, we need to use resources such as water and electricity. We strive to adopt advanced technologies to enhance resource efficiency in our operations. Meanwhile, we continuously comply with laws and regulations in operation countries and regions, such as the national Energy Conservation Law and regional energy conservation and the Beijing Municipality Water Conservation Measures to carry out production operations.

In our pressure pumping business, which consumes the most water, we have introduced new materials to reduce fresh water consumption. These new materials enable the reuse of flowback water for other activities. Across different operations, we have implemented strict budgets on water usage. Our operations team is encouraged to develop creative ideas to minimize water use by installing water saving equipment or improving well design.

Concerning electricity consumption, we emphasize to our employees that every little count, no matter where they are. Our administration team checks our operational sites every day to flag for potential wasting of electricity. Meanwhile, we have implemented power efficiency programs and replaced diesel engine equipment with electrical equipment to reduce emissions.

Operational efficiency is also important, resource consumption is saved as soon as we cut the non-production time (NPT). Our oilfield management team has successfully transformed the operational system in a big oilfield in Southern Iraq since 2018, helped customer cut the NPT by approximately 60%, contributing to a significant cut in unnecessary resource consumption.



## ENVIRONMENT

### ENVIRONMENTAL PERFORMANCE SUMMARY

#### Indicators

Environmental Performance	Units	2020	2019
Greenhouse Gas emission	Tons	<b>42,535.27</b>	77,876.89
Greenhouse Gas emission per revenue	Tons/RMB million	<b>13.78</b>	21.70
Hazardous waste generated annually	Tons	<b>19,106.84</b>	156,834.15
Hazardous waste generated per revenue	Tons/RMB million	<b>6.17</b>	43.69
Harmless waste generated annually	Tons	<b>1,081.35</b>	1,168.02
Harmless waste generated per revenue	Tons/RMB million	<b>0.35</b>	0.33
Total wastewater generated	thousand cubic meters	<b>107.30</b>	101.85
Total wastewater generated per revenue	Thousand cubic meters/RMB million	<b>0.03</b>	0.03
Total energy consumption	MWh	<b>132,279.02</b>	268,602.32
Total energy consumption per revenue	MWh/RMB million	<b>42.84</b>	74.83
Electricity use	MWh	<b>19,053.40</b>	16,039.40
Electricity use per revenue	MWh/RMB million	<b>6.17</b>	4.47
Fuel consumption – Diesel	MWh	<b>108,662.28</b>	248,425.24
Fuel consumption – Gas oil	MWh	<b>4,682.94</b>	4,137.68
Fuel consumption – Diesel per revenue	MWh/RMB million	<b>35.19</b>	69.21
Fuel consumption – Gas oil per revenue	MWh/RMB million	<b>1.52</b>	1.15
Water use	Thousand cubic meters	<b>294.46</b>	440.53
Water use per revenue	Thousand cubic meter/RMB million	<b>0.10</b>	0.12
Total water recycled	Thousand cubic meters	<b>1.50</b>	17.34
% water recycled	Percentage	<b>0.51</b>	3.94
Raw materials	Tons	<b>39,978.80</b>	32,765.70
Raw material per revenue	Tons/RMB million	<b>12.95</b>	9.13

#### Notes:

- The emission of greenhouse gas was calculated based on the GHG Protocol-Enterprise Calculation and Reporting Standard issued by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the Fifth Assessment Report 2013 and the Calculation Method and Reporting Guideline of Greenhouse Gas Emission by Other Industrial Enterprises (Pilot) issued by the Intergovernmental Panel on Climate Change(IPCC), in which the electronic greenhouse gas emission factor was selected based on the Datum Line Emission Factor for Chinese Regional Power Grid in Annual Emission Reduction Project 2017 issued by the Ministry of Ecology and the Overseas factor was selected based on the Environment and EIB Project Carbon Footprint Methodologies issued by the EIB; this year, the group disclosed the scope 1 and scope 2 greenhouse gas emissions;
- The density data in the table is calculated based on the usage divided by revenue.

## ENVIRONMENT

### SPECIFIC ENVIRONMENTAL ISSUES MANAGEMENT

#### CLIMATE CHANGE

We recognize the importance of emissions reduction to climate risk mitigation. Tackling climate change is central to our vision of becoming an exemplary firm, aligning development between mankind and the environment.

Our actions include the following:

- Further reduce GHG emissions from our operations by improving efficiency, transitioning to cleaner resources and transforming how we work.
- Help customers develop cleaner energy and utilize cleaner resources to reduce their GHG emissions.
- Help suppliers reduce GHG emissions by offering them management tools and technical support.
- Raise our employees' awareness of climate change and call for their action to reduce GHG emissions at and away from work.
- Seek professional consulting advice on the further improvement of our climate change management system.
- Engage independent firms to audit the achievements of our climate change management system.
- Continue to report GHG emissions from our operations through the annual ESG report.

To do our part for a future with cleaner energy, we decided to assist our customers in developing cleaner energy – i.e. natural gas. Since our inception in 1999, we have focused on addressing technical challenges in natural gas development. We offer technological solutions catered to the challenges of extracting deep well gas, tight gas, coal bed methane and shale gas. In FY2020, approximately 80% of our projects in China were services to support natural gas development.

For customers struggling with CO<sub>2</sub> emissions, we provide de-carbonization service to help reduce their carbon footprint. We launched our Carbon Capture Service (CCS) product line in 2009 and undertook our first CCS general contract project in China in the next year, 2010. In this project, we helped our customer create the largest permanent underground capacity to store carbon from a coal-to-chemical plant. With the successful deployment of our technology and the installation of the permanent, underground capacity, we helped our customer cut CO<sub>2</sub> emissions by approximately 100 thousand tons per year by drilling the first CCS injection well in China.

Additionally, we have taken actions to reduce our own emissions from operations and energy use. We have substituted diesel pumps for electrical pumps used in fracturing for shale gas development in China. Such efforts have lower our own GHG emissions.

## ENVIRONMENT

### BIODIVERSITY

We strive to prevent operations from negatively impacting the ecosystem or biodiversity, we do not place in environmentally sensitive areas by the requirement of our environmental protection program. For those areas which have flora and fauna, we have strict requirement to protect them. To conserve a vulnerable wetland near one of our customer's operating sites in Iraq, we engaged a professional firm to monitor the ecological impact of oilfield operations. This allowed us to advise the customer on taking informed actions to mitigate environmental impact and protect biodiversity.

### WATER

We aim to reduce freshwater consumption in our projects from activities such as drilling and pressure pumping. We have introduced new water-saving technologies to fracturing operations by reusing the flowback water.

Water-saving equipment was installed at our well sites and bases. We also made signs reading, "save fresh water" for our offices, bases, plants and well sites. We ask our employees to save fresh water at work and at home, and to encourage their families and friends to do the same.

### WASTE

One of our HSE (Health, Safety and Environment) visions is zero pollution. Waste is a major source of pollution, and therefore a concern in achieving our HSE goals. To address this concern, we have developed a waste management system in line with the Basel Convention, environmental regulations and industry best practices.

Our waste management system involves:

- Mapping out the waste streams
- Identifying and classifying the different types of waste
- Managing waste in accordance with the Non-Hazardous Materials and waste management hierarchy
- Managing waste by type
- Managing waste by scenario
- Segregating waste
- Storing, transferring, treating and disposing of waste
- Separating and disposing of hazardous waste
- Separating and disposing of biomedical waste
- Documenting and reporting the waste management process and
- Recycling waste materials

## ENVIRONMENT

We offer waste management solutions to our customers and manage the waste generated from our own activities. Our waste management solutions cover the full cycle of well drilling, completion and production.

We continued to work closely with suppliers/service providers on cleaner production services at our well sites in the Changing area of Sichuan Province. We strictly complied with the national and local environmental requirements, and spent over RMB4.5 million in FY2020 on the collection and treatment of rock chips, completion mud, square well fluids and production wastewater during the drilling process.

### ENVIRONMENTAL MONITORING

To conduct environmental monitoring where our customers operate, we employ real-time monitoring technology and engage professional firms to implement the monitoring.

In Iraq, we are managing a large oilfield. We set up 35 monitoring stations and installed absorbers and diffusers with approximately 15 of them in communities surrounding this oilfield. The monitoring stations report the impact of oilfield flaring and the concentration of SO<sub>x</sub>, NO<sub>x</sub>, H<sub>2</sub>S, and O<sub>3</sub>, etc. For the underground well, we collect and analyze soil and water samples at regular intervals to ensure the waste management process complies with environmental standards.

### CHEMICAL MANAGEMENT

We maintain a transparent disclosure process through the Material Safety Data Sheet (MSDS), which provides detailed information to customers and regulators about the types, components and properties of the chemicals used in the wells. Meanwhile, we enforce an end-to-end management process for all chemicals used. Any materials entering the well will be precisely tracked, and the backflow fluid will be recycled through dedicated pipelines or will enter the chemical treatment plant for further clean treatment.

### RAW MATERIALS

Our raw materials include barite, sand, proppant, cement and bentonite (our products and services does not include wrappages). Our consumptions of raw materials varies from different operations of our services provided. For example, comparing with oilfield management, inspections and rental business, our pressure pumping services and drilling fluid services use more raw materials. While through technology innovations, we're endeavoring to reduce raw material consumption on a per operation basis when compared to conventional approaches.

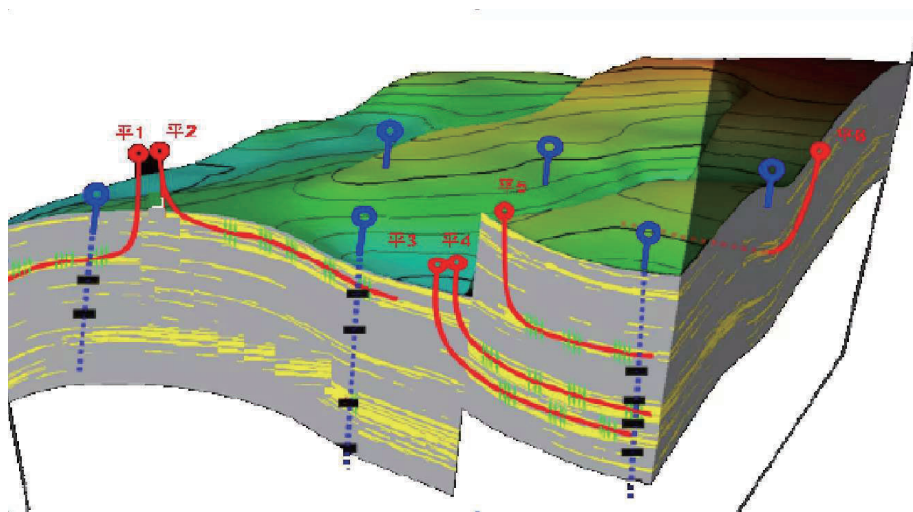
# ENVIRONMENT

## TECHNOLOGICAL APPLICATIONS

We are committed to helping customers achieve lasting success. Technological innovation is the most important means of delivering on such commitment. The technological applications we provide to customers helps them to increase yield with a lower footprint and at a reduced cost. As a result, these innovations have helped customers cut emissions, reduce their footprint and improve resource efficiency.

The technologies listed in the chart below highlights each technology’s environmental attributes and each’s ability to help customer cut emissions, reduce environmental footprint and improve resource efficiency.

	Reduce air emissions	Maintain biodiversity	Save water	Recycle/Reduce waste	Reduce footprint	Clean chemistry	Increase production	Improve safety
Anton Sweet Spot Evaluation	√		√		√		√	
RSS and Geo-steering drilling			√		√		√	√
Biosynthetic drilling fluid	√	√		√		√		√
Oilfield environmental protection technology	√	√	√	√		√		√
Full scale fracturing	√		√	√	√	√	√	√
Anton Bailin water control	√		√		√		√	
Green burner atomization	√	√		√				√
Gas leaking inspection	√							√



# SOCIETY

## QHSE MANAGEMENT

Building on many years of progress, we have established a mature and complete QHSE management system in accordance with the International Oil and Gas Producers' Association (IOGP) guidelines. "QHSE comes first at Anton" is a long-term value we established, in addition to our QHSE culture of "leadership by example, firmwide participation, individual actions and compliance with international standards," and our QHSE vision of, "maintaining zero injuries, zero pollution, zero complaints and zero losses." To our shareholders, we solemnly commit the following:

1. To abide by the laws, regulations and other requirements of the countries and regions where we operate and to respect local customs and traditions;
2. To establish and implement the QHSE management system and continuously improve QHSE performance;
3. To protect the health and safety of our employees, including contractor employees, at all times and under all circumstances;
4. To promote clean production to minimize the environmental impact of our operations by preventing pollution and mitigating emissions, improving resource efficiency and reducing and recycling waste;
5. To reward excellent performers in QHSE, as good QHSE performance is a prerequisite for our hiring and promotion considerations;
6. To disclose our QHSE performance results honestly and transparently;
7. To foster a QHSE culture of leadership by example, firmwide participation and individual actions.

At Anton, we require all our employees, contractors and suppliers to share and fulfill these commitments. We stress the management's exemplary role in QHSE, so that others can hear, see and relate to the importance that management attaches to QHSE, and so that everyone can embrace and implement QHSE management wholeheartedly as a firmwide culture.

## QHSE RISK IDENTIFICATION

In our QHSE management system, we identify material risks according to their materiality and possibility, and divide them into different level, manage them through risk matrix LS analysis and operating condition hazard analysis. We built a two-dimensional matrix, which classifies QHSE risks into three categories – low (blue), medium (yellow), and high (red), and manage these risks proactively. At Anton, QHSE is directly linked to employee remuneration. An employee failing on QHSE performance will not receive a performance bonus.

## SOCIETY

Impact	Probability					Remarks
	A Never happened in Oil & Gas industry	B Similar risk events have happened in the Oil & Gas industry	C Has happened to the Group or in the Oil & Gas industry at least once a year	D Has happened to a business division of the Group at least once a year	E Has happened to various job site at least once a year	
0						⑥ Stakeholders (contractors, suppliers and community relations)
1						⑦ High-pressure fluids (high-pressure jobs)
2						⑧ Inflammable and explosive substances (fire and explosion)
3						⑨ Pollutants (environmental pollution)
4						⑩ Toxic substances (hydrogen sulfide and hazardous chemicals)
5						⑪ Confidential information (information breach)
6						⑫ Non-conforming catering (food poisoning)
7						⑬ Terrorists, criminals and cultural differences
8						⑭ Natural disasters (flood and mud flood, etc.)

## SOCIETY

Our QHSE management system consists of a variety of procedures:

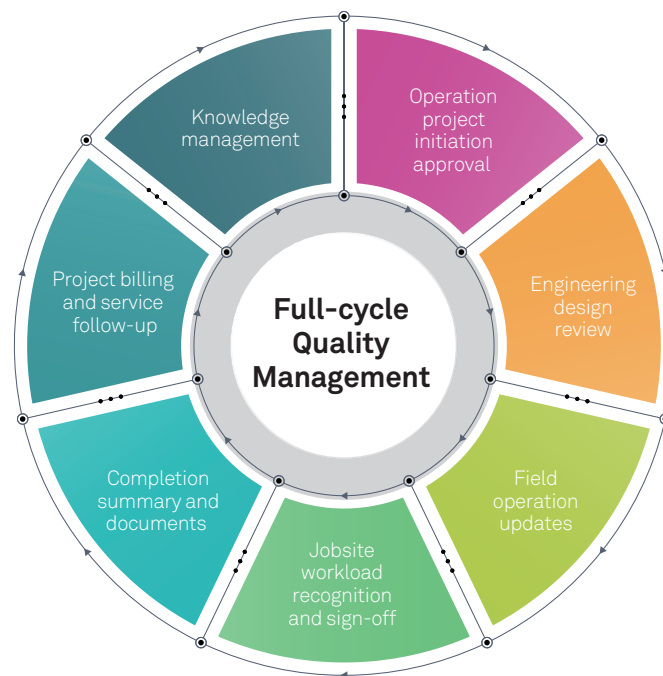
No.	Management Procedures
1	QHSE training management procedures
2	Communication, engagement and consultation procedures
3	File control procedures
4	Records control procedures
5	QHSE management procedures for contractors and suppliers
6	Risk management procedures (12 areas, including work safety, fire safety, food safety and hazardous chemical safety)
7	Job permit management procedures
8	Traffic safety management procedures
9	QHSE key personnel change management procedures
10	QHSE management procedures for equipment
11	Occupational health management procedures
12	Environmental management procedures
13	Incident (accident) management procedures
14	Non-conforming goods control procedures
15	Conformity assessment procedures
16	Legal, regulatory and other required procedures
17	Non-conformity, corrective and preventive action procedures
18	Internal audit procedures
19	Management review process



## SOCIETY

### QUALITY

Zero Complaints and Zero Losses are two building blocks of our QHSE vision in terms of quality. We strictly abide by the Quality Management System Requirements of PRC, the Product Quality Law of PRC, the Standardized Law of PRC, the Regulation on the Execution of Standardized Law of PRC and other relevant laws, regulations, technical standards and regulatory requirements on project quality where operations are located. Our quality management is integrated into our customer-centric corporate culture. We advocate “top-quality operatorship.” We enforce rigorous quality management throughout our entire operational process, focusing on the key control points.



In our talent evaluation system, job competency is a very important indicator. We perform competency assessments to select the right people for the right jobs. We conduct systematic QHSE training and issue a QHSE Passport to the employees who have completed the training and passed the examination. We conduct regular competency assessments to ensure our employees are able to do their jobs well, thereby improving our overall service quality.

## SOCIETY

### Customer satisfaction survey

We conduct a customer satisfaction survey every two months. We ask the senior executives and employees of our customers to evaluate our products and services. We set customer satisfaction targets every year and make the complaint line accessible to our customers.

Measured metric	Score					Remarks
Service attitude	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
QHSE management	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Engineering quality/product quality	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Contract fulfillment	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	a. Very satisfied (5)
Completion on schedule/In-time delivery	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	b. Satisfied (4)
Fitness for purpose of technology	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	c. Pass (3)
Comprehensive problem-solving skills	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	d. Unsatisfied (2)
Individual capacity	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	e. Very unsatisfied (1)
Equipment reliability	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	
Corporate culture	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	

*Customer satisfaction survey form*

Our products and quality standards are certified under the following programs:

No.	Certification programs
1	API14A, API11B, API5CT, API7-1, APIQ1, and APIQ2
2	ISO 9001:2015, ISO 14001:2015

### HEALTH

We attach great importance to our employees' health. "Healthy" is one of our six human capital objectives, we are rating our employees' health by five tiers in a descending order: excellent, good, pass, improvement needed and fail, specific standards are established to define these tiers. All the employees are expected to be in good or excellent health condition, both physically and mentally. For this purpose, we have prescribed detailed policies and management steps and organizes diverse and colorful activities.

**Occupational health**

We abide by the Law on the *Prevention and Control of Occupational Illnesses of PRC*, the *Professional Health Instructions for Vibrations Protection in Iraq* and other 21 laws and regulations. We ask our employees, before joining and every year after, to take a thorough physical examination. We provide medical insurance to our employees. The human resources department is collecting, analyzing and archiving the yearly results of physical examinations, advising employees of potential occupational hazards before they get to work, and employees who have occupational concerns and illnesses on hazard-prone positions. At the same time, mandatory occupational health education, training and rehearsal are set for employees to familiarize them with the potential occupational hazards and illness exposures in their jobs, and it provides them with appropriate preventive measures and correct operating procedures.

Our occupational health management system is certified by ISO45001: 2018 and SY/T6276-2014.

As a multinational company, we attach great importance to the health of our employees in overseas offices. We require the employees posted in areas with high epidemic risks to undergo thorough health check-ups and inoculation before departure, and we take out the statutory infectious disease insurance for them.



**Healthy working conditions**

The QHSE department performs annual hazard mapping in general production; puts up clear occupational hazards signs, hazard profiles and personal protection requirements at the entrance to exposed jobsites; regularly commissions independent technical service providers to conduct hazard testing and occupational hazard assessments; installs and regularly recalibrates testing devices such as dust concentration monitors, toxic gas monitors and noise monitors where appropriate; and provides various protective gear and facilities depending on the occupational hazard.

## SOCIETY

### Leaves and shifts

We care about our employees' condition at work. Our QHSE management system sets a clear definition for "fatigue state," and prohibits employees from working in a "fatigue state." We enforce a rest and shift policy. We provide differentiated types of leave for our field operators and overseas expatriates, depending on the nature of their work.

### Mental health

We also pay attention to the mental health of our employees. We have engaged SOS International, the world's largest healthcare, medical assistance and safety services firm to provide 24/7-accessible psychological counseling services to our employees, so that they can receive safety advice and psychological support when they need it. We also use a public online platform to conduct training and education on mental health, and we require all QHSE staff to have knowledge of mental health and to communicate proactively with the employees to ensure their mental health.

Every year, we organize a large number of team-building activities, outings and sports competitions to increase the cohesiveness and physical strength of our employees. We encourage and endorse activities that promote the physical and mental health of our employees.



SAFETY

“Zero injury” is a building block of our QHSE vision. Before each project assignment, we are required to develop a QHSE Operational Plan. The project leader will issue the QHSE commitments for the project, staff the QHSE personnel, establish a QHSE working group and set the QHSE objectives and the corresponding QHSE action plans. The action plans shall include how to conduct QHSE inspection, hold regular QHSE summary meetings, conduct QHSE training, perform regular hazard mapping and elimination and treat pollutants etc. The acceptance of the project depends directly upon whether there has been an occurrence of a QHSE event and whether the QHSE event log is complete. In countries where we operate, we comply with local safety-related laws and regulations, such as the Safe Production Law and the Safe Production Permit Provisions. In FY2020, we organized six safety overhauls at the group level and required each business region to check regularly to identify and close potential safety loopholes.

Anton Life-saving Rules

We have developed the following 12 life-saving rules for our employees to follow strictly.



Qualifications

**QHSE Passport :** We issue a QHSE Passport to employees who have received QHSE and technical training and passed the exams. The Passport keeps track of all the trainings the employees have attended and allows us to develop a tailored competency development plan and training matrix to ensure that every employee is safe and competent for his or her job.

**Safe production permit:** Each of our operating fleets have passed the inspection of the State Administration of Work Safety and obtained nationally accredited safe production permits, which is subject to be reviewed and renewed every three years to ensure our operational and engineering activities comply with the latest national standards.

## SOCIETY

### **Injury prevention**

We are committed to injury prevention for our employees and contractors. We have formulated the Non-conformity, Corrective and Preventive Action Procedures to analyze and learn from injury incidents in the industry. We require all departments to develop corrective and preventive measures and encourage all employees to identify and report potential injury risks in the workplace. The QHSE management department shall devise preventive measures and organize related education.

### **Safe workplace**

We are for health and safety in the workplace. Every workplace must be clean and hygienic. Public areas are thoroughly disinfected every week, and the fire extinguishers and smoke alarms fitted in the workplace are inspected and logged daily by our security personnel. Workplaces are clearly marked with signs indicating the emergency exits, as well as labels that denote risks and hazards. In addition, each workplace has access through a 24/7 hotline to a first aid team in case of emergency. The first aid team members have basic paramedic skills. Standardized, essential and portable first aid kits are available depending on the expected needs, and they are managed and checked by dedicated personnel. In the laboratory, chemical storage areas and workshops/repair shops, we provide eyewash devices. In accordance with the Labor Protection Management Provisions, we have purchased PPE for head, eye, ear/hearing, hand, foot, respiratory system and fall protection to provide enhanced protection at different jobsites.

### **Emergency response unit**

First aid teams have been set up in every office and frontline base and are equipped with first aid kits. The teams all have basic knowledge of first aid and can quickly respond to emergencies such as burns, bleedings, sprains, chokings and poisonings. The first aid teams are on call 24/7 to provide uncompromised assurance for the physical safety of our employees.

### **SOS assistance service**

Through International SOS, the largest international healthcare, medical assistance and safety services company, we have set up a 24/7 assistance center where employees can receive medical and safety advice and psychological support via a dedicated hotline anytime, anywhere. They can also access the International SOS website for online assistance services and the latest local SOS alerts. We have taken out casualty insurance for our overseas employees.

### **Food safety**

We manage food safety by requiring our kitchens to be disinfected on a daily basis and retain samples of each meal for 48 hours, only disposing of them when having observed no adverse reaction. Our caterers must source food ingredients only from ISO9001-2000 certified suppliers with the quality and safety marks, strictly check their shelf life and must not purchase expired food.

## SOCIETY

### Driving safety

To improve road traffic safety and fleet management, raise employees' awareness of traffic safety and prevent traffic accidents, we have established the Traffic Safety Management Procedures. All our drivers must hold a valid driver's license to steer an approved vehicle, and there are strict age and experience requirements for drivers. Drivers shall be retrained on life-saving and defensive driving skills every two years, receive safety basics, medical first aid and anti-fatigue driving training. All the vehicles must be equipped with basic fire and first aid kits and be subject to daily safety inspections, the results of which shall be recorded. Our Traffic Safety Management Procedures also set forth a safe driving code that specifies the speed limit of vehicles, use of safety belts, warnings against fatigue driving and night driving and limits on maximum driving hours, etc.

### Safety figures

Health and Safety	Unit	2020	2019
Fatalities(Employee)	Absolute number	1	1
Total recordable case	Absolute number	16	16
Lost time injury incidents (lost time injuries+ fatalities)	Absolute number	5	9
Total hours worked	Hours	12,899,393	15,478,502
Day Away from Work	Days	229	346
Fatal Accident Rate	Per 100 million workhours	7.75	6.46
Traffic Accident Rate	Per million miles	0.20	0.30
Total recordable injury rate	Per million workhours	1.24	1.03
Lost time injury rate (LTIR)	Per million workhours	0.85	0.58
Lost time injury severity rate	Percentage	20.80	38.40

### Security

We target global emerging markets for oil and gas development, in some of the more geopolitically-risky countries and regions, we hire independent security companies to look after the safety of our employees and contractors and enforce strict requirements on their activities. Near the operational camp site, the security team patrols 24/7, and employees must apply for transfer clearance in advance before leaving the protected area, be escorted by security guards on their mission and debrief upon return. In addition, Anton provides supplementary medical insurance for its employees in oversea business area, for medical expenses beyond the scope of China's national medical insurance compensation, 90% compensation will be given to fully protect the personal security of employees. In FY2020, no employees were injured or killed due to terrorist attacks.

## SOCIETY

### **Cybersecurity**

We attach great importance to cyber security and respect the privacy of our employees and third parties. We ask our employees to sign the confidentiality agreement before join us, they also need to conduct quarterly cybersecurity self-inspection to strengthen the understanding and implementation of cybersecurity. We provide various forms of cybersecurity training to our employees with the help of modern information technology. We train our employees on how to detect phishing scams and false and fraudulent information, how to prevent information breach and how to prevent hacking attacks.

### **Customer assets security**

We pay attention to protecting customer assets, strictly ensure the privacy and confidential information of customers involved in the business process, this kind of information might come from conversation, email and other communication tools, we treat such information as important assets of customers and take all available measures to protect it, severely punishes leaks in the course of dealing with customers.

In accordance with our Confidentiality Management Procedures, we classify information into three categories of sensitivity: “top secret,” “strictly confidential” and “confidential”. As such information contains company trade secrets, we have set different management policies and access clearance, and we segregate the storage and management of different categories of information. We also provide detailed policies for the use, transmission, disclosure and storage of such information.

### **Emergency resolution mechanism**

In each operational region, we have established emergency response protocols. Our Incident (Accident) Management Procedures classify incidents (accidents) as minor, general, major, and extreme accidents in an ascending order of significance. At the first sign of an incident or accident, our contractors/employees are required to report the event to our QHSE management department in accordance with our Incident Management Procedures, and handle accidents according to our Emergency Plan, and protect the scene in the meantime to prevent from reoccurrence. After the accident, the QHSE management department will set up an incident/accident investigation team to complete the investigation and produce a summary report to management for review, which in turn will analyze the cause of the accident, and formulate corresponding management and rectification measures.



**ENVIRONMENT**

“Zero Pollution” is our QHSE vision for the environment, and the environment is also a focus of our QHSE management. As an oilfield services company, we strive to reduce the environmental footprint of our production operations and achieve long-term sustainable development. We have established a complete environmental management system whereby the QHSE department formulates policies and procedures related to environmental protection, and after Board review and approval, distributes them to each department and unit for implementation. The QHSE department takes the lead in internal audits and inspections. These policies and procedures require all the departments to record and retain data on environmental protection, report regularly to the Board and management and engage effectively with stakeholders for timely communication, feedback, updates and improvement. We abide by the laws and regulations where we operate, part of these laws and regulations are as follows:

No.	Laws and regulations and conventions
1	PRC Environmental Protection Law
2	Iraqi Law on Hydrocarbon Preservation
3	Iraqi Law on the protection and improvement of the environment
4	Kazakhstan, Ministry of Industry and Environment No. 2002-қод 154, Regulations on Environmental Emissions in the Oil and Gas Field
5	Albania Environmental Protection Law
6	Chad Environmental Protection Law
7	“EU2000/76/EC European Union Emission Standards”
8	Pakistan Environmental Protection Regulations
9	The Basel Convention

We perform environmental factor identification and risk assessment in accordance with our Environmental Management Procedures. We maintain good communication with local environmental regulators in the early stage of production operation projects, solicit their input, select environmentally-friendly processes with a low energy profile, adopt a predominantly clean and green engineering plan, strictly cap pollutant discharge during the engineering process and properly dispose of the pollutants in compliance with local laws and regulations. During the reporting period, the company did not have any cases of non-compliance with environmental laws and regulations.

Greater detail concerning our environmental management efforts can be found in the Environment section of this report.

### Supplier and contractor management

Our QHSE management system applies not only to our employees, but also our contractors and suppliers. The objective of contractor management at Anton is to engage collaboratively with our suppliers and contractors to ensure that the products/services they provide are QHSE compliant. As such, we conduct rigorous qualification standards and screenings of suppliers and contractors to ensure they meet our QHSE requirements. We attach QHSE clauses to the contracts we sign with contractors and suppliers. Additionally, we require suppliers/contractors to establish their QHSE management system to discipline their suppliers/contractors. We require our suppliers/contractors to develop annual QHSE management improvement plans and keep paper records for our audits at any time.

We monitor the QHSE performance of our suppliers and contractors, recognize good performance and promote and disseminate their QHSE experience throughout the Company. We may terminate the contracts of suppliers/contractors under certain circumstances prematurely if they have unsatisfactory QHSE performance and require the suppliers/contractors to seriously reflect and correct their mistakes. In 2020, 6 of our suppliers/contractors failed to meet our QHSE management requirements, of which 3 consumable material suppliers failed to meet our quality requirements, 2 transportation service suppliers failed to meet our safety and health requirements, and 1 technical service suppliers failed to meet our environmental requirements, we terminated cooperation with them.

### EMPLOYEES AND HUMAN CAPITAL

As an oilfield service company, our people are our most important asset. We strictly abide by the Labor Law and the Labor Contract Law of the PRC as well as relevant laws, regulations and systems of the countries where we operate. We continuously cultivate innovative talent to drive technological progress, training employees to provide best-in-class services to our customers with highest ethical standards. We promote talent mobility across the countries and regions where we operate. Developing our people not only meets our goal of sustainable business growth, but also results in efficiency gains for our industry and social progress in a long-standing way.

We have a fully accessible recruitment platform that attracts both aspiring young professionals and industry veterans to constantly replenish our talent pool.

We provide a structured talent program to help our people build their professional skills, competencies and leadership capabilities. We provide regular trainings and diverse rotational opportunities to our employees and offer a flexible organization to best match our employees to the right positions. We nurture our people in accordance with the six talent objectives of “global, professional, IT-savvy, entrepreneurial, results-oriented and healthy.”

In line with our mission of “helping others succeed,” and our culture of mentorship, we provide a stimulating environment where our employees can excel, coupled with periodic assessments of their performance for fast career advancement. Our employees of different nationalities work collaboratively in an upbeat environment, enjoy equal opportunities and are free from any form of discrimination.

We are committed to the ongoing development of our people and sharing the fruits of our growth and success with them. We provide competitive remuneration to our people and maintain a System of Honors to recognize and award our employees' contributions.

### RECRUITMENT

In 2020, we had recruited 242 staffs through both campus recruitment and social experienced hires.

#### **2020 Campus Recruitment Events:**

##### **Global Campus Recruitment of “Nature-loving Travelers”**

Antonians love nature. As like-minded and strong-willed individuals, we travel to the most amazing places in the world with a mission to help others succeed, to help extract oil while protecting the local fauna and flora, and to bring progress and hope to the local communities.

In 2020, we held campus recruitment events in Beijing, Chengdu, Chongqing, Wuhan, Xi'an, Daqing, Urumqi, Karamay, Daqing and Chengde in China under the theme of “Nature-loving Travelers”. Around 1,300 engineering students attended these events. We planned and organized informative campus presentations and had students interact face to face with Anton's management. The students highly identified with Anton's corporate culture and gained more insights into the technologies for the oil and gas industry.

High achievement, high reward: We believe in the compensation philosophy of “high achievement, high reward” and implement a globalized compensation system, a partnership for all system and an Employee Stock Ownership Plan to incentivize diligence and commitment.

Mutually supportive workplace: We advocate every employee to help others sincerely, thus creating an atmosphere of mutual support and a relaxed and delightful workplace.

Fast advancement: We have a mature system of rapid advancement of talent. We do our best to assist each employee in developing a tailored career plan, find the best job fit, and maximize individual potential.

#### **IT for recruitment**

We have been reinventing the process of campus recruitment, employing IT tools in recruitment talks and interviews, reducing the need for big-group travel and gathering during the pandemic, reducing energy and carbon footprint, and improving recruitment efficiency. The first online livestreaming of campus recruitment talk orchestrated by the Group's recruitment department was a great success, attracting more than 2,300 online attendees.

## SOCIETY

At the same time, we updated information on our website on a full range of career opportunities in English and Chinese, simplified the resume submission process, and improved the display of positions for job seekers in the global oil industry. In terms of employer branding, we produced an informational video “Antonians” and placed it on our website to convince more interested applicants to join the big family of Antonians.



### University partnerships

We are also committed to supporting student activities in universities. We strive to build, strengthen and deepen university partnerships through recruitment events and campus activities. We provide graduate internships for Southwest Petroleum University students and received a university designation and invitation for Anton's management to act as career mentors for the graduates.



In November 2020, the Company participated in a 2020 university-business collaborative education and strategic cooperation forum hosted by the Chengdu University of Technology (CDUT) Business School and signed a university-business strategic cooperation framework agreement with CDUT. The agreement marked a solid step towards building a platform for closer dialogue, exchange and cooperation between Anton and CDUT. During the forum, Anton also finalized an arrangement to carry out in-depth technical exchange and comprehensive cooperation with CDUT Department of Energy and to further explore the formats and areas of school-business cooperation.

## DIVERSITY

We have developed a diverse workforce along with our global business footprints expanding. A diverse workforce is a source of innovation and dynamism. Employees of different nationalities, age and backgrounds working together can spark creativity, inspire productivity and encourage us to complete our work in a more collaborate competent way.

### National and cultural diversity

We attract and develop people in alignment with our growing business footprint. In the locations where we operate, we have been consciously diversifying our local workforce. As at 31 December 2020, we have 4,005 employees of 33 nationalities working globally, among them 1,966 work in China, 1,687 in Iraq and 352 in other global markets. We recruit students from top universities in countries where we operate. The diversity in nationality enables us to better understand the local dynamics and deliver services that best meet the expectations and requirements of our customers and other stakeholders and benefit the local communities.

## SOCIETY

We provide equal opportunities to our employees for awards and promotions. Of our non-Chinese nationality employees, 375 have received various excellence awards for their performance.

### Management Diversity

#### Board diversity

We recognize the benefits of diversity for Board effectiveness. In this regard, the Board adopted a Board Diversity Policy in August 2013 which sets out the approach to achieving diversity on the Board. The Nomination Committee shall consider a number of factors as set out in the Board Diversity Policy when searching for qualified candidates as Board directors, including but not limited to gender, age, cultural and educational background, ethnicity, expertise, industry track record, skills, knowledge and seniority.

We have 7 members sit in our Board as at 31 December 2020, each with extensive experience in their respective fields. The Board is considered well balanced and diverse, aligned with the needs of the Company. We take our own business model and specific needs into account to determine the optimal composition of the Board. The Nomination Committee will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness.

#### Middle and senior level management diversity

Employees from countries other than China also work in middle and senior management positions within the Company. As at 31 December 2020, we had 19 non-Chinese employees in mid-level and senior management positions in the regions where we operate.

#### Age diversity

We are committed to attracting, training and grooming fresh graduates into young professionals and putting them in leadership roles across different functions. Our senior technicians act as mentors to help these young professionals grow. The passing of expertise and experiences to the next generation of talented technicians/engineers is highly important to the development of the Company. We also benefit from the fresh perspectives of young professionals.

Employee age distribution as at 31 December 2020:

Age Groups	Number of Employees as at 31 December 2020	Number of Employees as at 31 December 2019
20-40	3,215	3,401
40-60	775	913
60-85	15	12
In total	4,005	4,326

## SOCIETY

### Gender diversity

Although the oilfield services workforce is predominantly male, we nevertheless strive to provide equal employment opportunities, equal pay and equal working conditions to both men and women on our payroll.

By 31 December 2020, we have 3,662 men and 343 women work in Anton. Women made up 8.56 % of our workforce. 13.58% of our mid-level management was female. In functional roles, women accounted for 19.77%.

In 2020, Ms. CHENG Lei, General Manager of the Company's Capital Market Department, was named a "Red Flag Bearer" of Beijing Municipality, an award that recognizes women's excellence in work.

### TRAINING

#### Staff Training

Our people are our most valuable assets and make up our core competitiveness as a services company. The development of our employees contributes to their success, the success of our business, the advancement of our industry and society at large.

#### Anton College

We took Anton as an "University", and our "Anton College" was set up for the management and operation of this "University". As a platform for the rapid development of talents, to improve the post competence of talents is the core work and mission of Anton College. Anton College formulated comprehensive training plans combined with diversified training methods for the development of talents, to ensure a perfect position competence match of our people and a continuous delivery of top talents to targeted positions.

## SOCIETY

Under Anton College, we have a mature employee training program. We train our employees on a variety of topics, including language, culture, management skills, QHSE skills and specialist skills, to keep our people up to date with the latest industry trends.



### Our structured training programs:

Type	Training Courses	Typical items						
Leader training	High-levels	Leadership training camp						
	Senior-levels	Lion training camp						
	Junior-levels	Project management training camp						
Occupational training	Providing various training courses for different positions							
	Techniques	Marketing personnel	Professional personnel	Onsite operators	others	Specific trainings for well drilling/well completion		
	Combining the career path development system of each major and the required key ability requirements, establish a professional curriculum system for each path					Specific trainings for operating management		
						HR	QHSE	IT
New-blood training	Training before go to position		Ant Training camp					
	Social recruitment	New graduates	Trainee training	Mentorship program				
	Online learning group learning, expatiate learning, reading sharing and other self-learning mechanisms							

## SOCIETY

### Apprenticeship program

We launched our apprenticeship program in 2007 with the aim of fast-tracking university students to the workplace. We provide an introduction to business, corporate culture, industry technologies and operating management system trainings, as well as field practices and help forming professional work habits.

We have developed a robust curriculum for the apprenticeship program which is a 5+3+2 track (5 months of on-job training on the production line plus 3 months of on-job training in a head office function plus 2 years of on-job training in an overseas position).

### Ant Training Camp

Ant Training Camp is our dedicated training program for Campus recruits. Through the training camp, we provide fresh graduates with an onboarding introduction and guidance as well as training on corporate culture, QHSE, management systems and professional skills. It is always with a term of around 15 days and hosted both in our training base in China and overseas business operating places.



### Project Management Training Camp

For the Group's frontline managers, we organize periodic "project management training camps" to raise their consciousness of independent management, transform their management approach, and improve their overall competencies for marketing, management, full-process operations, etc., while allowing the managers to interact and bond with one another.





## SOCIETY

### Golden Ant Training Camp and Lion Training Camp

For middle-level managers, we periodically run the Golden Ant Training Camp and Lion Training Camp to deepen their understanding of the Company's strategy, improve the execution efficiency, and lift their business and leadership skills. Golden Ant Training Camp is mainly for functional position middle-level managers and Lion Training Camp for sales and marketing positions. These training camps are always organized at our operating bases.

### Quarterly management training

For senior managers, we provide quarterly management trainings. These training are for the enhancement of senior managers' strategic mindset, their leadership skills and comprehensive capability. The management trainings are also paired with a team building activity with diverse themes each quarter.



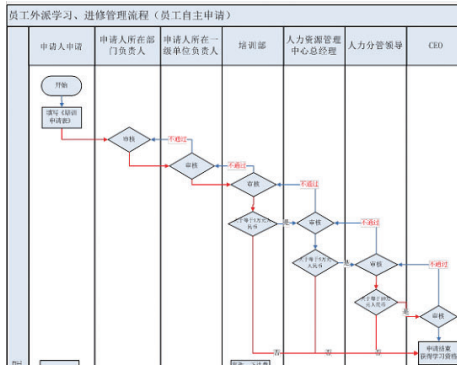
### Book club

With Anton's management team, we regularly recommend good books, provide diverse reading materials, organize special learning and sharing sessions for management classics, fully compare notes, broaden managers' horizon and improve their strategic thinking through reading.



Advanced training program

In addition, we enroll the highest-performing managers in advanced programs for further special skills trainings or get access to courses such as EMBA at top universities both in China and overseas



预录取通知书

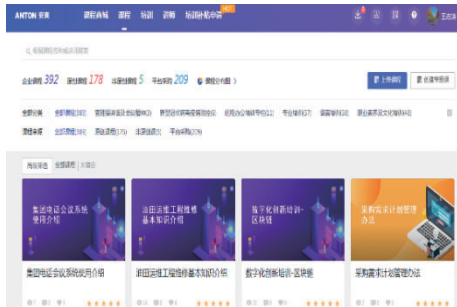
考生 [Redacted]  
准考证号 [Redacted]

恭喜您已获得北京大学光华管理学院高级管理人员工商管理硕士预录取资格。



“E-learning” system

We also developed an “e-learning” system at the Anton College, which offers different courses including industry technology refreshers, information technology trainings, language and culture trainings and firm policies in an efficient way. In 2020, average learning length was around 1,457 minutes per employee.



**Livestreamed training:**

Recognizing the impact of COVID-19 on classroom training, the Anton Academy comprehensively developed live-streamed training courses, provided employees with a broad range of learning resources and diverse autonomous learning platforms, helped employees grow rapidly on many fronts, and strived to cultivate more multi-disciplinary talents with strong professional skills.



**Training records:**

**Training provided:**

indicator	Unit	2020	2019
Number of training sessions provided	items	1,372	1,342
certification training	sessions	312	367
general skills training	sessions	389	347
specialist skills training	sessions	671	628
Total training hours	hours	2,854	2,810

**Attendance records:**

Training records by seniority	Average training duration (hours)	
	2020	2019
Senior managers	124	99
Mid-level managers	125	100
Frontline employees	131	106

Training records by gender	Average training duration (hours)	
	2020	2019
Men	130.00	105.15
Women	122.00	97.69

### DEVELOPMENT AND ADVANCEMENT

We are committed to our employees' continued development and the improvement of their professional and leadership skills. The continuous development programs made by the Company also helps to increase our talent retention rate.

We have a flexible organizational structure. All our positions are fully open to our employees so that they can find the best fit to realize their personal potential. We also have a talent rotation scheme. We rotate promising talent through different positions in different countries and regions where we operate to allow fast-track, all-round development of our people.

We test the "six core competencies" of our talent through practice and performance. We advocate fully harnessing individual strengths, putting them in the right position to unleash their potential, and enabling the individuals in the organization to complement each other with their strengths to shore up their weaknesses.

We value employee motivation and hold our employees accountable to current and long-term targets to the extent of their responsibilities. Employees are fully empowered in discharging their responsibilities and are encouraged to innovate and achieve more ambitious performance targets.

We attach importance to the shaping the values of our employees. We encourage "learning and innovation, empowerment and collaboration, pushing limits, broadening perspective, and self-discipline". We urge employees to comprehensively explore new thinking, new ideas and new knowledge, continuously grow and progress, share resources, collaborate and share outcomes, think out of the box, break conventions, dare to imagine and improve their strategic thinking, enhance self-confidence, improve industry impact and take a holistic view. We encourage them to look outward, look at the big picture, and expand all kinds of communication channels. We expect them to show independent ownership, ambition, drive and leadership by example.

#### Succession plan

We have a mentorship program for passing down skills and experiences. Managers shall sign a "mentorship contract" with the employees they supervise. They keep close and active communication with their mentees and design skills training and experience sharing plans to pass down their knowledge. A "succession plan" is required for each key position. A targeted development plan shall be further developed by the mentor to fast-track the development of top-notch talent, equip them with solid professional and leadership skills and ensure their full readiness for bigger roles.

#### Employee assessment

We also have formal quarterly employee assessment covering the entire employees, which consisting of "Post Competency Assessment," "Performance Assessment" and "Attitude Assessment." The assessment process examines the employee's performance both qualitatively and quantitatively and incorporates the employee's self-assessment, assessment by 5 peers the employee works with in other departments, assessment by the employee's direct supervisor and assessment by a firmwide expert panel. Feedback from this quarterly assessment is provided to employees as soon as it is completed. Through the assessment, we can not only run the quarterly performance review, but also create a formalized, regular and open platform for employees to communicate their needs or receive feedback and expectations from their supervisors or peers, which they could act upon for further improvement.

## SOCIETY

This assessment also lays the foundation for talent-position matching, training and development planning; remuneration and incentives; career coaching; and promotion. Based on the assessment, we can quickly profile the talent and effectively manage them hierarchically. We can develop the best career matching plan and advancement plan for each of our people.

Beside this quarterly assessment, we also have the “360-degree assessment,” which evaluates a candidate for an important promotion. This is a multi-dimensional assessment involving the employee’s direct supervisor, subordinates and peers. The purpose is to develop a comprehensive understanding of the candidate to ensure fit and competency for the position.

In addition to our routine assessments, we have developed a System of Honors that corresponds to different dimensions of employee assessment for varying time frames. We award our people for their attitude, contribution on a team and the Company, and job performance. All these awards are formally recorded in each employee’s personal files. This System of Honors shows our gratitude and motivates our employees.

85 % of our middle-level and senior management were promoted from within.

We hope to build an ecosystem within the organization to cultivate entrepreneurs with strong skills, sense of responsibility, strategic thinking and vision, the abilities to marshal external resources, empower and collaborate, and fully deliver performance.

### BOTTOM ELIMINATION AND TURNOVER OF EMPLOYEES

Anton also has a strict bottom elimination mechanism basing on the regular assessment. We will eliminate employees who consecutively fail to meet base requirements of post competency, performance and attitude to maintain a consistently excellent team.

In 2020, 563 employees left Anton in total including the eliminated employees, “project-base” employees’ termination of labor contract after project close and employees quit from Anton.

Employees Turnover Rate	2020	2019
<b>By Gender</b>		
Male	12.91%	16.30%
Female	1.15%	0.86%
<b>By Age</b>		
20-40	11.36%	14.11%
40-60	2.57%	2.93%
60-85	0.12%	0.11%
<b>By Geography</b>		
China	9.46%	11.59%
Iraq	3.87%	3.89%
Other Overseas Markets	0.72%	1.69%

## SOCIETY

### REMUNERATION AND INCENTIVES

We benchmark our remuneration to industry peers globally each year to ensure our remuneration is on par with our international peers. We provide mixed and competitive remuneration to our people with a solid base pay and performance bonus.

Our remuneration package consists of a base and variable pay. Together they represent our compensation for employee skills and position, the working conditions, performance results and potential of sharing long-term growth results of the Company. The base salary compensates for the employee's skills and position. On top of this, we also provide allowances to our people according to the working conditions. We offer the "partnership track" incentive to promote the amoeba's organization based on the value an employee creates; this is our pay for results. Stock-based pay is also an integral part of our remuneration package. We let employees share in the Company's long-term growth by granting stock options or restricted shares to them.

This comprehensive remuneration system helps us attract talent while motivating our people to achieve better results and reach their highest potential, it also helps us better retain our mission-critical talent.

Anton had made quantitative human capital development targets as follows:

- ✓ Promotions as a share of workforce –75% internally developed talent vs. 25% experienced hires
- ✓ 5% employees rated excellent as a share of workforce per year
- ✓ Training expense per head as a share of revenue – 0.5%
- ✓ 100% of key employees with stock-based incentives

### INNOVATION

Anton is accredited as Beijing Corporate Technology Center, High-tech enterprise and Beijing Cutting-edge Industrial Design Center by the Beijing Municipal Commission of Economy and Information Technology. As a technical services company, learning and innovation are embedded in our corporate culture. Through research and innovation, we have improved our core competencies to stimulate production and reduce costs for our customers while reducing their environmental impact.

In 2020, Anton was named one of the "Top 100 Private Enterprises in Beijing for Science and Technology Innovation".

### RESEARCH AND DEVELOPMENT

We have developed a complete system for technological research and development. We set up a technology center in the head office – responsible for managing our entire technology portfolio, tracking the latest technology trends, bringing in internationally advanced technology through partnerships and independently developing technical solutions that are well-adapted to our business. The product departments work with the technology center to test and promote our proprietary products. In 2020, our R&D expense is RMB56.3 million, which accounted for 1.8% of our revenue.

### INTELLECTUAL PROPERTY PROTECTION

Pursuant to the Patent Law, Trademark Law and Copyright Law of the People's Republic of China, we have formulated our Intellectual Property Management Procedures for managing our portfolio of patents, copyrights, trademarks and other intellectual property rights. We call on every employee to participate in the protection of intellectual property and to combat infringement in accordance with national laws and regulations. We have established a complete and detailed intellectual property archive. We are accredited by the State Intellectual Property Office as an Intellectual Property Demonstration Organization and by the Beijing Intellectual Property Office as a Beijing Patent Demonstration Organization. As of 31 December 2020, Anton has acquired over 600 patent rights in total.

### KNOWLEDGE MANAGEMENT

To accumulate, share, methodically transfer and effectively deploy our knowledge and expertise internally and to improve our capacity for innovation, we have established a knowledge management system and set up dedicated knowledge management positions. This system aggregates and synthesizes various kinds of internal knowledge generated from business management, specialized technology, marketing, success stories, examples of failures and training, as well as external knowledge, such as advanced technical materials, market intelligence, academic exchanges and professional conferences. All of this information is held in a knowledge bank, which is updated regularly and shared across the organization.

In FY2020, we further improved the knowledge management system and its procedures, formulating and updating the related protocols for adding, collecting, storing, publishing, updating and removing knowledge entries. We also enforced the review, evaluation and improvement performance criteria, and we initiated a plan to upgrade the knowledge management platform to facilitate knowledge sharing internally.

With respect to our core business processes, we collected and archived a total of 997 project proposals, project summaries and case studies on marketing and operational activities; managed 72,440 supporting statements and summary documents; created 220 new online tutorials on various technologies, operations and management; and archived approximately 89,852 digitalized documents throughout 2020.

We inspire innovation among our employees and facilitate the commercialization of innovative projects. In FY2020, we received 24 Chinese patents (1 invention patent and 23 authorized utility patents); received 28 software copyright licenses; published 2 technical papers.

### SUPPLY CHAIN MANAGEMENT

#### SOCIAL RESPONSIBILITY MANAGEMENT ACROSS THE SUPPLY CHAIN

We have a very responsive global logistics and supply system, with nearly 30 warehousing and logistics bases worldwide, and a large supplier pool under management. Our suppliers and business partners must enter into an anti-corruption agreement with us before transacting with us, as we have zero tolerance for corruption of any kind. We encourage our suppliers and business partners to report any unfair treatment or bribery demands from our employees. We have a certification program to qualify our suppliers and business partners. They must meet criteria such as compliance with laws and regulation and endorsement of our code of ethics. We enter into contracts with suppliers/contractors in an arms-length, voluntary and mutually agreeable manner, and require that each contract have two attachments: an integrity agreement and the QHSE terms, which set forth clear obligations for both parties, and the integrity agreement also provides our integrity complaint channels. We undertake to avoid controversial minerals in our procurement process.

We hold our suppliers/contractors to very high standards: suppliers/contractors must establish their own HSE management system, protect the health and safety of their own employees and suppliers/contractors, provide them with healthy and safe working conditions and accommodation, show zero tolerance towards any form of discrimination, prohibit the use of child labor or forced labor, prohibit any form of corporal punishment, and cap the number of continuous working hours for employees/contractors in accordance with local laws and regulations. We have also circulated the Anton Suppliers/Contractors Code of Conduct, requiring our suppliers/contractors to undertake to the following:

- Comply with the laws, regulations and other requirements of the host country and region, respect local customs and conventions, and respect human rights.
- Follow all laws and regulations related to freedom of association and collective bargaining, and everyone has the right to freedom of peaceful assembly and association.
- Forbid the use of child labor.
- Forbid the employment of forced, imprisoned or compulsory labor; forbid torture or cruel, inhuman or degrading treatment; forbid any form of discrimination or corporal punishment of employees.
- Forbid charging employees recruitment fees, employment bonds, or use other associated organizations to collect such fees from employees.
- Comply with the laws and regulations related to working hours and never exceed the maximum working hours set by the state.
- Provide employees with a healthy, safe and hygienic working and living environment, such as office and accommodation.
- Offer compensation and benefits that meet or exceed the national mandatory standards.



## SOCIETY

- Offer equal pay and allowances to male and female workers for performing work of equal value.
- Establish and enforce the QHSE management system and continuously improve QHSE performance.

We require our suppliers to undertake: to supply us with compliant and legal materials and high-quality services and avoid controversial minerals. Any supplier violating the above undertakings will be subject to appropriate penalties and we may terminate the relationship with the supplier where necessary.

We conduct performance evaluation for our suppliers/contractors every six months and twelve months. The supplier performance score has four tiers, A, B, C and D, which represent excellent, good, pass, and fail. The performance evaluation examines a comprehensive set of criteria such as product quality, QHSE performance, after-sales service, and business integrity and will dictate our relationship with the supplier going forward. We engage our staff from product/service departments, head office functions and supply chain and procurement department in the supplier/contractor performance evaluation. We received feedback on the performance evaluation results of 588 suppliers/contractors in 2020. 26 suppliers/contractors with excellent evaluation results were upgraded to group-level management and would enjoy priority access to our procurement process with increased contract volumes and closer engagement. At the same time, we held discussions with suppliers/contractors to solicit their suggestions on the improvement of our supply chain management. With suppliers/contractors that failed the performance evaluation, we have advised on corrective actions, and those that remained subpar after correction actions were removed from the vendor pool.

### STRATEGIC SUPPLIERS

Thanks to our strong reputation and upright image, we were able to forge long-term strategic partnerships with some principal suppliers. We leverage our comparative advantages vis-à-vis these supplier to achieve win-win results. We communicated and signed strategic cooperation agreements with 26 long-term strategic suppliers. Meanwhile, in order to cement and elevate these long-term partnerships and better enable each other for common development, we have made follow-up visits to the major suppliers/service providers and requested their objective and truthful feedback through a satisfaction survey.

In 2020, we had 58 top-tier suppliers with long-term strategic partnerships, a year-on-year increase of 24 or 70.5% compared with 2019; 15 disqualified suppliers were eliminated, compared with 14 in 2019.

No.	Changes in supplier mix	2020	2019	Remark
1	Number of eliminated suppliers	15	14	
2	Share of international suppliers in total procurement value	44.6%	28.1%	588 suppliers were subject to the 2020 annual supplier review and 15 were eliminated.
3	Number of suppliers with long-term strategic cooperation agreements	58	34	

**Engagement with strategic suppliers**

**Baker Hughes:** In May 2020, a technical seminar between Anton and Baker Hughes China was successfully held at our headquarters. Those unable to attend in person joined via ZOOM. At the seminar, the two sides had a deep-dive into the technologies of interest and explored potential opportunities for cooperation going forward. Both sides committed to working together to meet the challenges of COVID-19 and oil prices, complement each other with their comparative strengths and jointly go after new markets and opportunities. This seminar laid a solid foundation for deepening cooperation between the two sides.



Anton and Baker Hughes China held a successful technical seminar.

**Joint development of a new industry ecosystem and innovative model of technological cooperation**

On 3 December 2020, our first seminar on the ecosystem of technological cooperation in the oil and gas sector in the Chengdu area was successfully held. More than 20 participants were invited to the seminar, including professors of related disciplines from Southwest Petroleum University, expert consultants and former employees of oil and gas companies, heads of technology partnership organizations in the oil and gas sector and cross-sectoral technological partnership organizations in Southwest China.

The seminar started with a keynote presentation from Mr. LUO Lin, Chairman of the Board of Anton, entitled “joint development of an ecosystem between Anton and its partners”. Mr. LUO articulated to the professors, expert consultants and technology partners the objectives and vision of our platform-based strategy transformation in the global oilfield services market. The participants then made comments and suggestions, and had lively discussions about their ongoing projects and plans for cooperation in the oil and gas sector.

As a global oilfield services company, we advocate seeking and using local suppliers/service providers where we operate. Not only in China, we also actively develop local suppliers/service providers in overseas markets such as Iraq and Chad. We develop an overseas supplier/service provider network to support our international business development and leverage the advantages of local suppliers/service providers.

In 2020, local suppliers outside of China accounted for 44.6% of our total procurement volume. Through local procurement, we create jobs, support the job security of our employees, and promote social stability and economic prosperity.

## SOCIETY

In FY2020, amid COVID-19 and in the face of the increasing shortage of PPE and the huge impact on the shipping industry, we leveraged our top reliable suppliers and efficient global logistics network and worked closely with international suppliers and logistics service providers via sea, land, and air transport. We mobilized more than 80 suppliers to complete 128 shipments of procurement from 18 countries, stocking up more than 500,000 units of PPE and more than 1.22 million masks for our employees, their families, as well as communities, schools and hospitals to help their fight against COVID-19 with sufficient stockpiles of anti-epidemic supplies.

We conducted on-site inspections of key suppliers/contractors throughout the year and ran satisfaction surveys; we also audited suppliers/contractors on employee commuting, attendance, and labor use (no child labor or forced labor, etc.).

### ENVIRONMENTAL MANAGEMENT ALONG THE SUPPLY CHAIN

Anton's vision is to become a model of efficient and harmonious development between mankind and the environment. Our environmental goal is to minimize the negative impact of our business activities and to maximize resource efficiency. In terms of supply chain management, we have also established our environmental policy:

#### *Environmental policy and management system*

We hold our suppliers/service providers to the highest standards of business conduct and to comply with local laws and regulations. We prioritize suppliers that provide new, energy-saving and environment-friendly products certified by national authorities and products with proprietary intellectual property. In supplier/service provider onsite audits and risk assessments, we pay high attention to the health and safety of the business premises and site management, and to upstream suppliers' commitment to and track record of management compliance, environmental protection, employee health and safety, and ethics. We include provisions related to environmental protection and safety in formal agreements with our suppliers/contractors. Our suppliers/contractors are required to comply with the regulations of the relevant local authorities on environmental protection and production safety and to complete procedures related to sanitation, environmental protection, and engineering noise control in accordance with relevant mandatory requirements, and to bear the corresponding responsibilities and expenses. When entering our managed area or the service location designated by the end customer, our suppliers/contractors shall unconditionally accept the relevant QHSE safety education and training, and various QHSE policies. Our suppliers must take responsibility for the safety and environmental compliance of the engineering projects and sign binding HSE contracts.

We invest time and resources to help our suppliers/service providers meet the rigorous quality and HSE standards and operating procedures for the oil industry, and call their attention to the high risks in the oil industry. Specifically, we provide in-depth talks, multi-level training and binding documents to alert our suppliers/service providers to potential incidents or damages associated with safety and quality, the environment, personal health, production, or engineering activities that may occur during a project.

In the second half of 2020, we published the "Export Shipment Manual for Chemicals and Dangerous Goods" to raise the awareness about the shipping and packaging requirements of chemicals under application requirements, reduce the rate of breakage during transportation, and avoid damage to people, sea, land and the carriers.

### *Technology application for environmental protection*

We are committed to helping our customers achieve long-term success. Technological innovation is the most important means of delivering on this commitment. The technology applications we provide to our customers help them achieve higher yields with a lighter operational footprint and lower costs. These innovations help our customers reduce their emission profile and footprint and increase resource efficiency.

- 1) Cleaner production during drilling is a solution that is deployed in areas with high environmental sensitivity. It includes the use of a vertical dryer + centrifuge process for real-time recovery of water-based/oil-based solid-liquid waste. We require all drilling engineering contractors to achieve the ongoing collection and centralized treatment of drilling waste as it is generated from the drilling process, and reduce the harm to the natural environment such as land through harmless treatment, testing and waste-to-resource conversion for final disposal.
- 2) We continued to work closely with suppliers/service providers on cleaner production services at our well sites in the Changning area of Sichuan Province. We strictly complied with the national and local environmental requirements, and spent over RMB4.5 million in 2020 on the collection and treatment of rock chips, completion mud, square well fluids and production wastewater during the drilling process.
- 3) We actively sought out power grid equipment suppliers/service providers to connect local grid lines to the drilling and engineering platforms, and to fully implement energy-saving, low-emission and clean production by substituting oil for electricity. The power grid equipment supplier/service provider independently developed the JLD-10 special equipment, which runs on electricity instead of oil and was deployed in shale gas development to save energy and the costs associated with the transportation and storage of diesel fuel and the maintenance and fuel consumption of the generator units. In FY2020, the two platforms achieved cut of carbon emissions of 703.01 tons and sulfur emissions of 17.79 tons from drilling rigs. The noise level was reduced from 105dB to 61dB. Not only did it comply with environmental requirements, it also reduced the procurement cost.



## SOCIETY

### HUMAN RIGHTS

We are committed to policies that support internationally recognized human right standards. We seek to avoid any form of human rights abuses in our management/negotiation styles and operations. We support the principles outlined in the Universal Declaration of Human Rights and the human rights standards of countries where we operate.

Everyone is encouraged to report any suspicion, concern or potential human rights abuses by email to [anton@antonoil.com](mailto:anton@antonoil.com). We respect and protect the privacy of whistleblowers.

We identify and manage human rights impacts the following ways:

#### **Employees and executive management**

We ensure the implementation of these Human Right Policies at all our workplaces, which include an individual's freedom of religion, movement, association, speech and thought. We promote a culture of non-discrimination, gender equality, prohibition of child and forced labor and freedom to engage in collective bargaining at all levels of the Company.

#### **Suppliers and contractors**

All our suppliers support the principles in the Universal Declaration of Human Rights and government regulations on human rights, including a total ban on the use of child labor.

#### **Local communities**

We respect the cultures, customs and values of the people in communities where we operate. We have open dialogues with stakeholders and participate in community engagement activities as long as such participation does not jeopardize the safety of our people, customers, contractors and assets.

#### **Society**

We participate, where appropriate, in public affairs in a non-partisan and responsible way to promote human rights.

## COMMUNITY

### PHILOSOPHY

We maintain ongoing dialogue with our stakeholders (including our employees, governmental agencies, universities, investors and local communities) on our business performance and our role in society. We fulfill our corporate social responsibility by actively working with government, closely communicating with investors, collaborating with universities, engaging with local communities and contributing to meaningful social causes.

**GOVERNMENT RELATIONS**

With the vision of becoming a model of efficient and harmonious development between mankind and the environment, Anton has been engaging with local governments and communities since the outbreak of COVID-19 pandemic. On 24 February 2020, Anton held a productive meeting with Chenghua District Jianshe Road Business Center and Mengzhuiwan Sub-district Office in Chengdu to discuss epidemic prevention, community involvement and joint development.

In June 2020, Anton enrolled in the selection of the top 100 private enterprises organized by the Beijing Federation of Industry and Commerce. After more than 4 months of review based on our submission, interviews and jury consideration, Anton stood out from many strong candidates and was listed among the “Top 100 Private Enterprises for Technological Innovation in Beijing”.



On 21 December 2020, Anton signed an investment agreement with Chengdu Xiangtou Group, the largest state-owned investor in Xindu District, Chengdu, engaging Xiangtou as the Group’s strategic partner. Xiangtou will establish a joint venture with Anton where both parties can combine their comparative advantages to contribute to the local economy and efficient and sustainable development between mankind and the environment.



- (3) Anton participated in over 300 activities and events organized by local governments, which helped strengthen the communication with the government, support government initiatives, and receive support and assistance from the government.

## INVESTOR RELATIONS

Keeping regular and close communication with our investors is an important component of our stakeholder engagement. We are committed to helping our investors fully understand the Company, keeping our investors duly informed of our latest developments and listening to their concerns and expectations of the Company. These efforts not only help our investors make informed financial decisions, but also promote our sustainable growth to the best interest of our stakeholders.

In respect of information disclosure, we maintain the highest standards of transparency, and we make disclosures in a timely manner. We creatively and proactively set up channels to facilitate investor communication.

In FY2020, the pandemic made regular meetings with investors as we did in previous years impossible, but we were quick to adopt the new virtual engagement tools to maintain active communication with capital market investors. Early into the pandemic in March 2020, we tried livestreaming for the first time for our annual results update. The two virtual sessions for our annual and interim results update attracted over 2,000 attendees in total.

During FY2020, we maintained quarterly conference calls attended by our Chairman of the Board, CEO and CFO to update analysts about our operations, and stayed engaged with investors through online roadshows via video or conference calls, email and instant messaging. This has greatly allayed investors' concerns in a tough market environment, especially in light of the wave of bond defaults of many issuers in FY2020. The Company's effective communication with investors and rating agencies has been highly commended by the capital market.



### Channels that provide our investors' easy access to timely information:

- The Investor Relations section of our website offers complete financial performance data, reports, announcements published on the HKEX website, archived press releases, video replays of our past results announcements, investor meeting schedules, analysts' contacts and other useful information to our investors.
- We created official accounts on various social media platforms such as WeChat and TikTok where we publish our latest news.
- We produce business introduction videos in our business regions and publish them on the Company's official social media accounts and play them at conferences and exhibitions.
- We proactively formalized the Quarterly Operational Update and announce quarterly operational updates to investors (beyond the bi-annual disclosure requirements in the HKEX listing rules).
- We continue to fine-tuning our investor database and notify our investors of updates through a newsletter immediately after an important announcement/press release.
- We make timely releases to mainstream media on important matters.

### Investor communication:

- We host quarterly conference calls, attended by our Chairman of the Board, CEO, Financial Controller and Investor Relations team after announcing quarterly operational updates, sharing the Company's progress and answering questions from investors and analysts.
- We provide formal Interim and Annual Results Announcement Presentations to investors and analysts and arrange presentation webcasts for those who cannot attend in person.
- We participate in forums organized by investment banks where our senior management may deliver keynotes presentations from time to time.
- We frequently organize road shows, arrange face-to-face meetings with investors during large conferences or at our offices or investors' offices to facilitate the interactions essential to investors' understanding of the Company.
- We organize tours of our job sites and arrange face-to-face chats with our field engineers/customers for investors to better understand our operations.
- We set up a WeChat group to communicate with interested investors in a timely manner and book investor meetings to address specific topics.

Our transparency and openness to investors has earned us their trust and a good reputation among investors and analysts.

In FY2020, we were named the "2020 Best Investor Relations Company" in Corporate Governance Asia's "10th Asia Excellence Award".





### UNIVERSITY COLLABORATION

We attach great importance to the education of promising talent in school, and we actively carry out activities on university campuses to engage with students. We work with many petroleum universities such as the China University of Petroleum (Beijing), China University of Petroleum (East China), Southwest Petroleum University, Yangtze University and Northeast Petroleum University. We organize student competitions and sponsor competitions organized by special associations such as “Society of Petroleum Engineers” and we provide scholarships to motivate students to study hard and improve their academic performance.

We collaborate with China University of Petroleum, constructed “China University of Petroleum Anton Research and Design Institute Oil and Gas Wells Completion and Downhole Technology Center” to promote the innovation and advancing of technology. We host the “Anton Forum” at the Southwest Petroleum University where we share industry trends and technological advancements. We cooperate with Northeast Petroleum University, established training and innovation base for graduate students, and we organize the Cultural Festival of Petroleum Science and Technology at the Northeast Petroleum University to encourage students to conduct scientific experiments and develop new technological innovations. Since 2018, we have been co-organizing the Anton Cup Chinese Bridge Chinese Language Contest in Aktobe, Kazakhstan, to help local students better appreciate Chinese culture. We set up scholarships at the University of Baghdad, Iraq to support talented students.

We host post-doctoral research programs at Anton Beijing headquarters at the nexus of industry, academia and research to connect high-skilled talent with our corporate needs.

In November 2020, a university-business collaborative education and strategic cooperation forum hosted by the Chengdu University of Technology (CDUT) Business School was held at the university. Our CEO PI Zifeng, Chief Geologist of the Technology Center WANG Lezhi, and General Manager for Southwest Operations of Anton China DENG Yong were invited to participate in this forum where they signed a university-business strategic cooperation agreement with CDUT on behalf of the Company. The agreement marked a solid step towards building a platform for closer dialogue, exchange and cooperation between Anton and CDUT. During the forum, Anton also finalized an arrangement to carry out in-depth technical exchange and comprehensive cooperation with CDUT Department of Energy and to further explore the formats and areas of school-business cooperation.

## SOCIETY

We are committed to supporting student activities in universities and establishing, strengthening and deepening our engagement with universities through recruitment and campus events. We operate a graduate internship program with the Southwest Petroleum University with accreditation from the university. Our management are also retained by the university as career mentors.



## COMMUNITY ENGAGEMENT

We are committed to aligning corporate development with local sustainable development. To closely monitor living standards and social progress in local communities, we set up community engagement departments in various business locations around the world and established various communication and collaboration programs with the local communities. We actively participate in community support, improve the living conditions of local people, help social development and contribute to the harmonious development between the Company and the communities we serve.

- **Respect religious beliefs and customs**

Our business covers many countries and regions. We respect different religious beliefs, customs and cultures across our business locations. Non-local employees are required to respect local customs, live in harmony with local residents and keep good relations. During religious festivals, we support local religious activities and organize volunteers to participate with the goal of creating a friendly, united and harmonious community atmosphere.

## SOCIETY

- **Improve local job creation**

We advocate a culture of respect, openness and inclusivity. We continue to offer local employment opportunities throughout the regions where we operate. We attach great importance to attracting and nurturing local talent and increasing the share of local employees in important technical and managerial positions. In doing so, we help cultivate local professional talent, promote local jobs and enhance the local productivity.

- Domestically, as the National Internship Base for College Graduates and Beijing Chaoyang District Youth Employment and Entrepreneurship Internship Base, we have carried out large-scale graduate recruitment events for many years, provided a stage where graduates can thrive and created more value for the society.
- Internationally, we actively built partnerships with local universities and carried out campus recruitment events for many years. We created more opportunities for local graduates and contributed to the sustainability of local businesses.

### FIGHTING COVID-19

Following the outbreak of COVID-19, we immediately activated the emergency response protocol and actively cooperated with the local governments to implement COVID-19 prevention and control measures. We leveraged our efficient global supply chain and logistics and transportation network, mobilized all our employees and partners to procure essential supplies, and quickly transformed ourselves into a stronghold against the epidemic to ensure the absolute safety of our employees. At the same time, we also provided logistical support for our employees' families against the epidemic, and maintained effective communication with local communities, hospitals, schools, customers and partners to share resources and provide timely and vital support for the fight against the epidemic. We faithfully honored our corporate social responsibility and protected our common home. For our outstanding contribution to COVID-19 response, we were recognized by the Donghu Sub-district CPC Committee of Chaoyang District, Beijing as a "Vanguard in the Fight against COVID-19".



Anton won the organizational honor of being named a "Vanguard in the Fight against COVID-19".

### Full compliance with local policies to fight COVID-19

Around the world where we operate, we actively engaged with local governments to forcefully implement their COVID-19 prevention policies. We complied with government requirements on inspection and reporting, established timely and effective communication channels and joint prevention and control mechanisms, and made every effort to support the government-led fight against COVID-19.

At the same time, we provided essential supplies to the local governments to help replenish their stockpiles. We provided timely logistical support for the front-line prevention efforts, and shared our corporate resources to fight the epidemic.



↑ We donated COVID-19 prevention materials to Luntai County COVID-19 Prevention and Control Command Center in Xinjiang



↑ Anton's shipment of PPE aid for Xinjiang



↑ Distributing essential supplies at frontline well sites

**Efficient global supply to protect employee health**

We took full advantages of our global supply chain and service network, mobilized more than 80 suppliers, and procured a stockpile of more than RMB6.8 million worth of essential supplies and 500,000 units of PPE from 18 countries. These supplies helped shield us and eventually prevail against the epidemic.



↑ The Group's COVID-19 prevention guidelines and emergency plans



↑ Strict implementation of COVID-19 prevention and control measures

Our QHSE management department responded quickly by developing COVID-19 prevention guidelines and emergency plans and establishing a holistic risk prevention and management system including disinfection and quarantine. We strictly enforced local office accountability and took all the precautions to minimize the risk, making all our workplaces virus-free and ensuring the health and safety of our employees.

**Strong protection for employee's families to inspire confidence**

We made every effort to protect the health and safety of our employees, as well as their loved ones. This was to protect our employees' back and reduce the COVID-19 prevention burden on society through our own actions.



Through our efficient logistics network, we provided COVID-19 prevention supplies to more than 20,000 employees' families and friends to the relief of our employees. We also quickly established a taskforce specifically for our employees in Hubei Province to solve their problems on the frontline and provide trusted and reliable support.

**Fulfillment of social responsibility to protect our common home**

✓ **Protecting and assisting the communities we serve in their fight against COVID-19**

Thanks to our efficient logistics system, essential supplies continued to pour into the communities where we operate to replenish their stockpile of essential supplies and provide timely protection for the front-line health workers in the communities. We donated more than RMB1 million worth of anti-epidemic products to Donghu Sub-district where our headquarters is located, and to other communities where we have projects.



Meanwhile, Anton volunteers answered the Company's call to make voluntary donations, and took the initiative to participate in the COVID-19 prevention volunteer activities in their communities around the world to cut off virus transmission and build a strong defense on the frontline.

## SOCIETY

### ✓ **Donation of medical supplies to frontline health workers**

We sourced anti-epidemic supplies by adhering to the highest medical-grade standard and from strictly qualified suppliers to ensure the quality of these products. We reached out to the hospitals in the communities we serve to donate the much-needed anti-epidemic products. Such donations helped address the supply shortage and provide timely protection for the frontline health workers.

### ✓ **Aid to our partners to help them through the difficult times**

We reached out to and maintained deep and effective communication with our customers and partners. We established joint prevention and control mechanisms, provided timely aids, and shared our resources to build a united front for epidemic prevention and band together to protect our common home through the difficult times. During the outbreak, we donated 1,065 boxes, 11 kinds of anti-epidemic products such as nucleic acid testing kits, masks and PPE to Basra Oil Company under the Iraqi Ministry of Oil.

### ✓ **Diligence, accountability and vigilance to prevent viral transmission**

Thanks to our rapid response at the beginning of the pandemic and our rigorous control all along, our 20,000 employees and their families have recorded zero infection. While maintaining high vigilance to keep infection at zero, we immediately suspended cross-border movement of people and implemented preemptive self-quarantine to ensure our employees were virus-free wherever we operate.

### ✓ **Continued vigilance to protect business continuity and operational stability**

In China, the epidemic is now largely in check, but the international situation remains stern and has worsened in some regions. While maintaining high vigilance for the absolute safety of our employees, we also took steps to ensure safe production and efficient delivery. With a can-do spirit and a relentless focus on social responsibility, we are working with all stakeholders to prevail in epidemic prevention and economic recovery with a view to protecting the health and prosperity of our common home.

## PHILANTHROPY

We at Anton always align our business goals with the sustainability goals of the communities we serve. Around the world, we have set up community engagement and alignment departments to focus our efforts on local livelihood and social progress. We have established various dialogues and alignment mechanisms with local communities and actively participated in community development through ongoing public welfare programs. We helped improve the living standards of community residents, promote social progress, give back to society, and grow harmoniously with the communities around us as our business thrives.

## SOCIETY

### Giving back



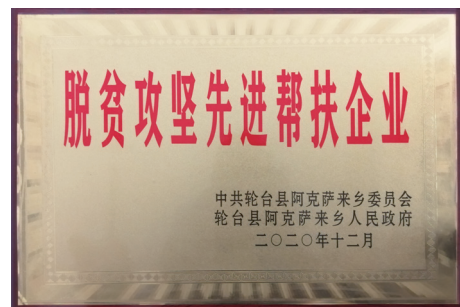
We are actively involved in giving back to communities, such as cash donations, volunteering and tree planting. We donate and rehabilitate community infrastructure and continue to contribute to addressing community challenges and building a harmonious society.

#### Community engagement programs:

In our business area in Xinjiang and Ordos, we regularly organize volunteers to participate in government-organized afforestation projects to help local people fight against desertification, soil erosion, maintain ecosystems, and improve the living environment of residents.

During the pandemic, our operations in Iraq and other project locations donated large quantities of food such as eggs, milk, chicken and cooking oil to local communities to alleviate the shortage of supply during lockdown.

We participated in Chinese New Year visits to veteran party members in the community organized by Donghu Sub-district in Beijing to deliver holiday gifts and show our respect and appreciation, to do our part to help build a harmonious community.





## SOCIETY

### Targeted poverty alleviation

Ending poverty is the first of the 17 UN Sustainable Development Goals and a priority for us. We embraced the goals and targets in the UN 2030 Sustainable Development Agenda and in the Chinese government's policy guidelines on poverty alleviation and reduction. We carried out targeted poverty alleviation campaigns to improve the capacity of local communities for self-reliant growth and to help local governments win the tough battle against poverty and promote local economic prosperity.

### Targeted poverty alleviation programs

- (1) We took on the poverty alleviation in Katsugeti Village, Aksalai Township, Luntai County, Xinjiang. Considering the low-income, low-skilled and predominantly old residents of the village, we donated baby chicks, wardrobes, prefabricated toilets and fences to 95 poor households in the village, and engaged professional coaches to teach the skills so that they could be lifted out of poverty as scheduled. For our effort in the village, we received the award of "outstanding business with contribution to poverty alleviation" from the local government.
- (2) In response to the national strategy of poverty alleviation, we participated in a poverty alleviation program in the old revolutionary base in the south of Jiangxi Province to support the growth of the old revolutionary base through concrete actions.
- (3) We organized employees to help disadvantaged groups such as purchasing dates from the farmers in the 47th Regiment of the Xinjiang Production and Construction Corps.

### Charitable donation

We are committed to the vision of "a model of efficient and harmonious development between mankind and the environment". We consistently align our business goals with the sustainability goals of the communities we serve. We have a relentless focus on livelihood and social progress. We make charitable donations to support education and disaster relief and reconstruction among many social causes. We are committed to making a positive impact on society.

Indicator	Unit	2020	2019
<b>Charity</b>			
Total no. of charitable activities organized or attended	Number	9	5
Total headcount in charitable activities organized or attended	Count	250	300
Total hours of charitable activities organized or attended	Hours	20	140
Total spending on donations of PPEs and charitable activity	Thousand RMB	642	409.3
<b>Volunteer Activity</b>			
Total volunteer activities organized	Number	5	3
Total headcount in volunteer activities organized	Count	100	200
Total volunteer hours	Hours	28	21
Total beneficiaries	Person	2,000	2,360

**INDUSTRY CONTRIBUTION**

As a leading provider of oilfield services and the only provider with end-to-end solutions in China, Anton actively participates in the development of industry standards as a member of the National Technical Committee for Standardization of Oil Drilling and Recovery Equipment and Tools and a member of the Oil Tubular Goods Subcommittee of China Petroleum Standardization Committee. We deploy new technologies to help China increase oil production and design energy security solutions. As an implementor of the Belt and Road Initiative (BRI), we offer policy recommendations to the national and local governments along the Belt and Road and better align the BRI with local priorities. As a partner to the local communities, we contribute our wisdom to improve their living standards.

**STAKEHOLDER ENGAGEMENT**

**PHILOSOPHY**

We maintain ongoing communication with stakeholders. Various communication channels have been developed with our customers, business partners, employees and the communities for listening and responding to their concerns. We fully respect the rights of our stakeholders. We treat them equally, and we value and respond to their feedback. This year, we distributed a questionnaire among stakeholders in different areas, so as to identify and analyze their concerns on sustainable development. Based on that, we developed a material issues matrix.

**OUR COMMUNICATION WITH STAKEHOLDERS**

Stakeholders	Description	Expectations	Communication Method	Response
Government and regulatory agencies	Taxation, environmental protection, safety and other departments, local governments, the China Securities Regulatory Commission and other direct administration and supervision agencies	<ul style="list-style-type: none"> <li>Operational safety</li> <li>Compliance</li> <li>Stable and growing tax revenue</li> <li>Serving the local economy</li> <li>Promoting industry development</li> </ul>	<ul style="list-style-type: none"> <li>Meeting</li> <li>Policy consultation</li> <li>Report</li> <li>Visit</li> <li>Official document exchange</li> <li>Information disclosure, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Operate in compliance with laws and regulations</li> <li>Technological innovation</li> <li>Promoting local economic development</li> </ul>
Investors and shareholders	Natural person holding shares/equity in Anton	<ul style="list-style-type: none"> <li>Growth of the Company</li> <li>Long-term stable development</li> <li>Timely information disclosure</li> <li>Communication channels with the Company</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Annual report</li> <li>Company announcements and press releases</li> <li>Conference calls</li> <li>Roadshows</li> <li>Site trip etc.</li> </ul>	<ul style="list-style-type: none"> <li>Stable operations</li> <li>Effective information disclosure</li> <li>Keep active communications with investors</li> </ul>

## SOCIETY

Stakeholders	Description	Expectations	Communication Method	Response
Employees	Staff who formally signed labor contracts with Anton, and staff who have been working in Anton for years	<ul style="list-style-type: none"> <li>• Equal employment</li> <li>• Reasonable pay and benefits</li> <li>• Smooth career progression</li> <li>• Safe and healthy workplace</li> <li>• Caring for employees</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction surveys</li> <li>• Employee handbooks</li> <li>• Internal publications, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Equal employment</li> <li>• Reasonable promotion track</li> <li>• Occupational health management</li> <li>• Employee training</li> <li>• Employee care</li> </ul>
Press	Newspapers, TV stations, network companies and other relevant media organizations that work with Anton	<ul style="list-style-type: none"> <li>• Viability of the Company's sustainable development goals</li> </ul>	<ul style="list-style-type: none"> <li>• Company interviews</li> <li>• Corporate culture messaging</li> <li>• Thematic events and invitation to third-party events</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensively deepen the implementation of sustainable development policies</li> </ul>
Suppliers/ Contractors	Companies, shops or individuals that legally supply production materials, accessories and office equipment to Anton	<ul style="list-style-type: none"> <li>• Fair and transparent procurement</li> <li>• Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier visits</li> <li>• Public tender</li> <li>• Strategic cooperation negotiations</li> <li>• Exchange visits, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain responsibility management</li> <li>• Transparent procurement</li> <li>• Cooperative platform</li> </ul>
Customers	Institutions/individuals that formally signed contracts with Anton and received services	<ul style="list-style-type: none"> <li>• Safe, environmentally friendly and efficient products and services</li> <li>• Continuous improvement of product and service quality</li> <li>• Transparent marketing activity</li> <li>• Integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Quality commitment</li> <li>• Communication channels and reporting hotline open to public</li> <li>• Customer satisfaction surveys</li> <li>• Routine visits and exchanges</li> <li>• Business negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• Quality control</li> <li>• Technology innovation</li> <li>• Meet the diverse needs of customers</li> </ul>
Adjacent communities	The communities where we operate, the public, non-profit organizations	<ul style="list-style-type: none"> <li>• Promote community development</li> <li>• Improve community well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Philanthropic activities</li> <li>• Community support</li> <li>• Volunteer activities</li> <li>• Social welfare programs, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Educational support</li> <li>• Job creation</li> <li>• Infrastructure</li> <li>• Disaster relief, etc.</li> </ul>

# TRACKING RECORD

## PERFORMANCE DATA TABLE

Metrics		Units	Year		Reference
<b>Corporate Governance</b>			<b>2020</b>	<b>2019</b>	<b>Page No.</b>
Number of employees worldwide		Absolute number	<b>4,005</b>	4,326	P43
	China	Percentage	<b>59.4</b>	46.9	P6
Revenue distribution	Iraq	Percentage	<b>31.1</b>	36.9	P6
	Other Overseas markets	Percentage	<b>9.5</b>	13.5	P6
Revenue		RMB million	<b>3,087.7</b>	3,589.5	P6
Profit Attributable to Equity Holders		RMB million	<b>-95.8</b>	268.6	P6
Free Cash Flow		RMB million	<b>309.9</b>	238.8	P6
<b>Environmental Performance</b>			<b>2020</b>	<b>2019</b>	<b>Page No.</b>
GHG emission		Tons	<b>42,535.27</b>	77,876.89	P24
GHG emission per revenue		Tons/RMB million	<b>13.78</b>	21.70	P24
Hazardous waste generated annually		Tons	<b>19,106.84</b>	156,834.15	P24
Hazardous waste generated per revenue		Tons/RMB million	<b>6.17</b>	43.69	P24
Harmless waste generated annually		Tons	<b>1,081.35</b>	1,168.02	P24
Harmless waste generated per revenue		Tons/RMB million	<b>0.35</b>	0.33	P24
Total wastewater generated		Thousand cubic meters	<b>107.30</b>	101.85	P24
Total wastewater generated per revenue		Thousand cubic meters/RMB million	<b>0.03</b>	0.03	P24
Total energy consumption		MWh	<b>132,279.02</b>	268,602.32	P24
Total energy consumption per revenue		MWh/RMB million	<b>42.84</b>	74.83	P24
Electricity use		MWh	<b>19,053.40</b>	16,039.40	P24
Electricity use per revenue		MWh/RMB million	<b>6.17</b>	4.47	P24
Fuel consumption – Diesel		MWh	<b>108,662.28</b>	248,425.24	P24
Fuel consumption – Gas oil		MWh	<b>4,682.94</b>	4,137.68	P24
Fuel consumption – Diesel per revenue		MWh/RMB million	<b>35.19</b>	69.21	P24
Fuel consumption – Gas oil per revenue		MWh/RMB million	<b>1.52</b>	1.15	P24
Water use		Thousand cubic meter	<b>294.46</b>	440.53	P24
Water use per revenue		Thousand cubic meter/RMB million	<b>0.10</b>	0.12	P24
Total water recycled		Thousand cubic meters	<b>1.50</b>	17.34	P24
% water recycled		Percentage	<b>0.51</b>	3.94	P24
Raw materials		Tons	<b>39,978.80</b>	32,765.70	P24
Raw Material Per Revenue		Tons/RMB million	<b>12.95</b>	9.13	P24

## TRACKING RECORD

Metrics	Units	Year		Reference
<b>Trainings</b>		2020	2019	Page No.
<b>Number of Trainings Provided</b>	Items	<b>1,372</b>	1,342	P50
Including : qualifying training	Sessions	<b>312</b>	367	P50
general skills training	Sessions	<b>389</b>	347	P50
special skills training	Sessions	<b>671</b>	628	P50
<b>Training Hours</b>	Hours	<b>2,854</b>	2,810	P50
	<b>Seniority of trainees</b>			
Senior Management	Hours	<b>124</b>	99	P50
Middle Management	Hours	<b>125</b>	100	P50
<b>Average Training hours</b>	Frontline Employees	<b>131</b>	106	P50
	<b>Attendance records by gender</b>			
Male	Hours	<b>130.00</b>	105.15	P50
Female	Hours	<b>122.00</b>	97.69	P50
<b>Employee Turnover Rate</b>	<b>Unit</b>	<b>2020</b>	<b>2019</b>	<b>Page No.</b>
	<b>By Gender</b>			
Male	Percentage	<b>12.91</b>	16.30	P52
Female	Percentage	<b>1.15</b>	0.86	P52
	<b>By Age</b>			
20-40	Percentage	<b>11.36</b>	14.11	P52
40-60	Percentage	<b>2.57</b>	2.93	P52
60-85	Percentage	<b>0.12</b>	0.11	P52
	<b>By Geography</b>			
China	Percentage	<b>9.46</b>	11.59	P52
Iraq	Percentage	<b>3.87</b>	3.89	P52
Other Overseas Markets	Percentage	<b>0.72</b>	1.69	P52
<b>Health and Safety</b>	<b>Unit</b>	<b>2020</b>	<b>2019</b>	<b>Page Number</b>
Fatalities (Employee)	Absolute number	<b>1</b>	1	P38
Fatal Accident Rate	Per 100 million workhours	<b>16</b>	16	P38
Traffic Accident Rate	Per million miles	<b>5</b>	9	P38
Total hours worked (Employees + Contractors)	Hours	<b>12,899,393</b>	15,478,502	P38
Total recordable incidents	-	<b>229</b>	346	P38
Total recordable incidents rate	Per million workhours	<b>7.75</b>	6.46	P38
Lost Time Injury Rate (LTIR)	Per million workhours	<b>0.20</b>	0.30	P38
Lost time injury incidents (lost-time injuries hours cases + fatalities)	Absolute number	<b>1.24</b>	1.03	P38
Days away from work	Days	<b>0.85</b>	0.58	P38
Lost Time injury Severity Rate	Lost days per million workhours	<b>20.80</b>	38.40	P38

## TRACKING RECORD

Metrics		Units	Year		Reference
<b>Suppliers</b>			2020	2019	Page No.
No. of Suppliers eliminated		Absolute number	<b>15</b>	14	P56
procurement from local suppliers in international markets		Percentage	<b>44.6</b>	28.1	P56
Critical suppliers that has long-term strategic development plan		Absolute number	<b>58</b>	34	P56
<b>Diversity</b>			2020	2019	Page No.
Age Diversity	20-40	Absolute number	<b>3,215</b>	3,351	P44
	40-60	Absolute number	<b>775</b>	863	P44
	60-85	Absolute number	<b>15</b>	12	P44
<b>Charity</b>			2020	2019	Page No.
Charity activities participated in		Number	<b>9</b>	5	P72
Charity activities participated in		Person-time	<b>250</b>	300	P72
Charity activities participated in		Hour	<b>20</b>	140	P72
Total spending on charitable activity		Thousand RMB	<b>642</b>	40.93	P72
<b>Volunteer Activity</b>			2020	2019	Page No.
Volunteer activity		Absolute number	<b>5</b>	3	P72
		Person-time	<b>100</b>	200	P72
		Hours	<b>28</b>	21	P72
Beneficiaries by volunteer activities		Person	<b>2,000</b>	2,360	P72

## TRACKING RECORD

### GRI INITIATIVES STANDARDS

GRI Disclosure Number	GRI Disclosure Title	Page
102-1	Name of the organization	P2
102-2	Activities, brands, products, and services	P4
102-3	Location of headquarters	P4
102-4	Location of operations	P4
102-5	Ownership and legal form	Refer to 2020 Annual Report– About Anton
102-6	Markets served	P4
102-7	Scale of the organization	P43
102-8	Information on employees and other workers	P41-P45
102-9	Supply chain	P56-P59
102-10	Significant changes to the organization and its supply chain	P56-P59
102-11	Precautionary Principle or approach	P18-P19
102-12	External initiatives	P19
102-13	Membership of associations	P64
102-14	Statement from senior decision-maker	P4
102-16	Values, principles, standards, and norms of behavior	P8-P11
102-17	Mechanisms for advice and concerns about ethics	P8-P11
102-18	Governance structure	P14-P18
102-19	Process of power delegation for addressing economic, environmental, and social topics from the highest governance body to senior management and other employees	P17
102-20	Executive-level responsibility for economic, environmental, and social topics	P15, P17
102-21	Consulting Stakeholders on economic, environmental, and social topics	P14-P18
102-22	Composition of the highest governance body and its committees	P14-P18
102-23	Chair of the highest governance body	P5-P6
102-24	Nominating and selecting the highest governance body	P14-P18
102-25	Conflicts of interest	P10
102-26	Role of highest governance body in setting purpose, values, and strategy	P17
102-27	Measures taken to strengthen the highest governance body's collective understanding of economic, environmental, and social topics	P15
102-28	Evaluating the highest governance body's performance	P17-P18
102-29	Identifying and managing economic, environmental, and social impacts	P7, P19, P30
102-30	Effectiveness of risk management processes	P29-P30
102-32	Highest governance body's role in sustainability reporting	P17
102-35	Remuneration policies	P17-P18
102-36	Process for determining remuneration	P17-P18
102-40	List of stakeholder groups	P73-P74

## TRACKING RECORD

GRI Disclosure Number	GRI Disclosure Title	Page
102-42	Identifying and selecting stakeholders	P73
102-43	Approach to stakeholder engagement	P7, P73
102-44	Key topics and concerns raised	P7, P73
102-45	Entities included in the consolidated financial statements	P2
102-46	Defining report content and topic Boundaries	P2, P7
102-47	List of material topics	P7
102-48	Restatements of information	P2
102-50	Reporting period	P2
102-51	Date of most recent report	P2
102-52	Reporting cycle	P2
102-53	Contact point for questions regarding the report	P3
102-55	GRI content index	P78-P80
103-1	Explanation of the material topic and its Boundary	P7
201-1	Direct economic value generated and distributed	P6
201-2	Financial implications and other risks and opportunities due to climate change	P21, P25
203-1	Infrastructure investments and services supported	P12
203-2	Significant indirect economic impacts	P64-P72
204-1	Proportion of spending on local suppliers	P56
205-1	Operations assessed for risks related to corruption	P8-P10
205-2	Communication and training about anti-corruption policies and procedures	P8-P10
205-3	Confirmed incidents of corruption and actions taken	P8-P10
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P8-P10
301-1	Materials used by weight or volume	P24
302-1	Energy consumption within the organization	P24
302-2	Energy consumption outside the organization	P24
302-3	Energy intensity	P24
302-4	Reduction of energy consumption	P21, P23
302-5	Reductions in energy requirements of products and services	P20-P23, P23
303-1	Water withdrawal by source	P24
304-2	Significant impacts of activities, products, and services on biodiversity	P26



## TRACKING RECORD

GRI Disclosure Number	GRI Disclosure Title	Page
305-1	Direct (Scope 1) GHG emissions	P24, Scope 1 and 2 disclosed at total
305-2	Energy indirect (Scope 2) GHG emissions	P24, Scope 1 and 2 disclosed at total
305-4	GHG emissions intensity	P24
305-5	Reduction of GHG emissions	P21
306-2	Waste by type and disposal method	P26-P27
306-4	Transport of hazardous waste	P26
307-1	Non-compliance with environmental laws and regulations	P40
308-1	New suppliers that were screened using environmental criteria	P58-P59
308-2	Negative environmental impacts in the supply chain and actions taken	P58-P59
401-1	Total number and proportion of new hires and employee turnover by age group, gender and region	P52 (employee turnover disclosed)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P34-P35
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	P38
403-3	Workers with high incidence or high risk of diseases related to their occupation	P34
404-1	Average hours of training per year per employee	P50
404-2	Programs for upgrading employee skills and transition assistance programs	P45-P50
404-3	Percentage of employees receiving regular performance and career development reviews	P53
405-1	Diversity of governance bodies and employees	P43-P45
406-1	Total number of discrimination incidents that occurred during the reporting period, incident descriptions and the actions taken	No incidents of discrimination
408-1	Operations and suppliers at significant risk for incidents of child labor	P55, P58, P60
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	P60
413-1	Operations with local community engagement, impact assessments, and development programs	P60-P61, P65-P66
413-2	Operations with significant actual and potential negative impacts on local communities	P26
414-1	New suppliers that were screened using social criteria	P55-P56
414-2	Negative social impacts in the supply chain and actions taken	P55-P56
416-1	Assessment of the health and safety impacts of product and service categories	P29-P32
417-3	Number of violations involving marketing activities. If no violations of laws and regulations are found, simply explanation will be fine	No Incidents of non-compliance

## TRACKING RECORD

### HKEX INITIATIVES STANDARDS

Number	Indicators Description	Page
	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	
Aspect A1: Emissions	relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. <i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and Sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</i>	P19-P22, P40
Aspect A1: Emissions	A1.1 The types of emissions and respective emissions data.	P24
Aspect A1: Emissions	A1.2 Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P24
Aspect A1: Emissions	A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P24
Aspect A1: Emissions	A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P24
Aspect A1: Emissions	A1.5 Description of measures to mitigate emissions and results achieved.	P20-P22
Aspect A1: Emissions	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P20-P22, P26
	General Disclosure	
Aspect A2: Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	P23, P26
Aspect A2: Use of Resources	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).	P24
Aspect A2: Use of Resources	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P24

## TRACKING RECORD

Number	Indicators Description	Page
Aspect A2: Use of Resources	A2.3 Description of energy use efficiency initiatives and results achieved.	P23, P26
Aspect A2: Use of Resources	A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P23, P26
Aspect A2: Use of Resources	A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources	General Disclosure: Policies on minimizing the significant impact on the environment and natural resources.	P26
Aspect A3: The Environment and Natural Resources	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P26
Aspect B1: Employment	General Disclosure Information on: a) the policies; and b) compliance with relevant regulations that have impact on the issuer relating to compensation recruitment and promotion, hours, rest periods, equal diversity, anti-discrimination, benefits and welfare.	P41-P45, P51-P53, P60
Aspect B1: Employment	B1.1 Total workforce by gender, employment type, age group and geographical region.	P43-P44
Aspect B1: Employment	B1.2 Employee turnover rate by gender, age group and geographical region.	P52
Aspect B2: Health and Safety	General Disclosure Information on: a) the policies; and b) compliance with relevant laws regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards.	P33-P39

## TRACKING RECORD

Number	Indicators Description	Page
Aspect B2: Health and Safety	B2.1 Number and rate of work-related fatalities.	P38
Aspect B2: Health and Safety	B2.2 Lost days due to work injury.	P38
Aspect B2: Health and Safety	B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	P33-P39
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	P45-P50
Aspect B3: Development and Training	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Partially disclosed, P50
Aspect B3: Development and Training	B3.2 The average training hours completed per employee by gender and employee category.	P50
Aspect B4: Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	P60
Aspect B4: Labor Standards	B4.1 Description of measures to review employment practices to avoid child and forced labor.	P60
Aspect B4: Labor Standards	B4.2 Description of steps taken to eliminate such practices when discovered.	P60
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P55-P56, P58-P59
Aspect B5: Supply Chain Management	B5.1 Number of suppliers by geographical region.	Partially disclosed, P56
Aspect B5: Supply Chain Management	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P55-P56, P58-P59

## TRACKING RECORD

Number	Indicators Description	Page
Aspect B6: Product Responsibility	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to health and safety, advertising, labelling and privacy matters relating products and services provided and methods of redress.	P29-P33, P39
Aspect B6: Product Responsibility	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	not applicable
Aspect B6: Product Responsibility	B6.2 Number of products and service related complaints received and how they are dealt with.	P32-P33
Aspect B6: Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P11, P54
Aspect B6: Product Responsibility	B6.4 Description of quality assurance process and recall procedures.	P32-P33
Aspect B6: Product Responsibility	B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	P39
Aspect B7: Anti-corruption	General Disclosure Information on: a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P8-P20
Aspect B7: Anti-corruption	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.	P8
Aspect B7: Anti-corruption	B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P8-P10

## TRACKING RECORD

Number	Indicators Description	Page
Aspect B8: Community Investment	General Disclosure Policies on community engagement understand the needs of the communities where the issuer operates and to ensure its activities take into consideration communities' interests.	P60-P73
Aspect B8: Community Investment	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, culture, sport).	P60-P73
Aspect B8: Community Investment	B8.2 Resources contributed (e.g. money or time) to the focus area.	P60-P73

## DISCLAIMER

This Report includes the forward-looking statements. Other than the historical facts, all events which may or will happen in the future and their description (including but not limited to, preconditions, goals, estimates and commercial plans) are included in the forward-looking statements. Due to the influence of external changing factors, the factual development result or trend in the future may be different from such statements. The forward-looking statements of this Report was made in July, 2021. Unless otherwise required by the regulatory authorities, The Company undertakes no obligation or responsibility to update these forward-looking statements.