

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)

2022 SUSTAINABILITY REPORT





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ABOUT THIS REPORT

REPORT ORGANIZATION SCOPE

Anton Oilfield Services Group (“Anton”, “the Company” or “We”), together with all its subsidiaries (the “Group”), operates in the People’s Republic of China and globally (consistent with the scope of the Group’s Annual Report).

REPORTING PERIOD

The reporting period is from 1 January 2022 to 31 December 2022 (the “Reporting Period”), with some information and data tracing back to earlier years (beyond the stated Reporting Period) for comparative purposes.

CONTENT SCOPE

This Report contains significant environmental, social, and governance matters and performance data from the Reporting Period.

SOURCES OF INFORMATION

The information in this Report is derived from summaries and statistics of the Company’s documents, statistical reports, and performance reports of its subsidiaries. The financial-related data is derived from 2022 Annual Report of the Company, which has been reviewed by the ESG Committee and reported to the Board of Directors for review and approval.

PREPARATION GUIDELINES

This Report is mainly based on the GRI Sustainability Reporting Standards (GRI Standards) developed by the Global Sustainability Standards Board (GSSB) and complies with the relevant requirements of the Environmental, Social, and Governance (ESG) Reporting Guide of the Stock Exchange of Hong Kong.

REPORTING LANGUAGE

This Report is published in English and Traditional Chinese. In case of discrepancies, the traditional Chinese version shall prevail.

FORM OF PUBLICATION

This Report is published in electronic format. The electronic version is available on the website of the Stock Exchange of Hong Kong (www.hkexnews.hk) and the Company’s website (www.antonoil.com).

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COMPANY PROFILE

OVERVIEW

Anton is a leading independent and integrated oilfield services provider with a global footprint across major oil and gas basins. 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 within the global emerging markets for oil and gas development. We operate in multiple 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 to maximize the value of their oil and gas assets. These products and services include those targeted at different stages of oil and gas development, ancillary facilities, expert consulting services, and integrated solutions.

Our corporate culture is rooted in traditional oriental culture: customer centricity, diligence, continuous learning, and innovation form the bedrock of our core values. Our mission is to help others 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 the mankind and the environment. Anton is committed to providing quality and efficient operations to maximize value created for its customers. As our business grows, we do our best to make positive social impacts and engage with the communities around us to pursue harmonious development.

Key Financial Metrics		Unit	2022	2021	2020
Revenue contribution	China	%	42.5	50.2	59.4
	Iraq	%	43.7	35.5	31.1
	Other overseas market	%	13.8	14.3	9.5
Revenue		RMB million	3,514.9	2,923.6	3,087.7
Profit attributable to equity holders		RMB million	293.8	72.2	-95.8
Operating cash flow		RMB million	980.0	757.2	805.4



CHAIRMAN'S MESSAGE



2022 has been an eventful year of rising global inflation, weak economic growth and intensified geopolitical conflicts, and the supply system of oil and gas had been broken and reshaped constantly. How to build a safe, stable, and sustainable energy supply system, and how to achieve high-quality sustainable development have increasingly become topics of common concern in global societies. Anton, being the practitioner and leader in the sustainable development of the oil and gas industry, has taken the initiative to undertake social responsibilities and continue to promote comprehensive innovation and breakthroughs, facing a challenging external environment, in the turbulent external environment, Anton continued to make solid progress in various tasks surrounding sustainable development.

In terms of the environment, Anton has released our quantifiable carbon reduction target, the main progress we made during 2022 includes: reduced operating footprints and costs, saved energy by providing customers with tailored precision engineering solutions, significantly improved operating efficiency and production; saved raw materials as well as lowered emissions by promoting our innovative businesses such as intelligent inspection services and digital services. In the meantime, we promote the efficient sharing and circulation of resources in the industry through our online resource-sharing platform, which contributed to the reduction of raw materials consumption and waste of resources, and improved energy efficiency; reduced GHG emission by 49,225.39 tons of CO₂e by implementing 27 initiatives under our energy efficiency gain program, and help customers reduced GHG emission by 54,421.4 tons of CO₂e by technology upgrading, green energy application, and efficient project management and execution.

In terms of society, our progress includes: having increased our talent recruitment efforts, created more than 1,500 jobs for the society throughout the year, which helped to driven the employment and economic development of the society; having extended our diversified online training, communication, sharing and co-creation to the whole industry and empowered all the practitioners through our OilMates Platform, enabled the OilMates to expand rapidly with greater influence; having continued to practice social responsibility, carried out charitable donations, counterpart assistance, etc. actively, and won honors such as "Top 100 Private Enterprises in Beijing for Social Responsibility".

In terms of governance, we formed a management system that is scientific, efficient, open and shared, and self-driven by all employees. We have adopted the OKR work method in 2022 to fully stimulate the self-motivation of employees, to ensure a shared target from top to bottom, and efficient management, and achieved good results during the year. In terms of business ethics, Anton continued to actively carry out anti-corruption campaigns and sunny marketing activities to ensure a transparent and clean work style. We attached great importance to the feedback and suggestions of all stakeholders such as customers, suppliers, employees, investors, partners, communities, and the government, and have established smooth and convenient two-way communication channels to improve our governance on a continuous basis with the help of various stakeholders.

"The road ahead is long and winding, but with persistence, we will reach our destination." Although there are still various challenges ahead, Anton will take solid steps to adhere to its vision of "becoming a model of the efficient and harmonious development between the mankind and the environment", and continue to practice the concept of sustainable development, grow into a world-leading and innovative oilfield services company, create greater value for the society, and make more contributions to the sustainable development of the world. Here, I would like to thank our friends from all sectors for their continuous cares and supports to Anton and hope that everyone will continue to empower and cooperate with us to create greater development together.

ESG GOVERNANCE

STATEMENT OF THE BOARD

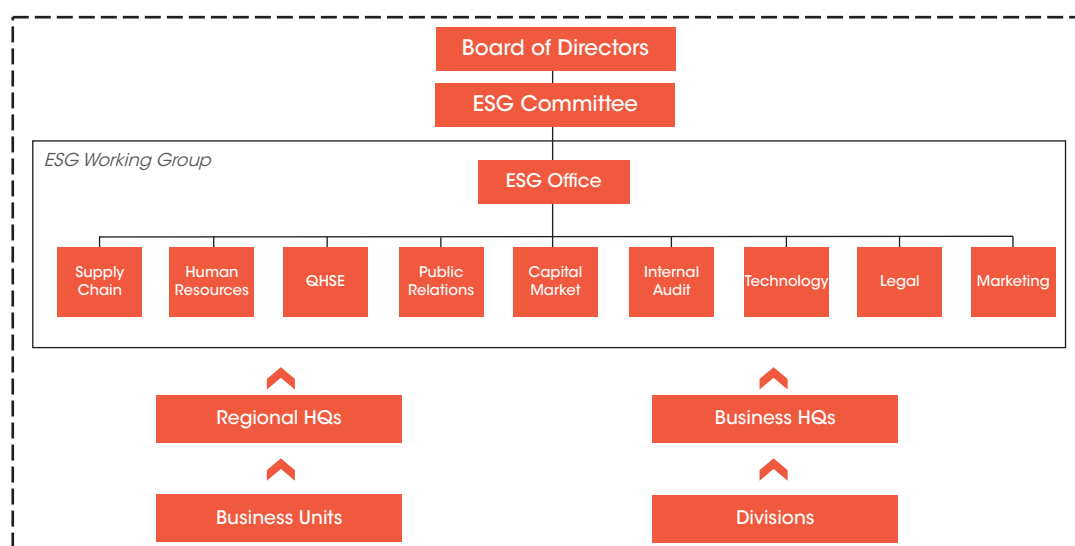
The Company complies with the requirements of the Hong Kong Stock Exchange's *Environmental, Social and Governance Reporting Guidelines* to strengthen the participation and decision-making of the board of directors in matters related to environmental, social and governance (ESG). As the Company's highest decision-making body for ESG affairs, the board is responsible for formulating the Company's ESG strategy, identifying and evaluating major ESG issues and risks, so as to ensure that the Company has an effective ESG risk management and internal control system. The board of directors actively participates in and supervises the Company's ESG-related matters, promotes the integration of ESG into the Company's strategic decision-making and daily operation management, regularly reviews the Company's ESG performance, and approves the disclosure content in the Company's sustainability report.

This report fully discloses the progress and effectiveness of Anton's work in terms of sustainability in 2022, and is reviewed and approved by the board of directors.

ESG MANAGEMENT UNDER THE BOARD

Anton has established an ESG management system including the board of directors, ESG committee, ESG office, ESG working group, etc. The ESG committee under the board of directors of the Company assists the board in supervising and evaluating the Company's ESG performance; reviewing the main trends of environment, society and governance as well as related risks and opportunities and providing recommendations to the board of directors; reviewing the Company's ESG report and submitting the final report to the board of directors Approval; encourage the board of directors to fully participate in the Company's ESG governance, information disclosure and other activities. In 2022, the Company held one ESG committee meeting.

Under the ESG Committee, an ESG office was established to organize and lead the working group, which has representatives from relevant functions concerned with ESG matters, such as Capital Market, Public Relations, QHSE Management, Human Resources, Supply Chain, Marketing, Technology Development, Legal, and Internal Audit and Oversight. All departments in the headquarters have appointed ESG liaison officers to the working group, with each one responsible for the implementation of specific ESG programs and the collection and submission of ESG information on behalf of the department. Each division, sales region, and subsidiary carries out specific activities in accordance with the requirements of the headquarters and submits ESG updates on a regular basis.



Our compensation scheme is designed to motivate our executives to work diligently towards sustainable development. Beyond a base salary, executives also receive variable pay tied to our KPIs. The most important KPIs are net profit and free cash flow, as these are proxies of the quality of our growth. We seek growth, but more importantly, we want high-quality growth. In addition to the rigorous financial KPIs, a more important KPI (which is the pre-condition for executive annual variable pay) is QHSE performance. An executive failing to meet the QHSE objectives for the year will lose his or her entire annual variable pay, even with stellar financial performance. We encourage our executives to place long-term sustainability above short-term gains. Under this philosophy, stock incentives make up a significant portion of executives' total compensation package.

STAKEHOLDER COMMUNICATION

We maintain ongoing communication with all stakeholders. Various communication channels have been developed with our customers, business partners, employees, and the communities to listen and respond to concerns. We fully respect the rights of our stakeholders. We treat them equally, and we value and respond to their feedback.

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"> Operational safety Compliance Stable and growing tax revenue Serving the local economy Promoting industry development 	<ul style="list-style-type: none"> Meetings Policy consultations Reports Visits Official document exchanges Information disclosures, etc. 	<ul style="list-style-type: none"> Operate in compliance with laws and regulations Technology innovation Promote local economic development
Investors and shareholders	Natural persons holding shares/equity in Anton	<ul style="list-style-type: none"> Business growth Long-term stable development Timely disclosure Communication channels with the Company 	<ul style="list-style-type: none"> Shareholder meetings Annual reports Company announcements and press releases Conference calls Roadshows Site trips, etc. 	<ul style="list-style-type: none"> Stable operations Timely and effective disclosures Active and open communication with investors
Employees	Employees who have signed formal employment contracts with Anton, and employees who have served Anton for many years	<ul style="list-style-type: none"> Equal employment Reasonable salary and benefits Smooth promotion channel Healthy and safe working environment Employee care 	<ul style="list-style-type: none"> Employee satisfaction survey Employee handbook Internal company publications, etc. 	<ul style="list-style-type: none"> Equal employment Reasonable promotion channels Occupational health management Far Eastern Training Employee care activities

Stakeholders	Description	Expectations	Communication Method	Response
Press	Newspapers, TV stations, internet companies, and other related media organizations that work with Anton	<ul style="list-style-type: none"> • Viability of the Company's sustainable development goals 	<ul style="list-style-type: none"> • Company interviews • Company culture messaging • Thematic events and invitations to third-party events 	<ul style="list-style-type: none"> • Comprehensively deepen the implementation of sustainable development policies
Suppliers/ Contractors	Companies, shops, or individuals that legally supply production materials, accessories, and office supplies to Anton	<ul style="list-style-type: none"> • Fair and transparent procurement • Win-win cooperation 	<ul style="list-style-type: none"> • Supplier visits • Public tender • Strategic partnership negotiations • Exchange visits, etc. 	<ul style="list-style-type: none"> • Supply chain responsibility management • Transparent procurement • Cooperative platform
Customers	Institutions/ individuals that have formally signed contracts with Anton and received services	<ul style="list-style-type: none"> • Safe, environmentally friendly, and efficient products and services • Continuous improvement of product and service quality • Transparent marketing campaigns • Integrity 	<ul style="list-style-type: none"> • Public commitment to society on quality • Communication mechanism and reporting hotline open to the public • Customer satisfaction survey • Routine visits and exchanges • Business negotiations 	<ul style="list-style-type: none"> • Quality control • Technology innovation • Meet the diverse needs of customers
Adjacent communities	The communities where we operate, the public, and non-profit organizations	<ul style="list-style-type: none"> • Promote community engagement • Increase community well-being 	<ul style="list-style-type: none"> • Philanthropic activities • Community support • Volunteer activities • Social welfare programs, etc. 	<ul style="list-style-type: none"> • Educational support • Job creation • Infrastructure • Disaster relief, etc.

DETERMINATION OF MATERIAL ISSUES

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. Based on the results of the questionnaire survey, starting from the two dimensions of “materiality to Anton” and “materiality to stakeholders”, the issues are prioritized to form an Anton major issue matrix and carry out corresponding ESG Management and Disclosure.

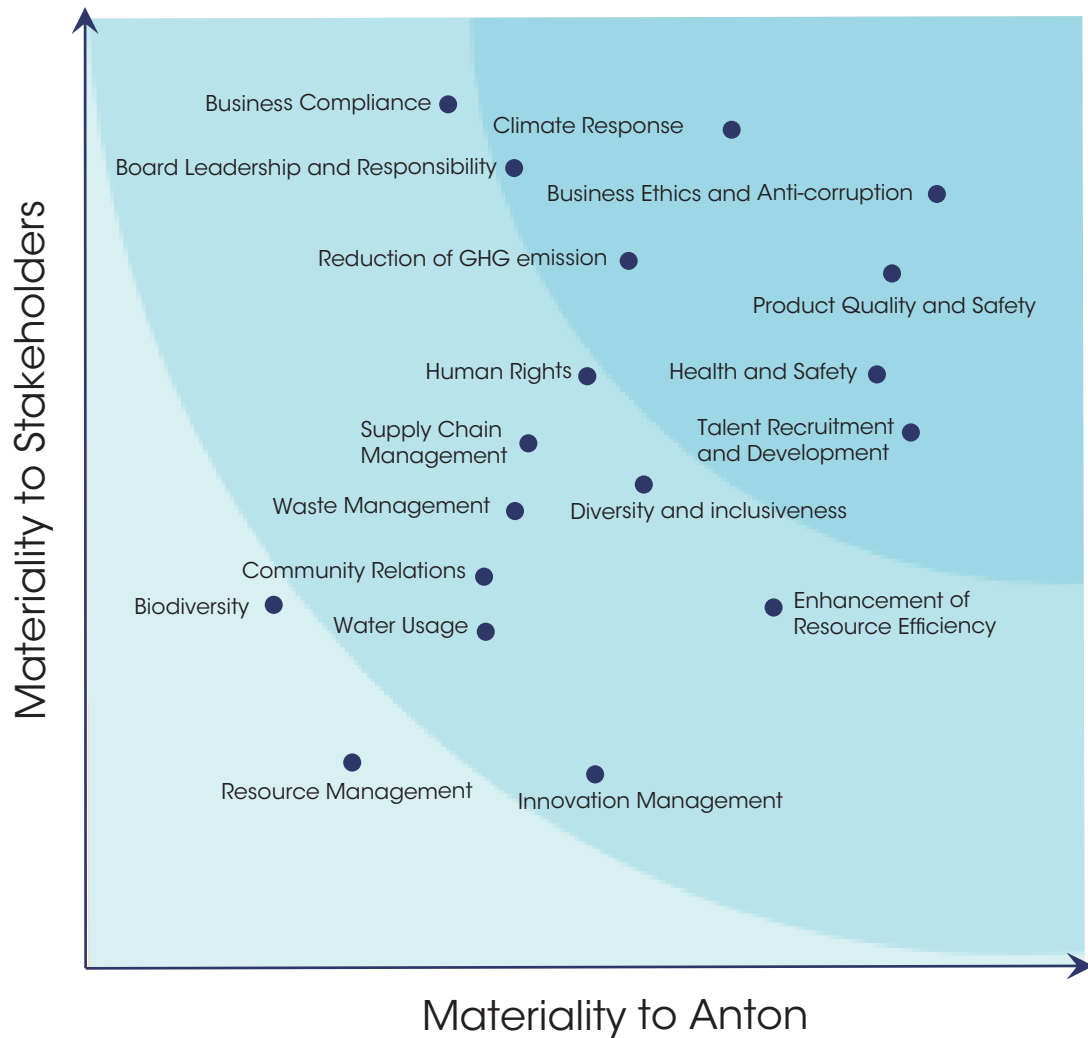


Figure: Anton ESG materiality issue matrix

Governance

Anton's culture is based on the common values of human society, the values of the countries and regions in which we operate, and universally-recognized principles.





CORPORATE GOVERNANCE

Board Diversity

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 background and experience. The Board appoints the most competent managers to ensure strong and sustainable growth. As at 31 December 2022, 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 Meetings

In FY2022, we convened nine Board meetings, two Audit Committee meetings, one Remuneration Committee meeting, one Nomination Committee meeting, and one ESG Committee meeting. We also held an Annual General Meeting during the Reporting Period.

In addition to our 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. In addition, management will circulate a monthly brief to all Directors, which summarizes important issues with respect to marketing, operations, business development, human resources, and important news around our industry in the capital market, etc.

Board Committees

Four committees operate under the Board: audit committee, remuneration committee, nomination committee, and ESG committee.

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.

Remuneration Committee

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 and one Executive Director.

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 diversity on the Board; making recommendations to the Board on the appointment or re-appointment of Directors; 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 such objectives. The Nomination Committee is composed of two Independent Non-executive Directors and one Executive Director.

ESG Committee

See the previous section, "ESG management under the Board", for more details.

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 options, restricted stock incentives, and an employee share purchase plan. In FY2022, over 100 employees in key positions were granted 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 share 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 code of ethics in their day-to-day activities or actions that may undermine our sustainability goals. Employees have rights to vote against the Board in general meetings or even call a meeting. These plans have fortified our governance structure.

On March 28, 2023, the Company's Board of Directors updated the scope of responsibilities of the Remuneration Committee and includes the review and administration of the Restricted Share Incentive Scheme in the scope.

GOVERNANCE

INVESTOR RELATIONS

We actively communicate with investors to understand investors' concerns and expectations of the Company, and help investors fully understand Anton and obtain the Company's latest developments in a timely manner. We improve the transparency of information disclosure through various online and offline communication channels, and continue to maintain the webcast of annual and interim results release briefing meetings attended by the Chairman of the Board, the CEO and the Financial Controller; communicate with analysts through quarterly conference calls, maintain close communication with investors through video, telephone and other online roadshows, emails, and mobile phone real-time communications.

Online communication with investors

- Telephone conference. The Company held the conference call quarterly, which is attended by the chairman, CEO, financial controller and investor relations. After announcing the quarterly operational data, we share the Company's dynamics through the conference call. Investors and analysts can raise questions to the management during the conference.
- IR website. The Company updated its IR website. Investors can learn about complete financial performance data, reports, and conference activities through the website. They can also choose to get in touch with the Company's investor relations department and make appointments for meetings.
- Official social accounts. We have established official social accounts on multiple platforms such as WeChat, tik tok, and LinkedIn, and continue to update the Company's latest developments and business introduction videos.
- Websites and mainstream media. On the basis of meeting the requirements of the Hong Kong Stock Exchange listing rules for listed companies to disclose their semi-annual reports, we actively established a quarterly operation update mechanism and issued an operation update announcement to investors every quarter. At the same time, timely release important matters to the mainstream media in the form of press releases.
- E-Mail. We constantly optimize the investor database, and notify investors of the Company's latest developments by email after important announcements/press releases are released.
- Investor WeChat community. We have established an investor WeChat group, opened a small application program for investor relations, communicated with investors who follow the Company in a timely manner through the WeChat group, and made targeted appointments for investor meetings.
- Conferences and exhibitions. We shoot company business introduction videos and broadcast them at conferences and exhibitions.

Face-to-face communication with investors

- Performance presentations. We organize formal interim and annual performance report meetings, attended by the chairman, CEO, Financial Controller and investor relations director, to conduct performance reports and organize questions and answers; and arrange for investors and analysts who cannot attend the report meeting on site Webcast and replay available.
- Investment banking forum. We participate in forums organized by investment banks, and are given speeches and conference presentations by the Company's top management.
- Roadshow. We organize high-frequency roadshows, face-to-face talks with investors at conferences or in Anton's or investors' offices, and provide opportunities for investors to learn about the Company's situation face-to-face.
- Site visiting. We organize investors to go to the Company's operation site for visiting, and arrange face-to-face communication with on-site engineers/customers, so that investors can better understand the Company and its business.

BUSINESS ETHICS AND CONDUCT RULES

Anton strictly complies with the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China 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 in which we operate. During the reporting period, the Company did not have any cases of commercial bribery, extortion, fraud, money laundering, or unfair competition that violated applicable laws and disciplines.

Anti-corruption and anti-bribery

We strictly abide by national laws and regulations, formulate and implement the Company's *Sunshine Purchasing Integrity Commitment*, *Integrity Agreement*, *Code of Conduct for Company Employees in the Process of Sales and Business Negotiations* and other policies and systems to provide employees with anti-corruption training and legal support. As a member of the China Enterprise Anti-Fraud Alliance, we strictly prohibit offering or accepting bribes to our business partners or suppliers, and prevent employees from engaging in illegal activities when conducting business anywhere.

We conduct evidence-inquiry inspections with business partners and suppliers every year, and signing anti-corruption agreements with them is a prerequisite for our transactions. We publicize and implement our open, transparent, compliant and efficient management philosophy, as well as our anti-fraud and anti-commercial bribery policies or regulations to our business partners and suppliers. At the same time, we will also solicit opinions and suggestions from them, focusing on investigations to understand whether the entire process of business execution by both parties is legal and compliant. We encourage suppliers and business partners to report unfair treatment or soliciting bribes caused by employees. Through barrier-free communication and strict supervision between the two parties, we further prevent the occurrence of illegal activities such as corruption and bribery, and promote the integrity, self-discipline and common development of both parties.

We regularly organize activities to advocate and publicize our code of ethics, and fully promote the construction of a long-term mechanism for anti-corruption and upholding integrity. In 2022, we successfully planned and organized 3 anti-corruption and integrity-related activities throughout the group, guiding all employees to establish a sense of integrity and self-discipline, consciously resist the erosion of unhealthy atmosphere and corruption, and build a solid line of defense against corruption and anti-degeneration.

Some of our anti-corruption activities are shown here:

- **Management and supervision of the implementation of the anti-commercial bribery system:** covering a total of 32 units of the Group's platform companies and internal ecological enterprises, including the subordinate departments and all members of each unit. Through the self-organization of each unit to study and implement the Company's internal regulations and external regulations, and to carry out comprehensive self-examination and self-correction with reference to the above organizations, the audit and supervision department will review the self-inspection and self-correction of each unit, and conduct necessary on-site supervision, in order to strengthen the concept of legal and compliant operation, maintain the order of fair competition, effectively prevent the risk of commercial bribery, and promote the sustainable and healthy development of the Company's business.
- **Special work of self-examination and self-correction of employees' performance of duties:** covering all units and all employees of the Group, focusing on personnel in positions with management responsibilities for people, finance, and materials, including but not limited to fuel management, freight management and other bulk material management and other key positions. We encourage and advocate employees to reflect on and correct early and tendentious mistakes in a timely manner, so as to comprehensively clean up gray areas, plug management loopholes, resolve risks from the source, and eliminate potential hidden problems.
- **Anti-corruption month activities:** Covering 57 units including the shared headquarters, platform companies and internal ecological enterprises of the whole group, including the subordinate departments and all members of each unit. The activity requires the whole company to be guided by the spirit of the 20th National Congress of the Communist Party of China, keep an eye on key projects, work hard, work fast, work hard, work hard, fight hard for the fourth quarter, and sprint for the annual goal. All units carry out theme education and organize activities around "resisting corruption and preventing change, performing duties, learning and innovation, and being honest and moral". We strengthen the foundation with ideals and beliefs, build an ideological dam to resist corruption and prevent change, and strictly abide by the moral bottom line; use positive model cases as demonstrations and negative typical cases as mirrors to continuously compare and improve in a cycle, ensure the solid implementation of activities themed anti-corruption and practical results, further creating a clean and upright team atmosphere, and building a solid barrier to protect the shared home. At the same time, we lead all employees to strive to be the first and take responsibility. With more enthusiasm, higher fighting spirit, and stronger style, we will strive to promote the Company's higher-quality development on a new journey full of opportunities and challenges.

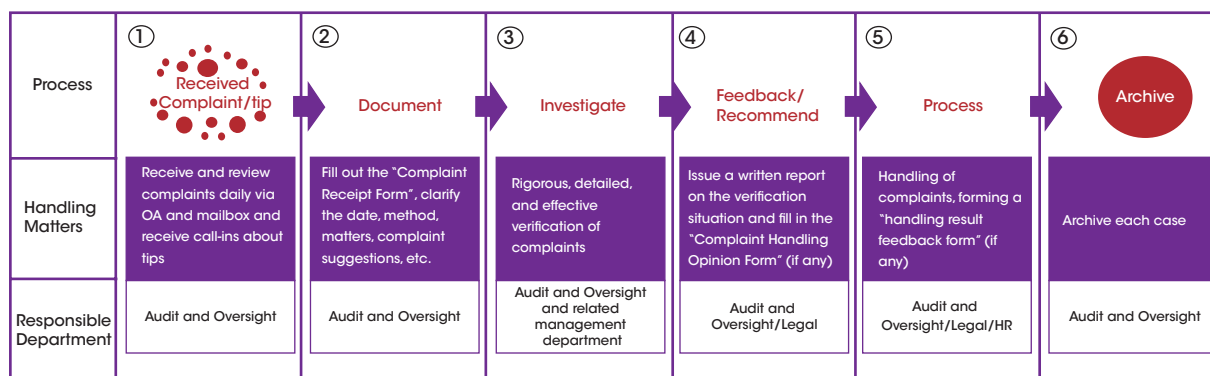
We have compiled a series of training courseware such as *Popularization and Prevention of Employee Duty-related Crimes*, and sent training courses to all employees of Anton through the Group's innovative college, introducing the causes of duty-related crimes, common duty-related crimes and cases, and the consequences of duty-related crimes and how to prevent them, through case publicity, so as to help employees establish the awareness that they must never cross the red line, continuously enhance their own sense of integrity and discipline, and strictly abide by the Company's integrity and self-discipline regulations. At the same time, all employees were mobilized to respond in a timely manner, to fight against violations of laws and disciplines and bad work styles, and to protect our common home with practical actions. In 2022, the training coverage rate for all employees will reach 100%, and the average training time per person reached more than 2 hours. Among them, 7 directors have participated in anti-corruption training for more than 3 hours.

We encourage anonymous reporting and disclosure of actual or suspected violations of our Anti-Corruption Policy. We have developed a comprehensive whistleblower program, which is managed by the Company's internal audit and supervision department.

We have established public reporting channels in local languages for all the countries and regions covered by the Company's business operations. The reporting channels and contact information are also disclosed on the official website in English, Chinese, and Arabic. The principles of acceptance and policies for protecting whistleblowers are explained accordingly. Anyone, including employees, external customers, suppliers, partners, etc., can raise doubts and report any actual or potential violation of our ethical standards at any time. In addition, the chairman of the board of directors also disclosed his personal contact information, encouraging whistleblowers to report to him and the internal audit department at the same time. We respect the reporting channels and communication methods chosen by whistleblowers, as well as the freedom to choose real-name or anonymous reporting.

We have formulated a strict "complaint and problem response" handling process, which requires that all reports or complaints received can be handled fairly, justly, timely, accurately and effectively, and all relevant materials formed in the process of complaint acceptance and handling will be archived and managed. We will keep the whistleblower strictly confidential, and it is our responsibility to protect the whistleblower. We explicitly prohibit any form of retaliation or threat against the whistleblower.

Complaint, Response, and Resolution Process



In 2022, we received a total of 8 internal and external reports through open reporting channels. After receiving the report, the internal audit team conducted a preliminary interview to understand the contents of the report information immediately. After the audit leading group researched and determined the audit plan and work plan, and conducted rigorous and detailed verification and audit investigation on the relevant report, the group drafted an investigation report, proposed dealing measures, and appropriately reported the findings to whistleblowers. All reported matters have been completely and properly handled and given feedback in accordance with the handling process. Most reports are not based on reality.

Transparent Marketing

We require that employees market our services with transparency, which means to win business fairly and honestly. We prohibit our employees from offering commissions, rebates, gift vouchers, or valuables to customers in any form or for any reason, and we also prohibit 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, along with other misconduct for personal gains. Any misconduct mentioned above is considered a punishable violation of the Company's transparent marketing policy.

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 and oversight 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 2022, on the basis of the existing sunshine marketing and code of conduct, the Company compiled and issued the *Supplementary Requirements on Carrying out "Sunshine Marketing" Activities to Regulate Sales Behavior* (Anton Si Zi [2022] No. 63), and proposed to all units a series of requirements of "high standards", "strict control" and "comprehensive prevention", so as to further prevent the risk of commercial bribery.

In 2022, the Company's audit and supervision department carried out management and supervision on the implementation of "sunshine marketing" for the main business units of the Group for many times, and selected some marketing and business personnel for comprehensive work inspections. The number of random inspections accounted for 80% of the total number of personnel to be inspected, and no violation of the Company's Sunshine Marketing System was found. We also require business units to organize and study the regulations and requirements on anti-commercial bribery in commercial activities in the country and region where the business is located, strictly grasp local policies and regulations, strictly implement Anton's "sunshine marketing" and anti-commercial bribery system, and carry out marketing activities in accordance with the law. At the same time, it is necessary to do a good job in the usual publicity, education, supervision and inspection, organize comprehensive self-inspection and thorough inspection (quarterly as a cycle), deal with violations found in the inspection process seriously, and promptly investigate risk points, develop specific risk prevention measures or rectification plans in terms of internal management and external environment, and absolutely put an end to violations of law and discipline.

Internal Audit and Oversight

Our internal audit and oversight department is responsible for monitoring internal controls and managing the whistleblower program. It conducts routine audits of significant matters and reports directly to the Chairman of the Board. The internal audit and oversight department conducts four types of audits: financial audit, operation audit, compliance audit, and disciplinary audit. Through financial audit, we review whether business and project expenditures violate our internal control requirements. Through operation audit, we review whether management or employees are performing their duties in accordance with operating systems and other requirements. Through compliance audit, we review whether our employees comply with laws, regulations, and internal policies.

In 2022, the internal audit team approached the business and various departments of the group to actively carry out and completed 48 audit and supervision tasks, including financial audit, operation audit, compliance audit, disciplinary inspection and supervision, and special audits for anti-corruption and integrity. At the same time, 74 items of procurement bidding supervision and supervision have been completed, and any abnormalities or risk points found have been actively reminded or intervened. The internal audit department will also actively communicate with the headquarters of the agency, companies in various countries, and business department employees from time to time, and conduct in-depth visits to the front line to check whether there are any violations of the Company's relevant rules and regulations.

In order to open up internal and external communication and feedback channels and continue to improve the joint force of supervision, in 2022, on the basis of the existing reporting and complaint methods such as telephone calls, internal emails, and public mailboxes, we have added communication and feedback channels on the Dingtalk and WeChat platform. We have established supervision and reporting channels in three languages (English, Chinese, and Arabic) on the Company's website; developed and applied the audit and supervision digital employee "Shen Chaoyang", and won the trust of employees with rapid response and humanized communication; in addition, we have established a comprehensive audit and supervision system fully mobilizes the strength of the audit and supervision team to comprehensively protect Anton's homeland through collective efforts.

In each session of Lions Training Camp (the Company's intensive training course for middle-level managers), we will also carry out relevant case sharing and publicity for all middle-level managers to enhance managers' awareness of responsibility and risk prevention. In the usual audit and supervision work, we will also collect external classic cases on anti-fraud, and push them to the special audit supervisors of each unit, who will organize all employees of the unit to learn and share, and maintain a high alert on anti-corruption and honesty work at all times. To achieve continuous self-inspection and improvement. In 2022, we carried out sharing or reminders of 35 cases for 24 times through special meetings, online pushes on the work platform, and speeches at weekly meetings.

During the implementation of the internal audit project, we organize special meetings to focus on the problems found in the operation or management system, including audit findings, self-inspection of each unit, system control reminders, management designation, etc., and supervision reminder. We conduct in-depth analysis and timely summary to promote problem resolution and rectification, project improvement, and realization of positive interaction between internal audit work and business activities.

Customer Assets and Privacy Protection

Anton pays attention to the protection of customer assets, and strictly guards the privacy and confidential information of customers involved in the business process. We believe that these data and information are important assets of customers, which may come from face-to-face communication with customers, email exchanges or other online channels. We take all possible measures to protect customer information and materials obtained from online channels, and severely punish leaks that occur during communication with customers.

Anton has formulated the *Anton Confidentiality Management Measures*, and divides information related to confidentiality into three levels: "top secret", "confidential" and "secret". These data include company business secrets, and different management regulations and informed rights are set for each level of confidential information. Detailed management regulations have been set for the use, transfer, disclosure and storage of this information.

Anton attaches great importance to the protection of information security and respects the privacy of employees and third parties. Our employees need to sign a legally effective information confidentiality agreement before joining the Company, receive information security training provided by Anton, and conduct information security self-examination every quarter after joining the Company to strengthen their understanding and information security protection. We also use the information network platform to carry out information security training to educate employees on how to identify phishing emails and false and fraudulent information, how to prevent information leakage, and prevent hackers from attacking computers.

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.



Environment



Anton's vision is to become a model for highly-efficient and harmonious development between mankind and the environment. To address the global climate change, we initiated our GHG emission reduction target:



*GHG emission compared with the base year—2019

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SDGs :



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

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

The Company has conscientiously implemented the requirements of the *Law on Environmental Protection of the People's Republic of China*, the *Law on Energy Conservation of the People's Republic of China*, the *Law on Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*, and other applicable laws and regulations. Based on stakeholder communication, the Company's management has formulated our environmental policy, which was reviewed by the Group's ESG 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. We formulate and implement environmental policies such as the *Greenhouse Gas Emissions Management Measures* internally. This policy explains the Company's environmental objectives, management system, environmental protection awareness building and industry challenges, as well as waste management, environmental quality monitoring and other aspects.

We are continuously improving our internal environmental management policy system. Our environmental management system assigns responsibilities to each functional department, product department, sales area, subsidiary, and joint venture. It ensures that employees comply with our environmental policy, rewards outstanding performance, and punishes employees who violate our environmental policy. Our internal control team is responsible for overseeing the implementation of the policy for each functional department, product division, sales area, subsidiary, and joint venture and reports directly to the Chairman of the Board. The Company incorporates the environment into the employee assessment system, rewards those who perform well, and punishes those who violate environmental policies and cause bad consequences.

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 input, select environmentally-friendly processes with a low energy profile, adopt predominantly-clean and green engineering plans, strictly cap pollutant discharge during the engineering process, and properly dispose of 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 or regulations.

MATERIAL ENVIRONMENTAL ISSUES MITIGATION

We apply the precision engineering technology of reservoir geological research to the whole process of drilling, well completion and oil recovery, and use the real-time surface data collected from reservoir research to carry out more accurate engineering design and more efficient development of customers' oilfield assets. Reduce the number of oil wells and the number of drilling and fracturing required for oil and gas production, maximize development efficiency, and help customers reduce the environmental impact of operations.

In 2022, after being adopted in the Southwest shale gas region, the strategy of "precision engineering technology" was implemented with excellent results in tight sandstone gas reservoirs in North China. We have completed the geological engineering of three wells on the DX-PXX platform through advanced drilling and completion fracturing technologies such as optimizing the mud drilling fluid system, fine geosteering, real-time iteration of fracturing, wide-area electromagnetic method, knot temporary plugging, and nano-waterproof locks. Integrated risk general contracting service, enabled a test output of 198,000 cubic meters per day, the highest record in that region, which was 7.6 times higher than that of adjacent wells in the same block.

In order to ensure the safe, efficient and scientific operation of the underground gas storage group, it is necessary to carry out continuous dynamic, all-round and three-dimensional monitoring of the injection-production profile, wellbore integrity, pressure field, fluid field, and fluid components. Anton's permanent optical fiber monitoring can realize the complete records of the gas injection, gas production and wellbore integrity of gas storage wells through uninterrupted data collection and analysis. The application of big data ensures the continuity and integrity of reservoir data. This improves the injection-production ratio, and at the same time reduces the consumption of diesel fuel for the round trip of the logging truck and reduces power consumption.

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DX-PXX platform fracturing construction site



DX-PXX well post-compaction ignition and blowout

We try to avoid negative impacts on ecosystems or biodiversity from our business activities, and at the same time suggest positive actions to our customers to reduce environmental impact and protect biodiversity. We have formulated the *Environmental Protection Management Procedures*. We strictly follow this procedure in all businesses. It is required to strictly identify the ecological environment, protect biodiversity, and prohibit operations in environmentally sensitive areas. These areas include sandstorm sources, oases in ecologically sensitive and vulnerable areas such as aquatic areas, rare animal and plant habitats or special ecosystems, natural forests, tropical rain forests, mangroves, coral reefs, fish and shrimp spawning grounds, important wetlands, and natural fisheries.

We adopt real-time dynamic monitoring technology and hire professional companies to monitor the real-time dynamic environment of the work site. In Iraq, we set up 35 monitoring stations and installed about 15 absorbers and diffusers in the communities surrounding the oil field, and other concentrations. For underground wells, we regularly collect and analyze soil and water samples to ensure that environmental standards are met during waste disposal. In order to protect a fragile wetland near the operation site, we hired a professional company to monitor the ecological impact of oilfield operations.

ENHANCEMENT OF RESOURCE EFFICIENCY

We always comply with laws and regulations, such as the *Energy Conservation Law of the People's Republic of China* and the *Beijing Municipality Water Conservation Measures*, as well as local energy conservation guidelines in the countries and regions where we operate. We are committed to applying advanced technology to improve the efficiency of resource use in operation.

Energy Savings and Resource Consumption Reduction

We reduce resource consumption by improving operational efficiency. Since 2018, our oilfield management team has successfully transformed the operation system of a large oilfield in southern Iraq, helping the client reduce non-productive time (NPT) by about 60%, and greatly reducing unnecessary resource consumption.

In terms of saving electricity, we have taken a number of measures. We publicize the concept of energy saving to our employees, and our management team checks each operation site every day to promptly remind us of possible waste of electricity. At the same time, we implemented an electric efficiency plan to replace diesel engine equipment with electric equipment to save energy and reduce emissions.

In 2022, the Company's energy consumption was controlled within the set target of 141,300 MWh, and the energy consumption per unit revenue was controlled at 36 MWh/RMB million. On this basis, according to business development, we have set an energy use target of no more than 175,000 MWh in 2023, energy consumption per unit revenue of no more than 35 MWh/RMB million, and the greenhouse gas emissions per unit revenue of no more than 13.0 tons/RMB million.

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Our objectives and progresses

Objectives	Objectives in 2022	Progress in 2022	Objectives in 2023
GHG emission per revenue (ton CO ₂ e/RMB million)	Down 3%	Down 0.3%	Down 3%
Energy consumption per revenue (MWH/RMB million)	Down 4%	Down 4.6%	Down 4%

In 2022, road driving consumption accounted for 8.2% of diesel consumption, and the remaining 91.8% were operating oil. The Company's energy consumption per unit of revenue is 35.6 MWh/RMB million. Compared with 2021, the energy consumption per unit of revenue has dropped by 4.6%.

Years	2020	2021	2022
Disel consumption (MWH)	108,662.4	66,971.2	72,251.8
Disel consumption per revenue (MWH/RMB million)	35.2	22.9	20.6
Gasoline consumption (MWH)	4,682.9	5,169.0	5,018.4
Gasoline consumption per revenue (MWH/RMB million)	1.5	1.8	1.4
Power consumption (MWH)	19,053.4	24,747.8	33,805.4
Power consumption per revenue (MWH/RMB million)	6.2	8.5	9.6
Natural gas consumption (MWH)	0	12,210.2	12,855.3
Natural gas consumption per revenue (MWH/RMB million)	0	4.2	3.7
Total energy consumption (MWH)	132,279.0	109,098.2	124,973.2
Energy consumption per revenue (MWH/RMB million)	42.8	37.3	35.6

Water Conservation

We are committed to continuously reducing water consumption and improving water efficiency in various ways, including the use of water-saving technology, wastewater recycling processes, and improved project operations and management. Our water sources are mainly surface water, groundwater, and the municipal water supply. Our main water consumption for project operation is mainly from the needs in drilling, workover and pressure pumping services. We have not experienced any water shortages.

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Our water conservation objective and progress

Objective	2022 objective	2022 progress	2023 objective
Water used per revenue (thousand cubic meter/ RMB million)	0.12	0.14	0.14

The medium and long-term goal in terms of our water resources is to reduce the use of fresh water and increase the reuse rate of water. In order to achieve the goal of saving water, the Company continues to standardize the process management of water resource consumption statistics, analysis, and improvement. In our fracturing pumping business, which consumes the most water, we introduced new materials to reduce fresh water consumption. These new materials can reuse the flowback fluid for other activities, and the reuse volume of the flowback fluid increased from 19,000 cubic meters in 2021 to 83.6 thousand cubic meters in 2022, accounting for 8.5% of water intake. The disposal and utilization technology of fracturing flowback fluid plays a positive role in reducing the consumption of fresh water.

We have also set strict budgets for water consumption in different businesses, installed water-saving equipment at well sites and bases, and erected "water saving" signs in offices, bases, factory areas and well sites. We encourage our operations teams to develop creative ideas to reduce water use by installing water-saving devices, recycling water, or improving construction design, and we ask employees to conserve water at work and at home, and encourage family and friends to conserve water.

In 2022, the Company consumed a total of 483.91 thousand cubic meters of water, and the water use per RMB million was 0.14 thousand cubic meters, exceeding the original target, which was mainly due to the change of the Company's service model, the Company acted as the general contractor instead of as the sub-contractor in 2021, and was responsible for the supply of diesel, water and fracturing materials for the entire project.

Years	2020	2021	2022
Water used (thousand cubic meter)	294.5	364.2	483.9
Water used per revenue (thousand cubic meter/ RMB million)	0.10	0.12	0.14

Raw Materials

Our raw materials include barite, sand, proppant, cement, and bentonite. (Our products and services do not include packaging). Our consumption of raw materials varies across different services. For example, compared against our oilfield management, inspection, and rental business, our pressure pumping services and drilling fluid services use more raw materials. Through technology innovations, we endeavor to reduce raw material consumption on a per operation basis when compared to conventional approaches.

CLIMATE RESPONSE

We practice the corporate vision of 「becoming a model of efficient and harmonious development between the mankind and the environment」, fully respond to the call for 「2030 Carbon Peaking and 2060 Carbon Neutrality」, and take timely responses by identifying risks and opportunities brought about by climate change Measures to adapt to or mitigate the impact of climate change on our business.

Climate Change Governance

The Company attaches great importance to the risks and opportunities related to climate change. We incorporate climate change risks into the comprehensive risk management system, identify and evaluate climate risks and opportunities in combination with our own business segments, and formulate relevant response policies to slow down or avoid the impact of climate change on our business.

- The Company's board of directors and CEO jointly participate in the decision-making of identifying climate-related risks and opportunities, formulate relevant management indicators and mechanisms, and supervise and guide the implementation of the work.
- Based on the identification of climate-related risks and opportunities, the CEO establishes a strategic framework, and conducts daily supervision and reporting on specific management work and the progress of target implementation.
- The ESG Office is responsible for the daily management of climate-related work, and contacts and coordinates with the relevant heads of various departments and business units to promote the implementation of the identification and information disclosure of climate-related risks and opportunities.

Climate Change Strategy

We pay close attention to changes in policies, laws, technologies and markets related to the transformation of the global and China's low-carbon economy, carry out special research for many years, and incorporate climate change into the Company's strategic planning and management practices. The management level of the Company continues to strengthen carbon emission management and carbon risk management, improve the carbon emission control system, develop low-carbon industries, improve the supply of clean energy, and actively participate in the global oil and gas industry's cooperation in addressing climate change.

Risk identification and management of Climate Change Risk

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

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



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



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

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Major Climate-related Risks and Countermeasures:

Risk Category	Risk Description	Risk Description	Response
Physical Risks	Acute Risks: Extreme weather, such as strong winds and heavy rain	<ul style="list-style-type: none"> * Damage to engineering sites, office buildings, and equipment, resulting in property losses; • Impact on normal operations due to damaged equipment, inability of employees to work normally; • Impact on production from supply chain disruptions. 	<ul style="list-style-type: none"> • Closely monitor and regularly update climate-related data, and issue timely warnings; • Develop emergency response plans against natural disasters and continuously improve the preparedness against natural disasters; • Identify potential at-risk assets and purchase necessary insurance.
	Chronic Risks: Persistent heat, drought, etc.	<ul style="list-style-type: none"> • Rising temperatures require more cooling equipment, increasing energy consumption and operational costs; • Employees may not be able to work outdoors for long periods of time during the hot season, resulting in lower operational efficiency; • Intensified water supply constraints in water-scarce areas. 	<ul style="list-style-type: none"> • Apply more energy-efficient cooling equipment; • Meticulously organize production activities; improve operational efficiency.
Transition Risks	Policy and Legal Risks	Stricter government regulation on environmental and safety concerns to mitigate climate change, leading to increased operational compliance efforts; compliance with these new regulations and norms will increase compliance costs.	<ul style="list-style-type: none"> • Closely monitor changes in laws, regulations, and policies on the environment and carbon trading, and respond in a timely manner; • Strictly abide by applicable laws and regulations and actively participate in standard setting; • Improve our risk management for low - carbon development, safety and environmental protection.
	Technology Risks	Failure to identify and apply low-carbon technologies in time, resulting in lagging our peers in the low-carbon transition and undermining the efficacy of the low-carbon transition.	<ul style="list-style-type: none"> • Increase share of renewable energy projects and actively pursue industry cooperation; • Increase investment in technology innovation, vigorously develop low - carbon and energy-saving technologies; enhance capacity for research and development of new/proprietary technologies and equipment; set up a specialized renewable arm.

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Risk Category		Risk Description	Response
	Market Risks	<ul style="list-style-type: none"> Rising raw material and energy costs, concerns about climate change, and declining demand for fossil fuels; Public may drive market towards low-carbon products and services, thereby influencing the demand for fossil fuels. 	<ul style="list-style-type: none"> Build an energy information platform to monitor and analyze energy use and improve energy control capabilities; Increase market development efforts and increase the share of external markets.
	Reputational Risks	Green transition has become a global trend and a low-carbon profile has become an important measure of influence for energy companies and a focus of stakeholders. Poor performance on climate change and sustainability will lead to negative stakeholder feedback and reputational damage to our brand.	<ul style="list-style-type: none"> Actively conduct stakeholder engagement, identify important topics, and formulate response actions; Actively and steadily promote the green and low-carbon transition, improve sustainability, and actively respond to climate change; Improve the quality and transparency of ESG disclosures and respond to stakeholders' concerns.

Climate Change-related Opportunities:

Opportunity	Response
Resource Efficiency	<ul style="list-style-type: none"> Demand for more energy-efficient equipment and low-carbon technologies; Policy incentives for green transition
Products and Services	<ul style="list-style-type: none"> Adoption and promotion of green and low-carbon products; Integrated climate change response solutions for the industry
Market	<ul style="list-style-type: none"> Huge market demand for green energy development; Expansion to global markets
Resilience	<ul style="list-style-type: none"> Ability to aggregate resources; Identification of alternative energy and energy diversification solutions; Participation in renewable energy projects

Climate Change-related Actions

As a technology-leading oilfield technical service company, we are committed to helping customers reduce greenhouse gas emissions in the process of resource development through technology application, and at the same time, reduce our own greenhouse gas emissions through technological transformation and strict operation management.

Conduct green business

Many markets around the world that we serve, including the Chinese market, have put forward clear targets for reducing greenhouse gas emissions, and we have therefore seen the general trend of further optimizing energy structure, energy conservation and emission reduction in China in the coming years. In order to keep up with the general trend of industrial restructuring, we have launched special low-carbon energy and new energy solutions, as well as smart oil and gas field solutions. Solutions, dedicated to helping customers realize the digitalization and low-carbon development of oil and gas fields. The low-carbon and new energy solutions provided by the Company include: natural gas recovery, carbon capture recovery and storage, geothermal resource development and utilization, low-carbon business consulting and carbon asset management; smart oil and gas field solutions include: intelligent industrial park management integrated solutions, smart security, smart environmental protection, smart emergency management, smart fire protection, smart logistics, comprehensive operation management of smart industrial parks, and command centers. The Company actively seeks opportunities in low-carbon and new energy markets.

We provide customers with technical solutions for the development of clean energy, actively promote technological iteration, and help the industry's green transformation. About 80% of our projects in China are natural gas development related services, including ultra-deep gas wells in Xinjiang, tight gas in the Ordos Basin and shale gas in Sichuan. In Kazakhstan, Indonesia and other overseas markets, we provide technologies that help customers maximize natural gas production from extremely low-permeability reservoirs.

We actively promote precision engineering technology and other industry-leading technical services to customers to help them improve efficiency and reduce emissions. Through our technical solutions, we have helped customers reduce greenhouse gas emissions by 54,421.42 tons of carbon dioxide equivalent.

In 2022, we help customers reduce emissions in some cases:

- We promoted the application of high-speed drilling technology in 43 wells in China, helping customers shorten the drilling cycle by 174.1 days and reduce greenhouse gas emissions by 4,388.0 tons of carbon dioxide equivalent;
- We improved the recovery and recycling of oil-based mud through technology in Southwest China, Xinjiang and other markets, reduce the use of raw materials such as diesel oil required for new mud preparation, and reduce the emissions required for transportation by a total of about 7,577.8 tons of carbon dioxide equivalent;
- In the Halfaya Oilfield in Iraq and the Chad market in West Africa, etc., we helped customers reduce emissions by optimizing the trajectory design of directional wells, improving construction efficiency, and shortening the construction period;
- By providing customers with accurate drilling tool testing and high-quality repair and maintenance services, we can extend the service life of customers' drilling tools and reduce carbon emissions caused by the production of new drilling tools.

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In addition, the Company established a new energy subsidiary, strengthened the research and application of CCUS technology, and carried out special development of the CCUS business.

Promote the use of clean energy	Increase the implementation of grid power drilling, grid power fracturing, grid power workover, gas power, solar energy and other clean energy projects, and replace high energy consumption and high emission equipment and facilities.
Application of low energy consumption technology	Continue to promote energy-saving technologies such as oil-to-gas, oil-to-electricity, and waste heat and pressure recovery; purchase and use new energy-saving devices such as dual-fuel engines, energy-saving frequency conversion motors, electric fracturing skids, and dynamic non-power compensation.
Continuous innovation and iteration of technology to improve the efficiency of resource development	Promote the application of technologies such as real-time iterative fracturing technology, wide-area electromagnetic method, and integrated general contracting of geological engineering.
Enhancement of employees' awareness of environmental protection in their work and life	Guide employees to work green and save money by distributing and posting proposals and energy-saving reminder cards; publicize and train low-carbon concepts, and call on employees to participate in green and low-carbon activities; advocate green travel for employees, and use public transportations for traveling.
CCUS technology	Carbon dioxide huff and puff flooding, carbon dioxide fracturing technology.

7 of 13 drilling fleet of the Company have realized the transformation and application of grid power equipment. The picture above is the use of grid power drilling on the Yang XXHXX platform of Sichuan Shale Gas Exploration.



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No.4 Coiled Tubing Team of Xinjiang Business Department drilled and ground bridge plugs in Well AHHW2xx and installed solar outdoor lights on site.



The drilling rig of the Tarim Business Department was transformed into a dual-fuel engine.

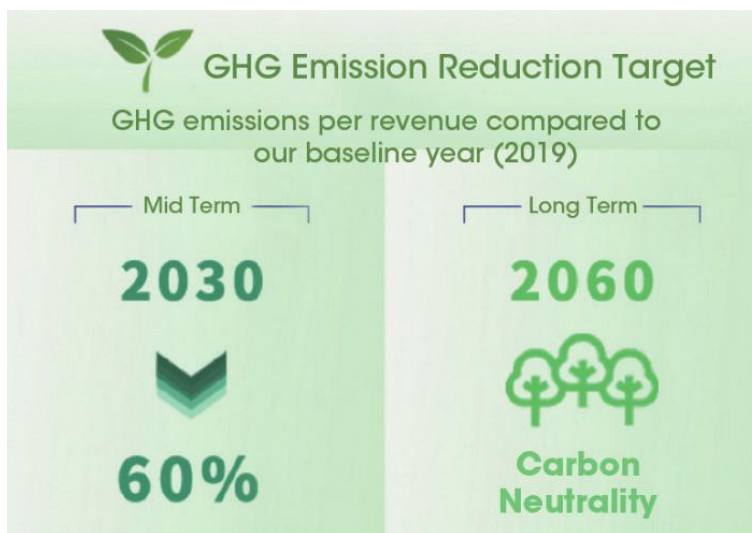
Reduce our own emission

In order to achieve the medium and long-term emission reduction goals, we continue to deepen and promote the "Energy Efficiency Improvement" plan and implement it in all the business locations of the Group. The "Efficiency Improvement Plan" includes the vigorous promotion of clean energy, the application of low-energy consumption technologies, the continuous innovation and iteration of existing industry technologies, the improvement of resource development efficiency, and the enhancement of employees' awareness of environmental protection in their work and life. In 2022, the Company implemented 27 measures in the "Energy Efficiency Improvement Plan", saving a total of 24,782.40 tons of standard coal, which means reducing greenhouse gas emissions by 49,225.39 tons of carbon dioxide equivalent.

We continue to improve employees' awareness of greenhouse gas emissions, call on employees to take more environmentally friendly actions in their daily lives, and advocate green travel for employees. We continue to implement the "shared office plan" in the global business scope, and realize real-time communication in the global business scope through the online platform, which greatly reduced the transportation costs required by employees in different business regions to attend meetings, and is more efficient and environmentally friendly. At the same time, we also carry out "asynchronous communication" to improve the flexibility of employees' work. Through various information platforms and means, we have achieved the improvement of management efficiency and work efficiency, and at the same time promoted new working methods that are more energy-saving and emission-saving.

Climate change goals and indicators

Using our 2019 emission levels as the baseline, we aim to achieve a 60% reduction of unit GHG emission per revenue (ton CO₂e/RMB million) by 2030, and to become carbon neutral by 2060.



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GHG emissions in the recent three years:

Indicators	2020	2021	2022
Scope 1 GHG emissions (tons of CO ₂ e)	30,235.9	21,688.0	23,405.0
Scope 1 GHG emissions per revenue (tons of CO ₂ e/RMB million)	9.8	7.4	6.7
Scope 2 GHG emissions (tons of CO ₂ e)	12,299.3	17,612.3	23,692.1
Scope 2 GHG emissions per revenue (tons of CO ₂ e/RMB million)	4.0	6.0	6.7
Scope 1 and Scope 2 in total (tons of CO ₂ e)	42,535.3	39,300.3	47,097.1
GHG emission (S1+S2) per revenue (CO ₂ e/RMB million)	13.8	13.5	13.4

* The Scope 1 emissions increased because the Company's fracturing business in China started to use our own diesel instead of provided by customers in 2022. The Scope 2 emissions increased because the Company continued to implement the "Energy Efficiency Improvement" plan, switched 7 rigs from diesel-driven to electricity-driven.

2022 GHG emissions by different type

Indicators	CO ₂	CH ₄	NO ₂	In total
Scope 1 emissions (CO ₂ e)	23,331.86	27.57	45.55	23,404.98
Scope 2 emissions (CO ₂ e)	23,692.12	/	/	23,692.12
In total (CO ₂ e)	47,023.98	27.57	45.55	47,097.10

The emission of CH₄ accounts for 0.118% of total Scope 1 emission.

* Greenhouse gas emissions are calculated with the reference of *Greenhouse Gas Accounting System - Corporate Accounting and Reporting Standards* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the Intergovernmental Panel on Climate Change (IPCC), the *Fifth Assessment Report 2013* and *Guidelines for Calculation and Reporting of Greenhouse Gas Emissions of Enterprises in Other Industries (Trial)*. The greenhouse gas emission factor of the power part is selected according to the Ministry of Ecology and Environment's *2017 Emission Reduction Project China Regional Power Grid Baseline*, the electricity emission factor for overseas regions is selected from the *EIB Project Carbon Footprint Methodologies* promulgated by the European Investment Bank; in 2022, the Group disclosed the greenhouse gas emissions of scope 1 and scope 2 respectively; GHG emissions per revenue are calculated by dividing GHG emissions with revenue.

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POLLUTANT MANAGEMENT

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 goal of reduce hazardous pollutant by 1% per revenue in 2023 and promote the continuous reduction of major pollutant emissions to meet the mandatory national performance metrics.

We attach great importance to the regulation of pollutants and strictly abide by the *Law on Water Pollution Prevention and Control of the People's Republic of China*, the *Law on Air Pollution Prevention and Control of the People's Republic of China*, the *Law on Solid Waste Pollution Prevention and Control of the People's Republic of China*, and *Regulations on the Administration of Pollutant Discharge Permits*, among other laws and regulations. We enforced the *Integrated Wastewater Discharge Standards*, *Emission Standards for Air Pollutants*, and *Emission Standards of Air Pollutants for the Onshore Oil and Gas Extraction Industry*, along with other national and industry pollutant emission standards; developed internal policies such as *Environmental Protection Management Measures*, *Energy and Water Conservation Management Measures*, and *Pollution Prevention and Control Management Measures*; defined the requirements, responsibilities, processes, and scope of clean production; strengthened process management; and regularly reviewed the enforcement of environmental policies and systems on the front line by means of HSE management system audits, HSE inspections, and special environmental audits, etc.

Air Pollution

We mainly provide services such as drilling and production stimulation for oilfield companies around the world. The main equipment and facilities are fuel-powered, and the main air pollutants are CH₄, nitrogen oxides (NO_x) and sulfur oxides (SO_x).

Types	2021	2022
CH ₄ direct emissions (ton)	0.91	0.98
NO _x direct emissions (ton)	0.16	0.17
SO _x direct emissions (ton)	0.128	0.142

Total sulfide emission: 0.142 ton (in 2022, the Group consumed 6,517,281.42kg of gasoline and diesel, and the sulfide emission was 0.065 tons; in 2022, the Group consumed 1,285,528m³ of Class 1 natural gas (Class 1 natural gas≤60mg/m³), and the sulfide emission was 0.077 ton.)

Note: The sulfur content of national five and six gasoline and diesel standards is controlled within 10mg/kg (0.001%).

Particulate matter is mainly dust generated by traffic and construction sites. The group company has taken measures such as hardening the construction well site, increasing the frequency of watering, replacing grid power, and purchasing new National 6 standard vehicles to effectively reduce dust and exhaust emissions. The Company actively promotes the replacement of operating power, and the operating power is gradually updated to electric drive. In 2022, in total 15 new vehicles with national 6 emission standards were purchased, and 30 vehicles with national 6 emission standards were leased, and 5 vehicles that were fuel-powered had been changed to gas-powered to reduce the emission of air pollutants.



Xinjiang Business Department changed five duty vehicles to natural gas-powered vehicles in Xinjiang

Wastewater Treatment

We faithfully enforced the standards and norms related to wastewater discharge. At job sites, our engineering teams at all levels took precautions against seepage, overflow, and leakage and further strengthened the centralized treatment of industrial and domestic wastewater.

In downhole operations, we actively promoted the process of wastewater washing and enabled the recycling and appropriate disposal of all drilling, fracking, and operations wastewater. In 2022, we safely disposed of 138,600 m³ of wastewater and recycled and reused 83,600 m³.



Clean water skid was repaired in CPF station area of Oasis Oilfield Operation Project Department of Central and Northern Iraq Business Department, and pipeline sewage recycling did not pollute the land.



Xinjiang Business Department Tuha Minor Repair Team 108 pierced the original well tubing in Shenxx Well, and laid impervious cloth and cofferdam on the ground to ensure that the sewage did not fall on the ground.

Solid Waste Disposal

We strictly follow the *Law on Solid Waste Pollution Prevention and Control of the People's Republic of China* and the *Standard for Pollution Control on Hazardous Waste Storage*, among other laws and regulations. We developed internal processes such as the *Solid Waste Treatment and Disposal Procedures*. We adhered to the principles of waste reduction at the source, waste-to-resource conversion, and harmless treatment.

The Company strictly implements waste classification management for domestic waste, general industrial solid waste and hazardous waste, increases the comprehensive utilization and disposal facilities construction of oily waste and other solid waste, regulates the introduction of third-party institutions to carry out solid waste disposal and utilization, and ensures solid waste disposal in the whole process to comply with laws and regulations. We implement clean production technology, reduce the use of oil-based mud through layered drilling, promote drilling mud disposal technology while drilling and downhole oil removal technology, implement clean production measures such as surface box workover operations, and greatly reduce solid waste, especially hazardous waste. The amount of waste generated. We actively promote the resource utilization of general solid waste, and hire qualified enterprises to recycle various solid waste.

Our target is 100% legal and compliant disposal of solid waste.

In 2022, we disposed 2,668.9 tons of domestic waste, 372.2 tons of general solid waste, and 3,041.1 tons of non-hazardous waste in total, adopted recovery, recycling, and resale for different types of waste. We are committed to improving the performance of non-hazardous waste management in a sustainable manner, with a 100% compliance rate for domestic waste and general solid waste disposal.



The mud operation team of West Africa Company recycled the material bag to realize resource recycling.

Hazardous Waste Disposal

The Company strictly implements national standards such as *Technical Specifications for Hazardous Waste Identification* and *Standards for Pollution Control of Hazardous Waste Storage*, and conducts full-process monitoring and scientific management of hazardous waste treatment and chemical management.

For chemical management, we provide transparent disclosure through Material Safety Data Sheets (MSDS), which provide customers and regulators with detailed information on the type, composition and properties of chemicals used in oil wells. At the same time, we implement a point-to-point management process for all chemicals used. Any material entering the well will be accurately tracked, and the flowback fluid will be recycled through a dedicated pipeline, or enter the chemical plant for further cleaning.

For the disposal of hazardous waste, the Company has set up temporary storage points for hazardous waste that meet relevant requirements, and recycles and disposes of hazardous waste disposed of by external entrusting parties, and disposes of hazardous waste in accordance with laws and regulations. We established a list of hazardous waste, strengthened the standardized management of transshipment, storage, classification and other links, and realized the fine management and monitoring of the whole process of general industrial solid waste and hazardous waste.

Hazardous waste generated during the operation of the Company mainly includes waste engine oil, oily garbage, chemical tanks, mud and drilling cuttings. In 2022, a total of 3,041.1 tons of non-hazardous waste was generated, or 0.9 tons per million RMB of revenue; 35,711.0 tons of hazardous waste or 10.2 tons/per RMB million, of which 8,215.0 tons (oil-based mud) were recycled and reused, with a recycling rate of 23.0%, and the rest were hauled by environmental protection treatment companies, achieving a 100% compliance rate of hazardous waste disposal. Hazardous waste includes 34.7 tons of waste engine oil, 18.5 tons of oily garbage, 42.4 tons of chemical barrels, 8,803.0 tons of mud and 26,812.4 tons of drilling cuttings.

Years	General industrial solid waste		hazardous waste	
	In total (ton)	Recycled (ton)	In total (ton)	Recycled (ton)
2021	150.5	16.2	34,743.6	7,342.0
2022	372.2	66.0	35,711.0	8,215.0

In addition, the Company has continuously strengthened the management of waste leakage: in view of the environmental protection risks of diesel oil used in construction operations, the Company has signed refueling contracts with local gas stations to avoid the risk of road traffic leakage in refined oil transportation. For the cuttings produced by drilling, the Company complies with the supervision and inspection of the local environmental protection department, signs a transportation agreement with an environmental protection company with compliant operation qualifications, and monitors the vehicles through GPS, video photography and other means to ensure 100% compliance of waste disposal.

Society

Taking "Employee happiness. Society progress and Shareholder return" as our operating philosophy, we collaborate with our stakeholders, empower each other and develop together.





QUALITY, HEALTH, SAFETY, AND ENVIRONMENT (QHSE) MANAGEMENT

“QHSE comes first at Anton,” has remained a long-term value of ours. We have established a mature and complete QHSE management system in accordance with the International Oil and Gas Producers’ Association (IOGP) guidelines, our QHSE vision of, “maintaining zero injuries, zero pollution, zero complaints, and zero losses.”

In our QHSE management system, we identify material risks according to their materiality and likelihood, divide them into different levels, and manage them through risk matrix LS analysis and operating condition hazard analysis LEC etc.. 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.

Anton QHSE Commitment

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 contract employees, at all times and in all circumstances;
4. To promote clean production that minimizes 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 action.

We require all our employees, contractors, and suppliers to share and fulfill these commitments. We stress management’s role in QHSE, so that employees 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 part of firmwide culture.

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 the People’s Republic of China*, the *Product Quality Law of the People’s Republic of China*, the *Standardized Law of the People’s Republic of China*, the *Regulation on the Execution of Standardized Law of the People’s Republic of China*, as well as other relevant laws, regulations, technical standards, and regulatory requirements on project quality where we operate.

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 employee evaluation system, job competency is a very important metric. 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 refresh assessments to ensure our employees can perform their jobs competently, thus improving our overall service excellence.

SOCIAL

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

No.	Certifications
1	API Q1, API Q2, API 14A, API 11B, API Spec11D1, API 5CT, API 7-1
2	ISO 9001:2015, ISO 14001:2015, ISO 45001:2018

We conduct a customer satisfaction survey every month. In it, we ask our customers' senior executives and employees to evaluate our products and services in various dimensions such as service culture, QHSE management, engineering quality, and product quality. We set customer satisfaction targets every year and make our complaint line accessible to our customers.

In 2022, the Group carried out a total of 5,205 customer satisfaction evaluations, with a customer satisfaction rate of 99.2% throughout the year, and received 86 letters of commendation from customers. There were also 9 customer complaints, basically related to on-site construction progress and resource organization. In response to customer complaints, the Group raised the management and control level of matters that the on-site project department could not promote, set up a special rectification team, took targeted rectification measures, and reported the Company's rectification measures and effects to customers after the incident rectification was completed, gaining customer understanding and support.

Health

We attach great importance to our employees' health. "Healthy" is one of our six human capital objectives, and we rate our employees' health along five tiers (in a descending order) as follows: excellent, good, pass, improvement needed, and fail. We have established specific standards to define each tier. All employees are expected to be in good or excellent health, both physically and mentally. For this purpose, we have prescribed detailed policies and management steps, and we have organized diverse and engaging activities to promote health.

Occupational health management

We abide by the *Law on the Prevention and Control of Occupational Illnesses of the People's Republic of China*, the *Professional Health Instructions for Vibrations Protection* in Iraq, and another 23 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. Our human resources department collects, analyzes, and archives the yearly physical examination results and advises employees of potential occupational hazards before they report to their positions. Employees with occupational contraindications and occupational illnesses, and pregnant employees will be transferred in a timely manner out of hazard-prone positions. At the same time, mandatory occupational health education, training, and practices are set to familiarize employees with potential occupational hazards and illness exposures in their jobs; this also provides employees with appropriate preventive measures and correct operating procedures.

In 2022, we have completed the declaration of 18 hazard projects involving occupational hazard factors, entrusted independent technical service agencies to conduct hazard factor detection and occupational hazard status evaluation for 601 occupational hazard sites, and set up bulletin boards and warning signs in eye-catching positions, to announce the types of occupational disease hazards that the site may be exposed to, hazard characteristics, reminders of personal protection requirements, test results, and emergency rescue measures in the event of occupational disease hazards. Equipped with testing devices when necessary, such as dust concentration monitoring, toxic gas monitoring, noise monitoring, etc., regularly calibrated, and equipped with different protective equipment and occupational protective facilities according to the characteristics of occupational hazards. The occupational health check-up rate of 2,555 victims throughout the year reached 100%. People with abnormal physical examinations were tracked and managed, and the health checks of key groups were scientifically and accurately completed. At the same time, as a global company, Anton attaches great importance to the health of its expatriate employees, and requires employees stationed in high-risk areas of the pandemic to undergo comprehensive health examinations and vaccinations in advance, and purchase statutory infectious disease insurance for employees.

Our occupational health management system is certified by ISO 45001:2018 and SY/T6276-2014.



Anton attaches great importance to providing a health working condition for our employees. The QHSE department performs annual hazard mapping in general production; places visible occupational hazards signs, hazard profiles, and personal protection requirements at the entrance to relevant job sites; 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.

Leave and Shifts

We care about our employees' work conditions. Our QHSE management system sets a clear definition for "fatigue state" and prohibits employees from working in such a 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.



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Occupational Health Training

We attach great importance to occupational health and safety training, effectively guarantee the coverage and effectiveness of employee training, improve the QHSE awareness and job competence of all employees, and meet the needs of the effective operation of the QHSE management system. We continue to innovate training methods. Through the "online + offline" method, with the help of the Anton College Network Training Center, accurate pushes are made according to employee training needs to ensure training effects and full coverage of training. In 2022, a total of 24 online and offline training sessions on safety laws and regulations and risk barrier thinking were carried out, covering all employees.

Our training case: carry out dual prevention mechanism training to improve the level of workplace safety

In order to further improve the safety risk identification and hidden danger investigation and management capabilities of all employees of the Company, build a safe defense line and keep the safety bottom line, the Company organized the training of dual prevention mechanism from May 18, 2022, and systematically publicized and explained the two working mechanisms of risk classification control and hidden trouble investigation and management. Following the requirements of documents such as the *Opinions of the Office of the State Council Safety Committee on Implementing the Guidelines for Containing Major Accidents and Establishing a Dual Prevention Mechanism*, all working units focused on "General Secretary Xi Jinping's important exposition on safety", "the working principles, principles and operation of the dual prevention mechanism" and corresponding responsibilities" and other aspects to carry out training layer by layer. Through the combination of explaining and answering questions and video case sharing, all employees got a deep understanding of the definitions, differences, and relationships of hazard sources, risks, and hidden dangers, which effectively improved the enthusiasm of all employees to actively participate in safety management. The optimization and construction of the control system has laid a solid foundation for the realization of independent safety management. A total of 5,100 of our employees participated in this training.

Mental Health

Anton also pays attention to the mental health of its employees. We have hired International SOS, the world's largest medical care, medical assistance and security service company, to provide Anton with 24-hour psychological counseling services. Employees can get safety advice and Psychological support, relieve mental stress at anytime. We also use the open network platform to carry out training and education on mental health courses, requiring all QHSE department personnel to master mental health knowledge, and actively communicate with the employees of the unit to ensure the mental health of employees.

Every year, Anton organizes a large number of team building activities, outdoor outing activities, and sports competitions to enhance team cohesion and enhance the physical fitness of employees. Anton encourages and appreciates activities that can promote the physical and mental health of 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 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 *Workplace Safety Law* and the *Workplace Safety Permit Provisions*. In 2022, we organized 11 safety overhauls at the Group level and required each business region to identify and close potential safety loopholes on a regular basis.

Anton qualifications in terms of safety:

- QHSE Passport: We issue a QHSE Passport to employees who have received QHSE and technical training and passed the associated exams. The Passport tracks all the training sessions 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 in his or her job.
- Safe Production Permit: Each of our operating fleets have passed the inspection of the Ministry of Emergency Management of the People’s Republic of China and obtained nationally-accredited workplace safety permits, which are subject to review and renewal every three years to ensure our operational and engineering activities comply with the latest national standards.



Anton 12 Life-saving Rules

ANTON 安东 安东救命规则 Anton Life-saving rules



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 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. Standard, 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 working sites.

Emergency Response Unit

First responder teams are equipped with first aid kits and have been set up in every office and frontline base. The teams have basic knowledge of first aid and can quickly respond to emergencies such as burn, bleeding, sprain, choking, and poisoning. The first responder teams are on call 24/7 to provide uncompromised assurance for the physical safety of our employees.



First-aid drills were carried out in the pilot repair project of CNPCIC business department of Chad project in West Africa.

Emergency Resolution Mechanism

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

SOS Assistance Service

Through International SOS, the largest international company offering healthcare, medical assistance, and safety services, 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. Employees can also access the International SOS website for online assistance services and the latest local SOS alerts. We have also purchased casualty insurance for our overseas employees.



Team AT-XJ7501 of Quarna No.2 Trial Repair and Increase Production Project Department of Southern Iraq Business Department carried out first aid drills.

SOCIAL

Prevention Training and Drills

Anton is committed to the injury prevention of employees and contractors, and has formulated the *Non-Conformity, Corrective and Preventive Measures Control Procedures*, which analyzes and learns from accidental injuries in the industry, requires all departments to formulate corrective and preventive measures, and encourages all Employees actively identify and report potential injury factors in the workplace, and the QHSE management department formulates preventive measures and organizes relevant learning. In 2022, various units of the Company organized 2,640 training sessions and 12,865 drills, and completed training and drills for 103,786 participants. The per capita training hours were 32.4 hours, and the total training hours were 54,290 hours.



On April 16, No.21 drilling fleet in Northwest China business area organized an anti-hydrogen sulfide drill

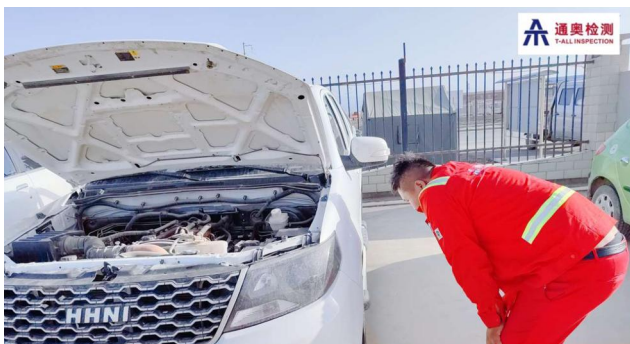
Food Safety

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 reactions. Our caterers must source food ingredients only from ISO9001-2000 certified suppliers with quality and safety marks, strictly check their shelf life, and must not purchase expired food.

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Driving Safety

To improve road traffic safety and fleet management, raise employees' awareness of traffic safety, and prevent traffic accidents, we have established *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 and shall 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, the use of safety belts, warnings against fatigue driving and night driving, and limits on maximum driving hours, etc.



Vehicle safety inspection before departure for pipeline inspection



Traffic safety training of Shanxi No.3 Fracturing Team

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 areas, for medical expenses beyond the reimbursement scope of China's national medical insurance scheme, and 90% reimbursement of such expenses will be made available to provide sufficient protection for the employees. In 2022, no employees were injured or killed due to terrorist attacks.



Anton's security team in Iraq Missan Oilfield

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Safety Figures

Health and Safety	Unit	2020	2021	2022
Fatalities (employee)	Absolute number	1	0	1
Total recordable case	Absolute number	16	15	19
Lost time injury incidents (lost time injuries+fatalities)	Absolute number	5	7	11
Total hours worked	Hours	12,899,393	13,970,602	16,642,860
Dats away from work	Days	229	192	188
Fatal accident rate	Per 100 million workhours	7.75	0	6.00
Traffic accident rate	Per million kilometers	0.20	0.54	0.15
Total recordable injury rate	Per million workhours	1.24	1.07	1.14
Lost time injury rate(LTIR)	Per million workhours	0.85	0.51	0.66
Lost time injury severity rate	Percentage	20.80	27.43	17.09

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 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 improvements.



Anton southwest drilling site viewed from Platform 205H1

EMPLOYEES AND HUMAN CAPITAL

As an oilfield services company, Anton treats people as the most important asset. We strictly abide by the *Labor Law and the Labor Contract Law of the People's Republic of China*, as well as applicable laws, regulations, and norms of the jurisdictions in which we operate. We continuously cultivate innovative talent to drive technological progress, training employees to provide best-in-class services to our customers with the highest ethical standards. We promote talent mobility across countries and regions. 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 the long run.

Protection of Employee Rights and Interests

Anton's cultural system is based on the common values of human society. We follow the values and universal principles and rules of the countries and regions in which we operate. Respect for human rights is one of our most fundamental values. We are committed to creating an equal and accessible work environment where all people are treated with mutual respect and dignity, and all people have equal opportunities to fully realize their value. We also actively use our influence to make a positive impact along our value chain; in our *Suppliers Code of Conduct*, we have made clear our expectations for respect for human rights, including labor rights.

We respect the major international human rights principles covered by the *Universal Declaration of Human Rights*, including the *International Bill of Human Rights*, the *International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work*, and the *UN Guiding Principles on Business and Human Rights*. We abide by all local, national and international laws and regulations on human rights and the relevant laws and regulations affecting the exercise of human rights, and strive to respect the laws and regulations of the host country while conducting business operations in accordance with this policy, so as to ensure that this policy and national laws are implemented. We formulate the *Human Resources Social Responsibility Policy* and guide employees to understand the policy through employee training and other means. We offer diverse and equal opportunities for employees, provide a safe and healthy workplace, prohibit the employment of child labor, forced labor and human trafficking, respect the rights of employees to join or form trade unions, and give guidance and confidential reporting channels for employees to protect their legitimate rights and interest.

We conduct recruitment and employment management in strict accordance with international human rights principles and local laws and regulations, and prohibit any form of child labor. During the recruitment process, we strictly review the identity information of applicants. When we find that applicants are underage, such employment will be strictly refused. We prohibit the use of any form of forced labor, including prison labor, bonded labor, any form of slave labor, and any form of human trafficking.



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We respect the right of our employees to join or form a trade union without fear of reprisal, intimidation or harassment. Where employees are members of a legally recognized union, we engage in a constructive dialogue with a union representative of their free choice when the union needs to communicate with the Company. In addition, all employees, regardless of whether they are union members or not, have equal rights to participate in the regular democratic review and feedback communication meetings organized by the Group to express their opinions on the Company or make suggestions.

We have established a complete, clear, and public Whistleblower Program, and disclosed the reporting channels and contact information on the Company's official website in English, Chinese, and Arabic used in the Company's main business location. If any employee wants to report suspected violations of this policy in a confidential manner, he/she can report through this reporting channel. It is our responsibility to protect the whistleblower. We promise to keep the information of the whistleblower strictly confidential and prohibit any form of retaliation or threat against the whistleblower.

Recruitment

Anton attracts, retains, trains, and develops talent and offers compensation and promotions based on individual skills, experience, work ethic, competency, and performance.

We continue to innovate recruitment methods, apply information tools to carry out recruitment presentations and interviews, reduce concentrated travel and gatherings during the pandemic, and improve recruitment efficiency while saving energy and reducing emissions. We continue to optimize the information on our website, provide a complete introduction to job opportunities in Chinese and English, concise and diversified resume delivery channels, and convenient job information display for job seekers in the global oil industry. In terms of recruiting employer brand, we use multi-channel publicity to let more people know us, be willing to work in Anton, and join Anton.



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We actively promote school-enterprise cooperation, support graduates, strengthen and deepen the cooperation between universities and Anton through recruitment implementation and campus activities. We have signed the Ministry of Education's supply and demand docking employment education with 14 institutions including China University of Petroleum (Beijing), China University of Petroleum (East China), Southwest Petroleum University, Northeast Petroleum University, Yangtze University, Xi'an Shiyou University, Chongqing Institute of Science and Technology, and Chengdu University of Technology. The talent project helps colleges and universities to organically link talent training and employment, effectively connect talent supply and demand, and promote more full and higher-quality employment of college graduates. We have been selected as the workplace experience base for college graduates in Beijing to help innovate the employment and entrepreneurship guidance model of colleges and universities, promote school-locality cooperation, school-industry alliance, and school-enterprise matching, and create a community of employment and education. We have started school-enterprise cooperation training with Northeast Petroleum University Qinhuangdao Campus to provide students with an employment practice environment. At the same time, we provided employment guidance and consultation for students in petroleum colleges at any time, supported the 6th Employment Work Forum of China University of Petroleum (Beijing), carried out career development lectures and campus recruiting simulation recruitment competitions and other activities, so as to help students understand the society and tutor their resumes and interview skills etc.

In 2022, Anton recruited a total of 1,646 employees through campus recruitment and social recruitment, including 343 fresh graduates from colleges and universities. The online live lecture on campus recruitment planned and implemented by the Group's recruitment department has attracted more than 8,000 views and has achieved good results.



Chairman of the Board of Directors, gave a speech at the online job fair.

Our campus recruitment case: Anton 2022 Global campus recruitment - travelers who love the nature

In 2022, we held our campus recruitment with the theme of "travelers who love the nature" in Beijing, Chengdu, Chongqing, Wuhan, Jingzhou, Xi'an, Qingdao, Daqing, Urumqi, Karamay and other places in China, with about 2,400 undergraduates participated in this series of activities; targeted recruitment was carried out with Baghdad University and Basra University in Iraq to help local students find jobs during the pandemic. Through the content-rich campus presentations, Anton's management team conducted on-site dialogues with the students. The students appreciated Anton's corporate culture very much and had a better understanding of the oil and gas industry.



Diversity and Inclusiveness

We have developed a diverse workforce with an expanding global business footprint. A diverse workforce is a source of innovation and dynamism. Employees of different nationalities, ages, and backgrounds working together can spark creativity, inspire productivity, and encourage one another to complete work in a more collaborate way.

National and Cultural Diversity

A diverse talent structure enables us to better understand the concerns of the countries and regions where we operate, and ensure that the services we provide meet the expectations and requirements of all stakeholders and customers, and benefit the local society. We highly value the diversity of our workforce and our stakeholders. We are committed to ensuring that all our workplaces are free from discrimination or harassment based on any of the following: race, color, national or social background, citizenship, ethnicity, religion, age, disability, marital status, gender, sexual orientation, gender identity or expression, political affiliation, or any other status protected by law.

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. We take the initiative to recruit local talents and recruit graduates from top local universities. As at 31 December 2022, we had 5,829 employees from 32 countries, with 2,666 employees working in China, 2,710 employees working in Iraq, and 453 employees working in other overseas markets.

We provide equal opportunities to our employees for awards and promotions. Of our non-Chinese-national employees, 420 have received various merit awards for their performance, representing 35% of the total number of merit award recipients.

In our middle and high-level management team, employees from countries other than China are also an important part. As of 31 December 2022, a total of 12 non-Chinese employees served as middle and high-level managers in our business operation areas.

Age Diversity

We are committed to attracting, training, and preparing fresh graduates for early professional positions and to placing them in leadership roles across different functions. Our senior technicians act as mentors to help these young professionals grow. The transfer of expertise and experience to the next generation of talented technicians/engineers is highly important to the development of the Company. We also benefit from the fresh perspectives that young professionals bring to the workplace.

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.

As at 31 December 2022, we had 5,276 male employees and 553 female employees, with women accounting for 9.14% of our total workforce. Among middle management, women accounted for 14.22% of positions. In functional roles, women accounted for 26.55% of roles.

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Employee Data

Our Employee Structure

Employee Data		2022	2021	2020
Number of total employees		5,829	4,270	4,005
By gender	Male	5,276	3,884	3,660
	Female	553	386	345
Full time/part time	Full time	5,829	4,270	4,005
	Part time	0	0	0
By age	20-40	4,067	3,420	3,215
	40-60	1,716	830	775
	60-85	46	20	15
By region	PRC	2,666	2,058	1,966
	Iraq	2,710	1,838	1,687
	Other overseas markets	453	374	352
Employee Turnover Rate				
By gender	Male	9.44%	12.37%	20.67%
	Female	0.58%	0.68%	1.80%
By age	20-40	7.24%	9.62%	17.22%
	40-60	2.74%	3.40%	5.04%
	60-85	0.03%	0.03%	0.22%
By region	PRC	8.53%	11.74%	16.33%
	Iraq	0.32%	0.99%	4.62%
	Other overseas markets	0.57%	0.32%	1.52%

Compensation and Incentives

Each year, we benchmark our remuneration to global industry peers 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 bonuses.

Our remuneration package consists of base salary and variable pay, which represent respectively compensation for employee skill and position, working conditions, performance results, and sharing in the long-term growth of the Company for high-potential talent. The base salary compensates for the employee's skills and position. On top of this, we also provide allowances to our people according to working conditions.

We implement the "Partnership Plan" to promote Amoeba business incentives based on the value created by employees. Through the division of Amoeba units and the improvement of the assessment and incentive system, we can increase the participation of all employees in the business process and realize the benefits while the Company is earning profit. The simultaneous increase in employee income has further enhanced the bonding between employees and the Company, which means we pay for results. Compensation in the form of stock is also an important part of our compensation package. We share the long-term development of the Company with employees by granting them options or restricted stock.

We have established the following quantitative human capital development targets:

- ✓ Promotions as a share of workforce: 75% internally-developed talents vs. 25% experienced hires
- ✓ Employees rated as excellent, as a share of workforce per year: 12%
- ✓ Training expense per head as a share of revenue: 0.5%
- ✓ Key employees with stock-based incentives: 100%



Training

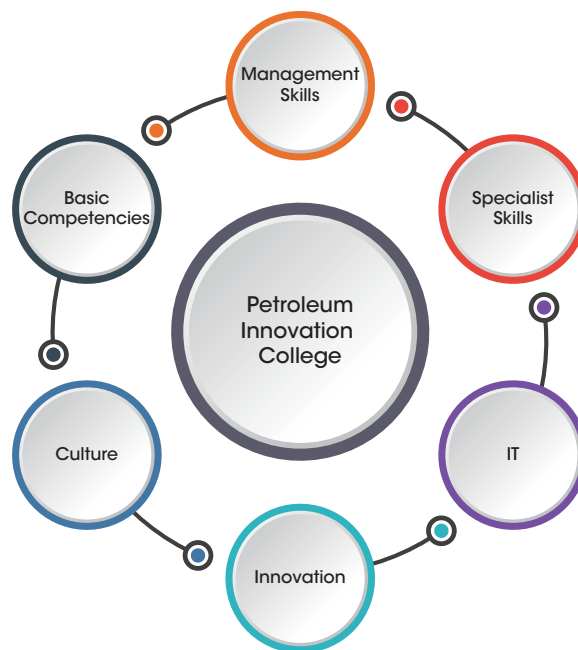
Staff Training

Anton has an open employment platform, and internally provides a diversified development platform for talents in the form of an ecological enterprise, activates talents, changes the concept of talents, cultivates ecological entrepreneurs and small team leaders, and establishes a relationship between independent talent training and recruiting mature talents. Combined with the talent development mechanism, the talent team will continue to grow.

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

We see Anton as a "University", and our "Petroleum Innovation College" (previously named "Anton College") was set up for the management and operation of this "University". As a platform for the rapid development of talent, improving job competency is the core work and mission of Anton College. Anton College formulated comprehensive training plans combined diversified training methods for the development of talent to ensure perfect position competence matches between position and people, allowing for the continuous delivery of top talent to targeted positions.

Through our Petroleum Innovation College, we have established a mature employee training system. We train our employees on a variety of topics, including management skills, culture, innovation, information technology, basic competencies, and specialist skills to foster the continuous growth of our people.



Ant Training Camp

Ant Training Camp is our dedicated training program for Campus recruits. Through the training camp, we provide fresh graduates with onboarding introduction and guidance, as well as training sessions on corporate culture, QHSE, management systems, and professional skills. The camp duration is approximately 15 days and is hosted on our training base in China and in overseas business operating locations.



Amoeba Leading Training

The Company introduces the amoeba business model, cultivates excellent amoeba leaders, and provides a strong talent pool for the sustainable development and growth of the Company. In 2022, we conducted a 3-day online training, which was mainly for the leaders of the small amoeba teams within the Company. The training content includes small team management, data-driven business, the group's 2023 budget and assessment, Amoeba management, and Anton's refined management, etc., to strengthen Amoeba's long-term fine management capabilities and small team management capabilities, and to enhance the platform-based business model. Business efficiency and skills.

Quarterly management training

We conduct special management training for our senior managers on a quarterly basis. The main goal of the quarterly management training is to strengthen the strategic thinking, leadership and comprehensive capabilities of senior managers; in 2022, our training topics including innovative methods, OKR rules and tools, OKR continuous performance communication, and platform-based business training as the theme to enhance the leadership of the Group's senior managers, to promote teamwork and cooperation.



Providing lessons to our front-line colleagues

To better stimulate the vitality of the team and meet the learning needs of front-line employees, the Petroleum Innovation College organized the activity to provide lessons to our front-line colleagues in 2022. We organized 42 training sessions in Korla Base, Luntai Base, Shanshan Base, Wushen Banner Base, Suining Base, and overseas regions. A total of 1,725 colleagues participated in the training sessions on-site and online, which greatly enhanced the enthusiasm of front-line employees to participate in the training sessions.



Live training events

As a combination of the Internet and training and teaching, live training can better ensure the timeliness and coverage of training through the presentation of online teaching content, deepen the mastery of employee training, and effectively improve training efficiency; in 2022, the Petroleum Innovation College organized live training sessions that focus on data management thinking, logic and methods of data analysis, business intelligence and enterprise digital transformation, wide-area electromagnetic method and petroleum English, carried out 17 live training activities, which won unanimous praise from internal and external petroleum students.

安东石油&安咨得 企业高管为你现场解码 行业动态与发展趋势

嘉宾: Audun Martinson (安东石油集团 合伙人), Marshal Wang (安咨得技术集团 副总裁)

行业大咖说

大会会聊什么?

- 俄乌冲突局势下, 制裁对油服市场的直接影响
- 国际油价波动, 国际上对于油服市场带来的间接影响
- 当前形势下, 安油服板块应如何市场策略展望

直播通道: 石油同学视频号

直播时间: 7月8日周五 17:00-18:30

站在巨人身上看能源未来

斯伦贝谢新能源领域 探索与开拓

嘉宾: 钱海燕 (斯伦贝谢中国区 副总裁), 柯宁 (斯伦贝谢中国区 董事总经理)

行业大咖说

大会会聊什么?

- 能源行业变化趋势是什么?
- 斯伦贝谢为什么要探索新能源?
- 具体的业务环节及商业模式有哪些?
- 斯伦贝谢在全球及中国的独特竞争优势是什么?
- 直接回答在线网友的互动问题

直播通道: 石油同学视频号

直播时间: 7月2日周六 16:00-17:00

站在巨人身上看能源未来

油服行业 在能源结构的深度转型中 如何重新定位

嘉宾: 马强 (贝克休斯中国区 副总裁), 魏怡 (贝克休斯中国区 副总裁)

行业大咖说

大会会聊什么?

- 结合油气勘探开发现状, 浅谈油田服务与设备的发展前景
- 在全球能源结构大踏步转型的背景下, 贝克休斯业务重组的发展策略
- 向数字化转型, 贝克休斯油田服务数字化解决方案

直播通道: 石油同学视频号

直播时间: 10月15日周六 19:00-20:30

站在巨人身上看能源未来

平台化 经营培训

为什么做平台? 如何做平台? 如何设计平台?

主讲: 方军 (数字经济研究者 《平台时代》作者)

直播通道: 石油同学视频号

直播时间: 7月8日周五 17:00-18:30

站在巨人身上看能源未来

2023 03.16 19:00-20:00 践行科学的健康管理 - 如何科学跑步

嘉宾: 梁馨 (北京体育大学体育训练硕士)

李馨

课程内容:

- 跑步怎么评估自己的身体和运动能力?
- 如何评估自己的跑姿, 什么是正确的跑姿?
- 如何制定自己的跑步计划?
- 跑步时如何呼吸和配速 (跑心率和配速)?
- 如何获得跑步快乐, 预防跑步受伤, 及避免脚痛和膝盖疼痛的问题及解决方法?

直播通道: 石油同学视频号

直播时间: 2023年3月16日 19:00-20:00

企业数据驱动之道

嘉宾: 潘锦楠 (华为资深数据治理解决方案架构师)

潘锦楠

课程内容:

- 企业数字化转型
- 数据架构建设
- 指标体系管理与设计
- 数据底座建设
- 数据综合治理体系
- 总结与展望

直播通道: 石油同学视频号

直播时间: 10月21日 周五晚 19:00

如何合理转移风险 保障企业经营财产 石油同学带你了解行业财险

嘉宾: 中意财险产险业务部

直播内容

- 财产保险的起源与发展
- 风险事故案例解析
- 按需投保, 保障企业经营财产

直播通道: 石油同学视频号

直播时间: 10月21日 周五晚 19:00

英语

第十三期 石油英语系列直播课

直播通道: 石油同学视频号

直播时间: 本周三晚7点 不见不散

数据管理思维 分享与交流

嘉宾: 赵志翔 (华为云数据治理中心产品经理)

赵志翔

直播福利大放送

直播通道: 石油同学视频号

直播时间: 7月8日周五 17:00-18:30

商业智能 企业数字化转型

嘉宾: 杜晓梦 (百分点集团首席数据科学家)

杜晓梦

直播通道: 石油同学视频号

直播时间: 7月8日周五 17:00-18:30

“E-Learning” System

We also developed an “e-learning” system at Petroleum Innovation College, which offers different courses, including industry technology refreshers, information technology training sessions, language and culture training sessions, and firm policies in an efficient manner. In 2022 we developed 1,166 online courses, with a total of 716,259 attendees.



Training sessions provided:

Indicator	Unit	2022	2021	2020
Number of training sessions provided	Items	1,495	1,417	1,372
Certification training	Sessions	378	335	312
General skill training	Sessions	420	394	389
Specialist skills training	Sessions	697	688	671
Total training hours	Hours	2,983	2,922	2,845
Participation rate	Percentage	100%	100%	100%

Average training duration		2022	2021	2020
By seniority	Senior managers	154	135	124
	Mid-level managers	140	129	125
	Frontline managers	162	145	131
By gender	Male	153	139	130
	Female	136	128	122

The Company requires full coverage of all staff and full participation for training courses. The training courses are publicized, executed, recorded and assessed by the human resources of each level. The participation rate of the above training sessions are all 100%.

Development and Advancement

Anton's continuous talent training plan for employees not only helps employees achieve personal development, but also effectively improves the Company's talent retention rate. We have built a flexible organizational structure, and all positions are completely open to internal applications, which helps employees find the most suitable job match for them and better realize their personal value. We have established a talent rotation mechanism to arrange high-potential talents to rotate to different positions in different countries and regions to ensure the all-round development of employees.

Succession Planning

We have a mentorship program for passing down skills and experience. Managers sign a "mentorship contract" with the employees they supervise. They keep close and active communications 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 such talent with solid professional and leadership skills, and ensure full readiness for larger roles.

Employee Assessment

We also have formal quarterly comprehensive employee assessment, which consists 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 five 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.

We hope to build an ecosystem organization to cultivate fully-committed entrepreneurs with strong skills, a sense of ownership, a strategic thought process and vision, the ability to marshal external resources, the capacity to empower and collaborate, and a commitment to delivering results. Among Anton's middle and senior managers, 85% are trained and promoted internally.

INNOVATION

Anton is accredited as a high-tech enterprise by the Beijing Municipal Commission of Science and Technology; as a Beijing Cutting-edge Industrial Design Center; and as a Beijing Advanced, Precision, and Sophisticated Industries Center by the Beijing Municipal Commission of Economy and Information Technology. As a technical services provider, 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 environmental impact.

Research and Development

We have developed a complete system for technological research and development. We set up a technology center in the headquarters – responsible for managing our entire technology portfolio, tracking the latest technology trends, bringing in internationally-advanced technologies through partnerships, and independently developing technical solutions that are well-adapted to our business. The product departments work with the technology center and several universities including China University of Petroleum, Southwest Petroleum University, etc. to test and promote our proprietary products. In 2022, our R&D expenditure was RMB80.3 million, accounting for 2.3% of revenue.

Knowledge Management

To accumulate and reinforce our knowledge assets for knowledge co-creation, sharing, methodical transfer, and the effective application of knowledge internally (for informing decision-making, enhancing corporate competitiveness, improving our capacity for innovation, and promoting a learning organization), we have established an integrated knowledge management system. The system aggregates and synthesizes various kinds of internal knowledge generated from business management, specialized technology, marketing, success stories, case studies, and training materials, as well as external knowledge, such as relevant technical data, market information, academic exchanges, and professional conferences in the industry. All this information is stored in our knowledge bank, which is updated regularly and shared across the organization.

In order to ensure the normalization of the Company's knowledge management work and the continuous output of knowledge results, the Company has established a knowledge management incentive system to stimulate the enthusiasm of all employees to participate in knowledge management. We encourage employees to be innovative and strengthen the transformation of innovative work results. In 2022, the Company selected 22 best knowledge management teams and 47 outstanding knowledge management individuals, and awarded outstanding teams and individuals. Throughout the year, the Patent Administration officially accepted 40 new patent applications, officially authorized 35 patents, authorized 31 domestic software copyrights, and published 14 technical papers.

With respect to our core business processes, in 2022, a total of 14,121 project plans, summaries and cases involving production construction, marketing, and operations were accumulated and archived; 77,289 management support reports and summary documents were accumulated; 207 electronic online training courseware in various kinds for technologies, operations, and management were newly created.

Intellectual Property Protection

As a technology-based company focusing on innovation and R&D, we are committed to independent research, development, and protection of intellectual property rights. Recognizing the global trend of decarbonization and green development, in operating our business and providing oilfield services to our customers, we file and implement patents that can generate practical value for stimulating production, reducing costs and energy consumption, lowering emissions, and improving performance and quality, as well as creating tangible economic and social benefits.

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 China National Intellectual Property Administration as an Intellectual Property Demonstration Organization and by the Beijing Intellectual Property Administration as a Beijing Patent Demonstration Organization. As at 31 December 2022, we had acquired over 600 patent rights in total.



Industry Contribution

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

SUPPLY CHAIN MANAGEMENT

Anton has formed a fast-response global logistics supply system, built nearly 30 warehousing and logistics bases around the world, and managed a large number of suppliers. By the end of 2022, we have a total of 1,950 suppliers, including 1,578 Chinese suppliers and 372 overseas suppliers.

Our Standards and Systems

We have a certification program for suppliers and business partners, requiring them to comply with laws and regulations and to recognize Anton's ethical standards and other requirements. We conclude contracts with suppliers/contractors based on the principles of equality, voluntariness, and consensus, and require each contract to include clean agreement clauses and QHSE clauses. We require suppliers/contractors to establish their own QHSE management system to restrain their suppliers/contractors, require suppliers/contractors to formulate annual QHSE management improvement plans, and keep paper records for us to check at any time.

We have formulated and issued the *Anton Supplier/Contractor Code of Conduct*, which requires suppliers/contractors to make commitments on the following matters. If anyone violates the promise, we will impose corresponding penalties and terminate the cooperative relationship with the supplier if necessary.

- 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 each person must retain 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 and cruel, inhuman, or degrading treatment; forbid any form of discrimination or corporal punishment of employees.
- Forbid charging recruitment fees to employees, employment bonds, or the use of other associated organizations to collect such fees from employees.
- Comply with laws and regulations related to working hours and not exceed the maximum working hours stipulated by government.
- Provide employees with a healthy, safe and hygienic working and living environment, such as office and accommodation, etc.
- Employee wages and benefits shall not be less than national statutory standards.
- Equal remuneration and allowances shall be given to different genders for work of equal value to individuals.
- Establish and implement the QHSE management system to continuously improve QHSE performance.

Supervision and Management

According to the Supplier Management Measures, we conduct a regular assessment of suppliers/contractors every six months, from 5 categories including quality and safety management, contract performance, price level, after-sales service, and 11 assessment indicators. We conduct supplier/contractor performance assessment and evaluation through the Company’s product/service demand department, industrial headquarters, supply chain procurement department and other relevant personnel, and adjust the cooperative relationship with suppliers according to the performance assessment results. Supplier performance is divided into four grades: A, B, C, and D, which represent excellent, good, up to standard, and substandard respectively. In 2022, we received feedback information on the performance evaluation results of a total of 649 suppliers/contractors that actually had business relationships. We upgraded the management of 33 suppliers/contractors with excellent evaluation results at the group level, and they enjoy the priority right to cooperate with us before others, increase contract share and strengthen cooperation. At the same time, we hold discussions with suppliers/contractors to solicit suggestions for the development of our supply chain. For those suppliers/contractors whose performance assessment results do not meet the standards, they will be notified to issue rectification reports as appropriate, and the suppliers/contractors who still fail to meet the goals after rectification will be removed.

We monitor and recognize good performance of QHSE enforcement by our suppliers/contractors, and we promote and publicize their QHSE best practices across the organization. We may prematurely terminate our contracts with suppliers/contractors with unsatisfactory QHSE performance where necessary and urge these suppliers/contractors to seriously review and address their gaps. In 2022, six of our suppliers failed to meet our QHSE management requirements, so we terminated our cooperation with them.

Relying on the good reputation and honest corporate image, Anton has established long-term strategic cooperation with some important suppliers, and both parties have made use of their respective advantages to achieve a win-win situation. Anton communicated with 43 long-term strategic suppliers and signed a strategic cooperation agreement with each. At the same time, in order to consolidate and promote the continuous improvement of the long-term cooperative relationship between the two parties, better empower each other, and develop together, we pay a return visit to our important cooperative suppliers/service providers.

Indicators	2022	2021	2020
Number of eliminated suppliers	22	17	15
Share of international suppliers in total procurement	19.07	26.6	44.6
Number of suppliers with long-term strategic cooperation agreements	205	96	58

SOCIAL

Green Procurement

In terms of supply chain management, we have formulated an environmental policy for management. We require suppliers/service providers to meet the highest standards of business conduct and comply with local laws and regulations. We give priority to enterprises that can provide new products approved by the national department, energy-saving and environment-friendly products, and products with independent intellectual property rights. In the on-site inspection and risk assessment of suppliers/service providers, we attach great importance to safe and healthy business premises and on-site management, and pay attention to the concerns of upstream suppliers on standardized management, environmental protection, employee health and safety, and ethics. We incorporate relevant requirements such as environmental protection and safety into the formal agreement signed with suppliers. Suppliers/contractors are required to abide by the management regulations of the relevant competent departments of the local government on environmental protection and production safety, handle the procedures for environmental sanitation and construction noise management in a timely manner in accordance with the requirements of relevant departments, and bear corresponding responsibilities and costs. When entering the scope of our management or the service location designated by the final customer, one should unconditionally accept relevant QHSE safety education and training, and various QHSE management regulations. The supplier is required to be responsible for the safety and environmental protection of the construction project, and we ask suppliers to sign the HSE contract as a constraint.

We invest time and resources to help suppliers/service providers meet the strict requirements for quality, HSE standards and operating specifications of the petroleum industry, and help suppliers/service providers understand the high-risk issues in the petroleum industry that need attention. In particular, in-depth discussion, multi-level training and constraints on document content are carried out for accidents or damages in safety and quality, environmental protection, personal health, production or construction that occur during the construction service process of suppliers/service providers.

Local Procurement

Anton is a global oilfield service company. We advocate the localization of suppliers/service providers, and actively develop and search for local suppliers/service providers in their business locations, not only in China, but also in overseas markets such as Iraq, Chad and other places, so as to build an overseas supplier/service provider network to support our international business development, and give full play to the advantages of local suppliers/service providers.

In 2022, the materials we purchase from local suppliers outside China accounts for 19.07% of total. Through localized procurement, we have promoted employment, supported the employment security of localized employees, and promoted local social stability and economic development.



COMMUNITY

We always insist on combining business development with the sustainable development of our business regions. We have set up community engagement departments in each of our business locations around the world, always paying attention to local welfare and social progress. We established various forms of dialogue and collaborative frameworks with local communities and actively participate in community development through continuous investment in public welfare projects. We help improve the living standards of community residents, drive social progress and local prosperity, and promote harmonious development between the Company and the communities we serve.

The Company timely evaluates and monitors the indirect economic impact of the Company’s operations on the local communities. This monitoring is charged by the Company’s ESG committee. The ESG management teams in regional business divisions conducts quarterly evaluations, tracks and summarizes the implementation goals, progress and the impacts of specific projects (such as helping to improve local schools’ conditions, books and other provisions donations, charitable donations, skills training organizations, employment assistance in the local societies etc.,) as well as the processes of other matters. Those summarizes and evaluation reports would be collected and monitored by the ESG committee through ESG information collection and monitoring platform.

Besides, the Company consults its stakeholders on the aspect of material issues through a questionnaire each year to determine which kinds of ESG issues are bears the most importance to our stakeholders in the communities, and to further strengthen management on those issues in a continuous manner.

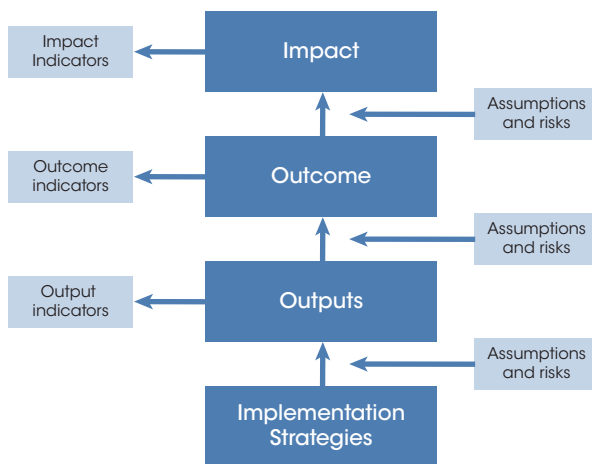


Figure: Process for assessing and monitoring the indirect economic impact of a company’s operations on local communities

SOCIAL

Respect for Religious Beliefs and Customs

Our business spans 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.



Foster Talent and Create Jobs for Locals

We advocate a culture of respect, openness, and inclusiveness. We continue to improve local employment opportunities around the world. We attach great importance to attracting and retaining excellent local talent and to increasing the share of local employees in important technical and managerial positions. In doing so, we contribute to local job creation, talent professionalization, and local production and construction capability enhancement.

Domestically, as a National Internship Base for College Graduates and a Beijing Chaoyang District Youth Employment and Entrepreneurship Internship Base, we have carried out large-scale graduate recruitment events for many years, provided a stage for graduates to thrive, and created more value for society.

Internationally, we actively built partnerships with local universities and carried out campus recruitment events for many years to create more jobs for local graduates, improve their training, and contribute to the sustainable development of the local economy.



Rural Revitalization

No poverty is the first priority in UN's 17 SDGs, and is an important area in our attention. Anton actively responds to the UN's "2030 Agenda for Sustainable Development" goals and initiatives, as well as the Chinese government's policies and guidelines on rural revitalization, enhances local self-development capabilities, assists local governments in promoting rural revitalization, and actively promotes local economic development.

- Anton actively responded to the national call that "Corporations Help Villages" and took the initiative to undertake the counterpart assistance work in Mandou Gacha Village in Inner Mongolia Autonomous Region. Due to the limited funds in the local primary school, there are not enough books in the school library, which cannot satisfy the needs of children. After meeting their extracurricular reading needs, we donated more than 6,000 books to local primary schools, with a total value of more than RMB150,000, so as to meet the children's reading needs and contribute to the development of education in remote areas.
- In order to promote the social and economic development of Huangdian Town, Yanting County, and support the improvement of the local living environment, Anton contacted the Red Cross Society of Yanting County, and offered a helping hand by donating RMB170,000 to local Red Cross Society, dedicating our cares and love to local people.
- In Xinjiang, Ordos and other project locations, we regularly organize volunteers to participate in government-organized afforestation projects to help locals address desertification, control soil erosion, maintain ecosystems, and improve residents' living environment.
- In Jiangxi Province, Anton actively participated in the poverty alleviation work, purchased more than RMB400,000 of Gannan navel oranges, and supported the development of the area with practical actions.



SOCIAL

Charitable Donations

Anton actively participates in community donations, condolences, tree planting and other public welfare activities, donates and repairs community infrastructure, and continues to contribute to solving community problems and building a harmonious community.

- The Anton Missan Business Department took the initiative to connect with the local government departments, participated in the joint construction and governance of the community, and dispatched personnel to repair and construct the community primary school in the Missan Oilfield in Iraq, contributing to the construction of the local community.
- All employees of Anton actively responded and donated money for urban medical assistance, charity education, charity assistance to the elderly, assistance to the poor, temporary assistance, charity system construction and other targeted assistance projects to convey social care.
- The Company participated in the Spring Festival condolence activities in the jurisdiction, and sent condolences to some elderly people in the community under its jurisdiction, expressing Anton's care and love for people in the community, and helping the construction of a harmonious community.



SOCIAL

Indicator	Unit	2022	2021	2020
Charitable Activities				
Total number of charitable activities organized or attended	Absolute number	16	12	9
Total number of participants in charitable activities organized or attended	Absolute number	350	320	250
Total hours of Charitable activities organized or attended	Hours	28	25	20
Total spending	RMB ten thousand	126	146	642
Community charitable donations	RMB ten thousand	106	90	82
Volunteer Activities				
Total volunteer activities organized	Absolute number	6	4	5
Total number of participants in volunteer activities	Absolute number	120	80	100
Total volunteer hours	Hours	40	35	28
Total number of beneficiaries	-	10,000	5,000	2,000

Fighting COVID-19

Anton actively connects with local governments around the world, fully implements the government's pandemic prevention policies, actively cooperates with government prevention and control inspections, information reporting and other pandemic prevention work, establishes timely and smooth information communication channels and joint prevention and control mechanisms, and goes all out to cooperate with the government to win the battle against the pandemic. At the same time, we actively provide support for the local government with anti-epidemic materials, help the government to enrich the anti-epidemic combat readiness, provide timely logistical support for the front-line anti-epidemic work, and contribute to the fight against the pandemic.

- In order to alleviate the pressure of pandemic prevention materials at the grassroots level, a batch of pandemic prevention materials was urgently raised, and the pandemic prevention materials were delivered to the neighborhoods and communities as quickly as possible, to support the staff who stick to the front line of fighting the "pandemic", and to solve the urgent need of grassroots pandemic prevention work with practical actions.
- During the pandemic, we donated power banks and other materials to the pandemic-sealed areas of the local streets, sent warmth and greetings to the medical staff fighting on the front line, and delivered positive energy to fight the "pandemic" with practical actions.
- We strictly implement the deployment requirements of local pandemic prevention and control, actively organize group employees to go to the front line of community prevention and control to support the fight against the pandemic many times, work together with street medical staff and community workers, resolutely win the battle of pandemic prevention and control, and won the honorary title of "Advanced Anti-epidemic Collective" in the street.



On 26 September 2022, the “2022 Beijing Top 100 Private Enterprises Press Conference” jointly organized by the United Front Work Department of the CPC Beijing Municipal Committee and the Beijing Federation of Industry and Commerce was held in Beijing. Our subsidiary – Anton Petroleum Technology (Group) Co., Ltd. ranked 26th on the list of “2022 Top 100 Private Enterprises in Beijing for Social Responsibility”. This is the second consecutive year that we won this honor.

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PERFORMANCE DATA TABLE

Metrics	Units	Year			Reference
Corporate Governance		2022	2021	2020	Page Number
Number of Employees worldwide	Absolute number	5,829.0	4,270.0	4,005.0	52
	China	42.5	50.2	59.4	3
Revenue Distribution	Iraq	43.7	35.5	31.1	3
	Other Overseas Markets	13.8	14.3	9.5	3
Revenue	RMB million	3,514.9	2,923.6	3,087.7	3
Profit attributable to equity holders	RMB million	293.8	72.2	-95.8	3
Cash flow from operating activities	RMB million	980.0	757.2	805.4	3
Environmental Performance		2022	2021	2020	Page Number
GHG emission	Tons	47,097.1	39,300.3	42,535.3	30
GHG emission per revenue	Tons/RMB million	13.4	13.5	13.8	30
Scope 1 GHG emission	Tons	23,405.0	21,688.0	30,235.9	30
Scope 1 GHG emission per revenue	Tons/RMB million	6.7	7.4	9.8	30
Scope 2 GHG emission	Tons	23,692.1	17,612.3	12,299.3	30
Scope 2 GHG emission per revenue	Tons/RMB million	6.7	6.0	4.0	30
Helped customers reduce GHG emission	Tons	54,421.4	128,075.2		26
Hazardous waste generated	Tons	35,711.0	34,743.6	19,106.8	34
Hazardous waste generated per revenue	Tons/RMB million	10.2	11.9	6.2	34
Harmless waste generated	Tons	3,041.1	972.2	1,081.4	34
Harmless waste generated per revenue	Tons/RMB million	0.9	0.3	0.4	34
Total wastewater generated	Thousand cubic meter	138.6	120.9	107.3	32
Total wastewater generated per revenue	Thousand cubic meter/ RMB million	0.04	0.04	0.03	71
Total energy consumption	MWh	124,973.2	109,098.2	132,279.0	21
Total energy consumption per revenue	MWh/RMB million	35.6	37.3	42.8	21
Electricity use	MWh	33,805.4	24,747.8	19,053.4	21
Electricity use per revenue	MWh/RMB million	9.6	8.5	6.2	21

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Metrics	Units		Year		Reference
Energy consumption - Diesel	MWh	72,251.8	66,971.2	108,662.4	21
Energy consumption - Gasoline	MWh	5,018.4	5,169.0	4,682.9	21
Energy consumption - Natural gas	MWh	12,855.3	12,210.2	-	21
Energy consumption - Diesel per revenue	MWh/RMB million	20.6	22.9	35.2	21
Energy consumption - Gasoline per revenue	MWh/RMB million	1.4	1.8	1.5	21
Energy consumption - Natural gas per revenue	MWh/RMB million	3.7	4.2	-	21
Water use	Thousand cubic meter	483.9	364.2	294.5	22
Water use per revenue	Thousand cubic meter/ RMB million	0.14	0.12	0.10	22
Total water recycled	Thousand cubic meter	83.6	19.0	1.5	32
% water recycled	Percentage	17.3	5.2	0.5	72
Raw materials	Tons	39,993.2	28,965.4	39,978.8	72
Raw Materials per revenue	Tons/RMB million	11.4	9.9	12.9	72
Social Performance		2022	2021	2020	Page Number
Training					
Number of training sessions provided	Absolute number	1,495	1,417	1,372	58
Including	Qualifying training	378	335	312	58
	General skills training	420	394	389	58
	Special skills training	697	688	671	58
Training hours	Hours	2,983	2,922	2,854	58
By seniority					
	Senior management	154	135	124	58
	Middle management	140	129	125	58
Average training hours	Frontline employees	162	145	131	58
By gender					
	Male	153	139	130	58
	Female	136	128	122	58

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Metrics	Units	Year	Reference
By gender			
Male	Percentage	9.44	12.37 20.67 52
Female	Percentage	0.58	0.68 1.80 52
By age			
20-40	Percentage	7.24	9.62 17.22 52
40-60	Percentage	2.74	3.40 5.04 52
60-85	Percentage	0.03	0.03 0.22 52
By geography			
China	Percentage	8.53	11.74 16.33 52
Iraq	Percentage	0.32	0.99 4.62 52
Other overseas markets	Percentage	0.57	0.32 1.52 52
Employee turnover rate			
Health and Safety			
Fatalities (employee)	Absolute number	1	- 1 46
Total recordable case	Absolute number	19	15 16 46
Lost time injury incidents (lost time injuries+fatalities)	Absolute number	11	7 5 46
Total hours worked	Hours	16,642,860	13,970,602 12,899,393 46
Days away from work	Days	188	192 229 46
Fatal accident rate	Per 100 million workhours	6.00	- 7.75 46
Traffic accident rate	Per million workhours	0.15	0.54 0.20 46
Total recordable injury rate	Per million workhours	1.14	1.07 1.24 46
Lost time injury rate (LTIR)	Per million workhours	0.66	0.51 0.85 46
Lost time injury severity rate	Per million workhours	17.09	27.43 20.80 46
Supply Chain Management			
Number of suppliers removed	Absolute number	22	17 15 63
Share of international suppliers in total procurement value	Percentage	19.07	26.60 44.60 63
Number of suppliers with long-term strategic partnership contracts	Absolute number	205	96 58 63

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Metrics		Units		Year		Reference
Diversity						
Employees by age group	20-40	Persons	4,067	3,420	3,215	52
	40-60	Persons	1,716	830	775	52
	60-85	Persons	46	20	15	52
Employees by geography	China	Persons	2,666	2,056	1,966	52
	Iraq	Persons	2,710	1,838	1,687	52
	Other overseas Markets	Persons	453	374	352	52
Employees by gender	Male	Persons	5,276	3,884	3,660	52
	Female	Persons	553	386	345	52
Full-time/Part-time	Full-time	Persons	5,829	4,270	4,005	52
	Part-time	Persons	-	-	-	52
Charitable activities						
Charitable activities organized or attended		Times	16	12	9	69
		Participants	350	320	250	69
		Hours	28	25	20	69
Total spending		RMB 10 thousand	126	146.0	642.0	69
community charitable donations		RMB 10 thousand	106	90.0	82.0	69
Volunteer activities		Times	6	4	5	69
		Participants	120	80	100	69
		Hours	40	35	28	69
Total beneficiaries		Persons	10,000	5,000	2,000	69

GRI STANDARD INDEX

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	2-3 Reporting period, frequency and contact point	2	
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	2-7 Employees	47-59	
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	2-18 Evaluation of the performance of the highest governance body	5	
	2-19 Remuneration policies	53	
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GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	65-68
	203-2 Significant indirect economic impacts	65-68
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	63
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	303-4 Water discharge	32
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GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	20
	304-2 Significant impacts of activities, products and services on biodiversity	20
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	30
	305-2 Energy indirect (Scope 2) GHG emissions	30
	305-4 GHG emissions intensity	30
	305-5 Reduction of GHG emissions	30
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GRI Standard	Disclosure	Page
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	306-4 Waste diverted from disposal	33-34
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GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	63
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	38-39
	403-2 Hazard identification, risk assessment, and incident investigation	38
	403-3 Occupational health services	39-45
	403-4 Worker participation, consultation, and communication on occupational health and safety	39-45
	403-5 Worker training on occupational health and safety	44
	403-6 Promotion of worker health	39-45
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42
	403-8 Workers covered by an occupational health and safety management system	38-39, 41
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	403-10 Work-related ill health	46
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	58
	404-2 Programs for upgrading employee skills and transition assistance programs	59
	404-3 Percentage of employees receiving regular performance and career development reviews	59
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	10, 52
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	51
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	62-63
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	47

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GRI Standard	Disclosure	Page
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	47
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	65
	413-2 Operations with significant actual and potential negative impacts on local communities	65
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	62-63
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	37-38
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	37-38

HKEX ESG REPORTING GUIDE

Subject Areas	Description	Page	Notes
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	19, 31, 33, 34	
A1.1	The types of emissions and respective emissions data.	31	
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	30	
A1.3	Total hazardous waste produced and, where appropriate, intensity.	34	
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	34	
A1.5	Description of emissions target(s) set and steps taken to achieve them.	31, 33	
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	31, 33-35	
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	20	
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	21	
A2.2	Water consumption in total and intensity.	22	
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	20-21	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	21-22	
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.		Our products and services do not involve packaging materials

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Subject Areas	Description	Page	Notes
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	19-20	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	19-20	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	19	
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	23-30	
B. Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	47-51	
B1.1	Total workforce by gender, employment type, age group and geographical region.	52	
B1.2	Employee turnover rate by gender, age group and geographical region.	52	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	37-39, 41	
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	46	
B2.2	Lost days due to work injury.	46	
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	37-45	

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Subject Areas	Description	Page	Notes
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	54-58	
B3.1	The percentage of employees trained by gender and employee category.	58	
B3.2	The average training hours completed per employee by gender and employee category.	58	
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	47	
B4.1	Description of measures to review employment practices to avoid child and forced labour.	47-48	
B4.2	Description of steps taken to eliminate such practices when discovered.	47-48	
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	62-63	
B5.1	Number of suppliers by geographical region.	62	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	63	
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	62-64	
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	64	

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Subject Areas	Description	Page	Notes
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	37-38	
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with.	38	
B6.3	Description of practices relating to observing and protecting intellectual property rights.	60-61	
B6.4	Description of quality assurance process and recall procedures.		Not applicable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	17	
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.	13	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	13	
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	14-15	
B7.3	Description of anti-corruption training provided to directors and staff.	14	
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	65-67	
B8.1	Focus areas of contribution.	65-70	
B8.2	Resources contributed to the focus area.	69	