COSL

China Oilfield Services Limited

(STOCK CODE H-share:2883, A-share : 601808)



2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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Report Information

This report is the 4th environmental, social and governance (ESG) report and the 20th sustainability report issued by China Oilfield Services Limited (hereinafter referred to as "COSL," "the Company" or "we").

Reporting Scope

This report covers the performance of COSL and its affiliated units in economic, environmental, social and corporate governance aspects. This reporting period is from January 1 to December 31, 2025, with some content from beyond this time span.

Reporting Principles

The preparation of this report adheres to the principles of "Materiality, Quantification, Balance, and Consistency" to ensure the objective, standardized, open and transparent presentation of relevant information. We address the "Materiality" principle with a matrix analysis of material issues, address the "Quantification" principle by including data tables with thorough quantitative data, address the "Balance" principle with accurate, objective information regarding each issue, and address the "Consistency" principle with consistent data disclosure methodology and statistical methods, ensuring that report readers can reasonably evaluate the overall performance of the Company.

Reference Standard

- "Environmental, Social and Governance Reporting Code" of The Hong Kong Stock Exchange
- "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)"
- "Reference Index System for ESG Special Reports of Central Enterprises' Listed Companies" of the State-owned Assets Supervision and Administration Commission of the State Council
- Ten Principles of the United Nations Global Compact
- Global Reporting Initiative (GRI) "Sustainability Reporting Standards (GRI Standards)"
- Sustainability Accounting Standards Board (SASB) "Oil and Gas Services Industry Standards"
- International Sustainability Standards Board (ISSB)"International Financial Reporting Sustainability Standard 2 – Climate-related Disclosures (IFRS S2)"

Source of Report Information

The data used in this report is sourced from the Company's official documents and statistical reports. Financial data in the report is expressed in RMB unless otherwise stated. Key financial performance data in this report comes from the annual report of the Company, and other data is from the internal management system of the Company. There is no material adjustment to the disclosure scope of this report to the Company's ESG reports in previous years, and consistent disclosure statistical methods are used for all these reports.

Report Version

The report is available in Chinese and English versions, and the Chinese version shall prevail in case of any conflict or inconsistency.

Report Access

This report can be accessed and downloaded from the websites of Shanghai Stock Exchange (http://www.sse.com.cn), Hong Kong Stock Exchange (www.hkexnews.hk), and the official website of the Company (http://www.cosl.com.cn).

Board Statement

The Board of Directors of the Company makes the following statement in accordance with the requirements of the "Environmental, Social and Governance Reporting Code" of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The Company and its Board of Directors strive to follow the requirements of the "Guidelines for the Governance of Listed Companies" issued by the China Securities Regulatory Commission, the "Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial)," and the " Corporate Governance Code," the "Environmental, Social and Governance Reporting Code" issued by Hong Kong Stock Exchange, continuously optimize its environmental, social and corporate governance (hereinafter referred to as "ESG") mechanism, strengthen the Board's role in supervising and participation in ESG related issues, and vigorously integrate ESG considerations into the Company's strategies, major decision-making processes and various business practices.

Board's Role in ESG Governance

As the highest decision-making authority of the Company's ESG management, the Board of Directors is responsible for considering the Company's ESG strategy, objectives and risks, and supervising and approving the implementation and progress of ESG planning, supervising the Company's commitments, actions and performance on key issues such as compliance management and addressing climate change, overseeing ESG issues related to the Company's businesses and reviewing the Company's ESG reports, cooperating with special committees and management departments to integrate ESG considerations into the Company's production and operation, and implementing the Company's ESG management.

ESG Management Strategy and Policies

The Company's strategic goal of becoming a World-class Energy and Resource Services Company conforms to the consensus of global trends of green economic transformation, emission and carbon reduction, and new energy development, ESG has become one of the cornerstones of the Company's strategy. In accordance with the principles of "Connection Strategy, Comprehensive Integration, Driving Development and Continuous Improvement," the Company organically integrated its ESG targets with the Company's strategic targets, actively promoted the comprehensive integration of ESG with the Company's management and operation, explored new markets and opened up new tracks with good ESG practices, accelerated the Company's high-quality development by supporting customers' low-carbon transformation, and continuously optimized its ESG management by identifying ESG risks, analyzing macro policy trends, and communicating with stakeholders.

ESG Targets, Indicators and Review of Progresses

Based on a comprehensive analysis of macro policies and economic environment, industry trends, corporate strategic plans and operations, the Company actively initiates green and low-carbon technological innovation focusing on the green and low-carbon transformation of energy, resource conservation and utilization, and the construction of green and low-carbon infrastructure. The Company carried out analysis and evaluation in environmental protection, production safety management, occupational health and safety, resource utilization, anti-corruption and compliance, etc. on a regular basis.

The Board of Directors of China Oilfield Services Limited
24 March, 2026

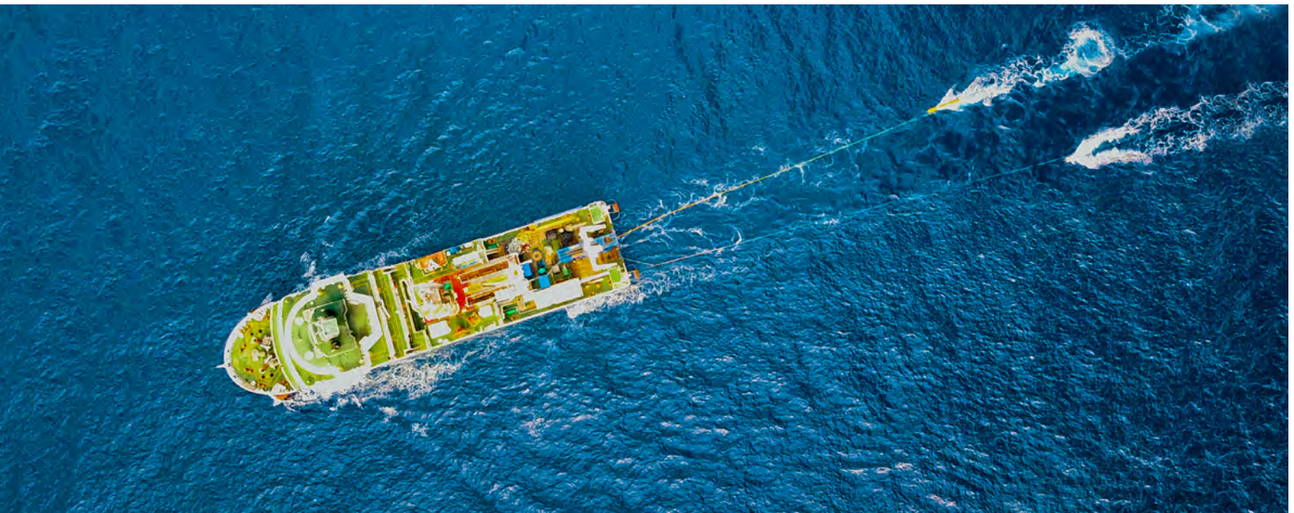
About Us

Company Profile

COSL is one of the most extensive integrated oilfield service providers in the world, with a complete service chain and a strong offshore oil service equipment group. It is one of the few suppliers in the global oilfield service industry capable of providing integrated services. The Company has a relatively complete R&D system and service guarantee system, and a group of high-end technologies with independent intellectual property rights and experienced technical experts. Large-scale equipment operations and support capabilities with industry influence can not only provide customers with single business operation services but also provide customers with integrated services and general contracting operation services. The Company is registered in Tianjin, China, and its service area covers China's sea and land area, expanding to Asia-Pacific, the Middle East, the Americas, Europe, Africa, and other regions.

Corporate Culture





Corporate Strategies

Technology-Driven Strategy

Always focus on basic scientific exploration, applied scientific verification, and industrial application guidance with the perspective of the industry and development, to promote the systematization and standardization of the research and development system. The Company continues to enhance the core competitiveness of technology with greater determination and pragmatism and make technology development the core engine that drives the development of COSL.

Cost Leadership Strategy

Reshape the cost advantage, enhance cost control ability and build the Company's competitiveness. The Company deeply roots the concept of creating value for customers in its value chain and integrates the Company's business into the customer value chain. Relying on the Company's efforts of creating added value for customers, we can improve customer investment efficiency and returns.

Integration Strategy

Taking comparative advantage of the Company's complete professional chain, increasing product categories and complete business chain, the Company re-understands, defines and expands the meaning of integration. Establish a new integration model, so as to achieve benefits and efficiency to the greatest extent. Promote the development of integrated business of COSL and continuously provide value-added services for customers, making integrated services breakthrough and value-added tool for the transformation and upgrading of various traditional businesses of COSL, so as to expand the main segment and increase market share for the Company.

International Strategy

Expand the simple market internationalization into the internationalization of global comprehensive governance of COSL, building a World-class governance ability and further developing the space for surviving and operating as the World-class Energy and Resource Service Company. Organically complement the domestic market with the international market for the better development of COSL.

Regional Development Strategy

Proactively integrate into major national development strategic layouts, leveraging regional industrial advantages and characteristics to cultivate regional main battlegrounds, with full consideration for balanced regional development. Ensure mutual support between the technology segment and the equipment segment, harness regional synergy, and adopt flexible market strategies to achieve regional development. Fully exploit domestic oil companies' comparative advantages of solid reserves management, fine reservoir engineering research and practical process technology, complemented by an all-round, fully integrated and partially integrated business model involving exploration, development, engineering and production, together with profitable models of service, product sales and equipment leasing, so as to promote the balanced development of the full range of businesses in the region and the implementation of International Strategy with lower costs and risks.

Brand Building

The Company continues to deepen its brand strategy, striving to enhance brand management efficiency and promoting a leap in brand value and influence. With "AMAZING TECHNOLOGY, EXCELLENT SERVICE" as the core brand slogan, the Company successfully built a matrix of six major technology brands: "Xuanji," "Xuanyue," "Haijing," "Haimai," "Haihong," and "Haiheng." The Company's brand building achievements are remarkable: "Haiheng" won the OTC Brazil New Technology Award; "Xuanji" was recognized in the second batch of product brand achievements under the Central Enterprise Brand Leadership Action, and was included in the State-owned Assets Supervision and Administration Commission's list of science and technology achievement application expansion projects and the Top 100 Projects in Strategic Emerging Industries, while its technical team was honored as a Central Enterprise Model; "Xuanyue" won the Grand Prize for Scientific and Technological Progress from China National Offshore Oil Corporation; "Haijing" and "Haimai" were shortlisted as the first major technical equipment in the national energy sector. Multiple technologies won important industry awards and were widely featured on authoritative media platforms, including CCTV.



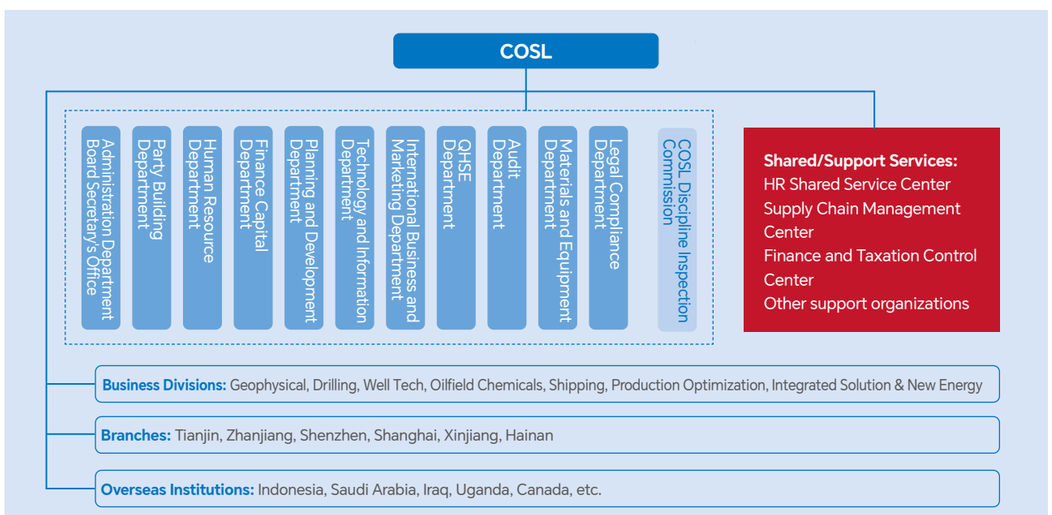
"Haiheng" Deepwater "FLAT PRO Wide-temperature-range Stable-rheology High-performance Synthetic-based Drilling Fluid System" Won the OTC Brazil New Technology Award.



"Xuanji" Technical Team was Recognized as a Model Central State-owned Enterprise.

The Company held the "Empowering the Energy Future, Technology Reshaping Value" global technology launch event in Jakarta, Indonesia, and actively participated in multiple high-end international exhibitions, enabling its proprietary technology brand to achieve a series of breakthroughs and broad recognition in the international market. At the same time, the Company continues to strengthen its overseas responsibilities by carrying out activities such as community engagement, educational support, environmental protection, and charitable donations, demonstrating an international brand image that is responsible and compassionate.

Organizational Structure



Honors in the Year

The Company adheres to the concept of sustainable development, continuously promoting the modernization of its corporate governance system and capabilities, accelerating the cultivation of new productive forces. Its effective corporate governance and high-quality development performance have been widely recognized. In 2025, the Company received the following honors:

At the Listed Companies High-quality Development Conference and the "Shanghai Stock Exchange · Golden Quality" Selection, the Company won the

"Corporate Governance Award"

At the 8th China Excellent IR Selection, it won the

"Best Roadshow China Award" and the "Best Capital Market Communication Award"

At the Chinese Enterprise ESG "Golden Responsibility Award," it won the

"Best Social Responsibility Award"

In the Cailian Press "Xinwan Award" Selection, it won the

"Best Capital Brand Value Award"

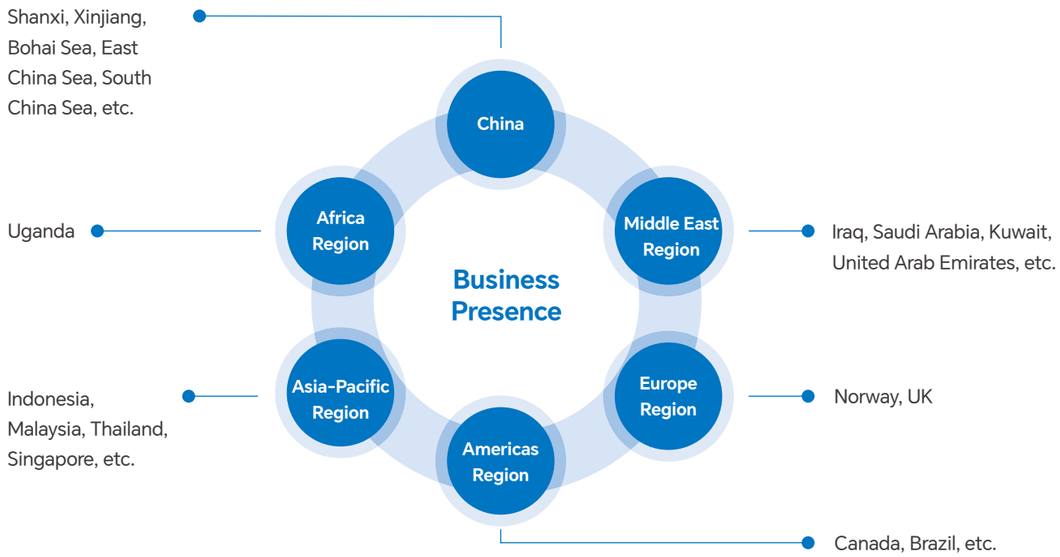
In the "Golden Kunpeng" China Financial Value Ranking, it won the

"Best Listed Company Award"

Chairman Mr. Zhao Shunqiang received the at the 14th CFS Financial Summit.

"2025 Outstanding Influential Entrepreneur Award"

Business Development



Business Scope

Drilling Services

- ◊ Offshore Drilling Rigs
- ◊ Supporting Rigs
- ◊ Land Drilling Rigs
- ◊ Drilling Rig Management
- ◊ Oil Casing

Well Services

- ◊ Logging
- ◊ Drilling & Completion Fluids
- ◊ Directional Drilling
- ◊ Cementing
- ◊ Well Completion
- ◊ Workover
- ◊ Production Optimization Stimulation
- ◊ Oilfield Waste Treatment

Marine Support Services

- ◊ Anchor Handling
- ◊ Towing
- ◊ Offshore Transportation
- ◊ Stand-by for Oil/Gas Fields
- ◊ Oil Lifting

Geophysical Acquisition and Surveying Services

- ◊ Offshore Seismic Data Acquisition Services
- ◊ Offshore Geo-surveying Services
- ◊ Seismic Data Processing & Interpretation

Integrated Solution & New Energy Services

- ◊ Integrated E&P Services
- ◊ Integrated Oilfield Management Services
- ◊ Integrated Drilling, Completion, and Workover Services
- ◊ Integrated Disposal Services

ESG Governance

ESG Governance Structure

The Company incorporated its corporate spirit of "Always Do Better" into the enterprise development strategy and daily operations, continued to improve the top-level design of ESG, established ESG decision-making bodies and implementation bodies, and constantly strengthened ESG governance and practice to help achieve the comprehensive value of "Economic Value Creation, Ecological and Environmental Protection and Social Harmony and Progress."

Decision Making Level the Board

- Pay attention to important sustainability information related to the business of the Company
- Make an estimation of the significant impact of relevant ESG issues on all stakeholders
- Evaluate and identify the Company's risks related to ESG
- Monitor and manage ESG related targets and work progress
- Review the annual ESG report of the year

Implementation Level Business Departments

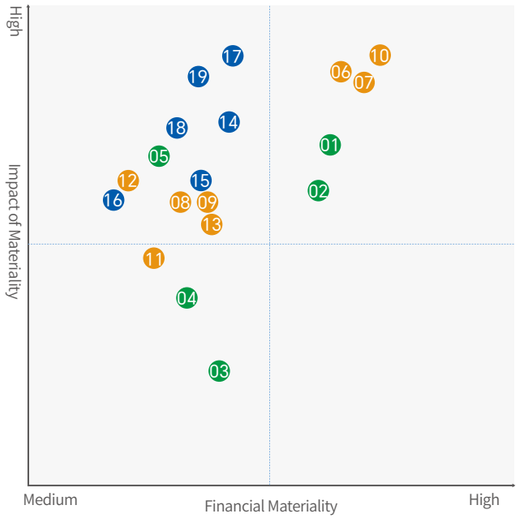
- Identify the changes in the internal and external environment and assess risks of the Company
- Assess the likelihood of risk occurrence and the consequences in terms of its impact on the environment and staff and corporate reputation
- Follow up and periodically review the implementation of response plans for identified risks in order to make sure that sufficient supervision and responses are afforded to risks of the Company at all levels

Annual ESG Progress

During the reporting period, COSL continued to promote ESG capability building, organized annual ESG-focused training sessions for relevant management personnel and key staff, systematically explained the latest trends in domestic and international ESG regulatory policies, as well as exemplary practices of leading enterprises in the energy and oilfield services industry. This effectively strengthened cross-departmental collaboration awareness in advancing sustainable development, enhanced employees' understanding of ESG strategic value, and deeply integrated the ESG philosophy into business management.

Materiality Analysis

During the reporting period, the Company conducted analyses on the financial materiality and impact materiality of sustainability issues, identifying five issues of dual materiality: technological innovation, quality management and customer service, safety and health, environmental management, and addressing climate change.



Environmental Dimension

- 01 Environmental Protection Management
- 02 Response to Climate Change
- 03 Waste Management and Circular Economy
- 04 Resource Use and Emission Management
- 05 Ecological and Environmental Protection

Social Dimension

- 06 Safety and Health
- 07 Quality Management and Customer Service
- 08 Data Security and Customer Privacy Protection
- 09 Employee Rights Protection
- 10 Technological Innovation
- 11 Rural Revitalization and Social Welfare
- 12 Maritime Rescue
- 13 Global Responsibility

Governance Dimension

- 14 Corporate Governance
- 15 ESG Management
- 16 Leadership of Party Building
- 17 Risk Management and Internal Control
- 18 Business Ethics and Compliance Management
- 19 Responsible Supply Chain

Issue Identification

Based on global sustainable development trends, laws and regulations, macro policies, industry characteristics, as well as the COSL strategic development plan and actual production and operation conditions, 19 sustainable development issues of significant importance or influence to the Company and its stakeholders have been identified.

Impact Materiality Analysis

The issues are analyzed from dimensions such as positive and negative impacts, actual and potential impacts, to identify relevant effects; combined with communication with stakeholders, the degree of impact is assessed.

Financial Materiality Analysis

Based on short-term (0–1 year), medium-term (1–5 years), and long-term (over 5 years) timeframes, identify potential financial impact factors related to the risks and opportunities of the topic, and conduct a comprehensive consideration and assessment of its financial materiality.

Issue Priority Ranking

The Company's management reviews and discusses the assessment results regarding the topic's impact significance and financial materiality, and the Board of Directors ultimately confirms the prioritization of the issues.

Communication with Stakeholders

The Company values the communication with stakeholders, actively maintaining diverse channels for both routine and special communication to fully understand stakeholders' demands and expectations. Relevant demands and suggestions are transformed into the Company's ESG action goals and plans; Meanwhile, the Company disseminates its sustainable development philosophy and ESG responsibility initiatives to stakeholders, continuously promoting stable, healthy, and sustainable ESG development. The Company adheres to the principles of being "Truthful, Accurate, Complete, Timely, and Fair" in information disclosure, continuously improving the "Information Disclosure Management System," increasing voluntary disclosure efforts, and responding proactively to issues of primary concern to customers, suppliers, and investors.

Stakeholders	Concerns		Responses and Measures	
Regulatory Agencies and Government	• Business Ethics and Compliance Management • Risk and Internal Control Management • Environmental Management	• Corporate Governance • Response to Climate Change	• Follow-up on Laws and Regulations • Accept Supervision and Evaluation • Visits, Reporting, and Statements	
Employees	• Employee Rights Protection • Safety and Health		• Equal Employment Policy • Optimize Compensation and Benefits • 4-Level Talent Training • Respect Employee Diversity	• Occupational Health and Safety Management • Employee Representative Meetings • Organize Employee Cultural and Sports Activities • Employee Care
Shareholders and Investors	• Corporate Governance • ESG Management		• Shareholders' Meeting • Daily Communication Both Online and Offline • Securities Firm Strategy Meeting	• Roadshow Event • Issue Regular Reports and ESG Reports
Customers	• Quality Management and Customer Service • Technological Innovation • Addressing Climate Change		• Establish a Quality Management System • Continuously Innovate Technology • Provide Professional Solutions	• Provide Safe, High-Quality, and Efficient Services • Client Visits and Communication
Suppliers and Contractors	• Responsible Supply Chain		• Business Negotiations and Technical Exchanges • Contract Negotiation and Daily Communication • Electronic Management Platform	
Financial Institutions	• Corporate Governance • Investor Relations Services		• Institutional Phone Reception • Offline Research by Analysts	
Media	• ESG Management • Corporate Governance		• Information Disclosure • Multi-Channel Communication	
Public Welfare Institutions and Non-Governmental Organizations	• Environmental Management • Rural Revitalization and Social Welfare		• Actively Participate in Social Welfare • Information Disclosure	
Community and Public	• Rural Revitalization and Social Welfare • Maritime Rescue • Global Responsibility Fulfillment		• Rural Revitalization • Maritime Rescue • Promote Employment	• Support Education • Community Care • Volunteer Service
Environment	• Environmental Management • Ecological and Environmental Protection • Waste and Circular Economy	• Resource Use and Emission Management • Addressing Climate Change	• Establish an Environmental Management System • Carry out Environmental Protection Training and Publicity • Clean Production	• Protect Biodiversity • Engage in Environmental Protection and Public Welfare Activities

01

Consolidating Development Foundation by Improving Corporate Governance

13 Leadership of Party Building
14 Corporate Governance
18 Risk Management and Internal Control
20 Business Ethics and Compliance Management
22 Responsible Supply Chain

1.1

Leadership of Party Building

On the path toward sustainable development and corporate social responsibility, COSL Party Committee has always adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding principle, thoroughly implementing the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions, firmly grasping the core requirements of strengthening Party building in state-owned enterprises in the new era, closely focusing on the main work themes of "Upholding Political Integrity, Winning Hearts, Promoting Development, and Fostering a Culture of Integrity," comprehensively advancing all tasks of Party building, and providing strong political and organizational support for accelerating the building of a World-class Energy and Resource Services Company.

Holding High the Banner—Deepening Learning to Strengthen Foundations

COSL Party Committee takes political development as the guiding principle, strengthens political theory armament, and enhances political capability and literacy. Solidly implement the "Three Classrooms," establish and improve the Party Committee's theoretical learning system; adopt multiple measures to carry out study and education, organize thematic reading sessions, "Party Building Empowerment Lecture Hall," and other learning activities, bridge the "Last Mile" of grassroots learning and education, and promote the transformation of study into practice, continuously consolidating the discipline awareness and political literacy of Party members and cadres.

Integrated Co-construction—Cementing Grassroots Cohesion

COSL Party Committee focuses on organizational development, improving the performance and deliberation mechanisms of primary-level Party organizations. The Company will further implement a comprehensive Party-building empowerment and efficiency enhancement system to provide solid support for the Company's high-quality and sustainable development. COSL adhere to the principle of "two consistencies" to enhance the relevance and effectiveness of Party building work. At the same time, Party members are guided to play a demonstrative and leading role in technological innovation, management optimization, and cultural development.

1.2

Corporate Governance

Corporate Governance System

COSL has built and improved the corporate governance system of "overall control by the General Meeting of Shareholders, strategic decision-making by the Board of Directors, and implementation by the Senior Management" forming the corporate governance structure of "Scientific Decision Making, Effective Execution, Effective Supervision, and Standardized Operation," effectively enhancing the professionalism and effectiveness in performing duties, and promoting the modernization of the Company's governance system and governance capabilities in depth.

Shareholders' Meeting

The General Meeting of Shareholders is the highest authority of the Company, exercising its powers in accordance with the law and ensuring that all shareholders fully exercise their legal rights. During the reporting period, the Company convened four shareholders' meetings.

Board of Directors

The Board of Directors plays the role of "Setting Strategy, Making Decisions, and Preventing Risks," and has established three specialized committees to provide consultation and recommendations for board decisions, ensuring efficient and compliant operations. During the reporting period, the Company's Board of Directors convened a total of seven meetings.

Senior Management

Senior Management execute board resolutions, organize the Company's production and operation management, and strive to promote the Company's high-quality development.

Board of Directors

Effectiveness of the Board

The Company's Board of Directors strictly adheres to relevant laws,and the Articles of Association, exercises its powers in a standardized manner, provides scientific decision-making for the Company's sustainable development, and actively safeguards the interests of the Company, its shareholders, and other stakeholders. Directors are elected by the shareholders' meeting or the employees' representative congress, and candidates for independent directors may be nominated by the Company's Board of Directors or by shareholders who individually or jointly hold more than 1% of the Company's issued shares.

During the reporting period, the Company's Board of Directors convened seven meetings and passed a total of 63 resolutions.

Establishment and Responsibilities of Special Committees of the Board of Directors

The Board of Directors consists of eight members and has established three specialized committees: the Audit Committee, the Remuneration and Assessment Committee, and the Nomination Committee, which provide professional support and oversight to ensure efficient decision-making and compliance by the management.

During the reporting period, the Company's Board of Directors and Shareholders' Meeting deliberated and approved the Resolution on the Cancelling the Board of Supervisors and Amending the Articles of Association. In accordance with relevant provisions such as the "Transitional Arrangements for the Implementation of Supporting Institutional Rules under the New 'Company Law'" and the "Guidelines for the Articles of Association of Listed Companies (2025 Revision)," the Company abolished the Board of Supervisors, and the Board of Directors Audit Committee assumed the powers of the Board of Supervisors.

Special Committees of the Board of Directors

Responsibilities	Policies and Mechanism	Committee Composition	Key Activities in 2025
Audit Committee			
· Exercise the powers of the Board of Supervisors as stipulated in the "Company Law of the People's Republic of China". · Supervise and evaluate the work of external audit institutions. · Supervise and evaluate the work of internal auditing.	Audit Committee Rules of Procedure	Composed of three directors, all of which are independent non executive directors	Convened a total of five meetings
Remuneration and Assessment Committee			
· Researching the evaluation criteria for directors and senior managers, conducting evaluations and making recommendations. · Formulate and review the remuneration policies and plans for directors and senior management.	Remuneration and Appraisal Committee Rules of Procedure	Composed of four directors, including three independent non-executive directors	Convened a total of two meetings
Nomination Committee			
· Make recommendations on the candidates, selection criteria, and selection procedures for the Company's directors and senior management. · Ensure that the professional experience, educational background, and other requirements of board members meet and maintain the diversity of the Board.	Nomination Committee Rules of Procedure	Composed of four directors, including three independent non-executive directors.	Convened a total of two meetings

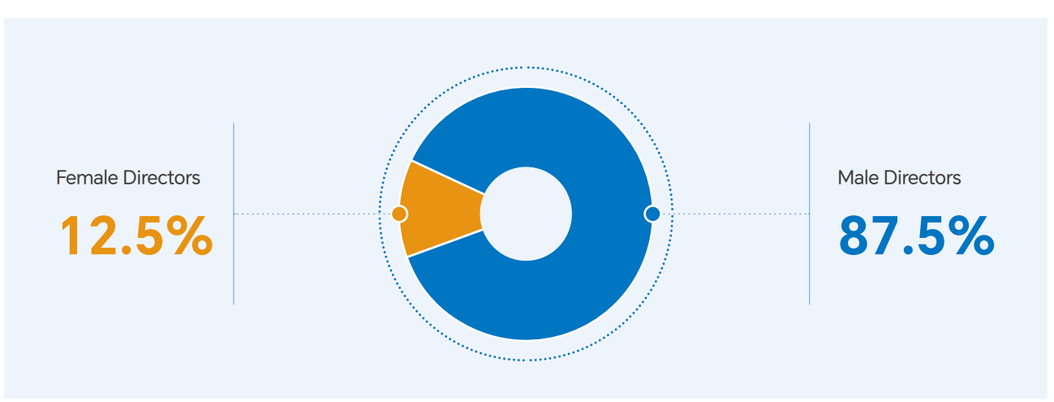
Independence of the Board

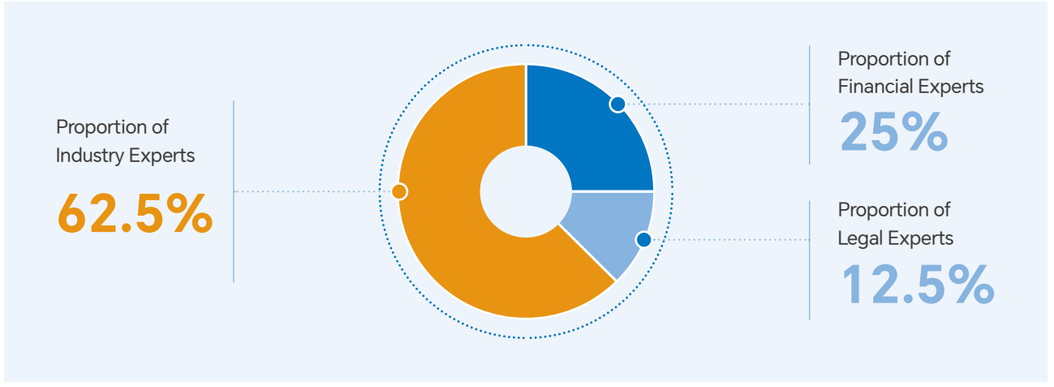
The Company continuously improves the Independent Director Working Rules and other policies to standardize the operation of independent directors, ensuring the independence of the Board of Directors. As of the end of the reporting period, there were five non-executive directors on the Company's Board of Directors, including three independent non-executive directors, meeting the proportion requirements for independent directors as specified in the "Management Measures for Independent Directors of Listed Companies." The independent non-executive directors are individuals with rich professional experience in finance, law, and energy, familiar with the operations of the Board of Directors of listed companies and the responsibilities of independent directors. Independent directors do not hold any other positions in the Company apart from being a director. During the reporting period, independent directors effectively fulfilled their duties of diligence and loyalty as directors and provided the Company with professional advice on financial report review, related-party transaction review, internal audit, risk management, and ESG governance.

Diversity of the Board

The Company's Board of Directors fully recognizes and implements the board diversity policy, considering factors such as professional experience, educational background, gender, age, culture, and region when appointing directors to ensure continuity in decision-making and a diversified perspective. The current members of the Company's Board of Directors come from different industries at home and abroad, with rich theoretical and practical experience in various professions, including operations and management of oilfield service enterprises, as well as economics, accounting, legal profession, etc. They also have experience in risk management, which is conducive to strategic planning and scientific decision-making of the Company.

During the reporting period, the Company's Board of Directors included one employee representative director, who was democratically elected by company employees through the employees' representative congress. The Company convened an employee representative congress in December 2025. Following a vote by all attending employee representatives, Mr. Xiao Jia was elected as the employee representative director of the Company's Board of Directors, with a term of three years.





Remuneration of Directors and Senior Management

Adhering to the principle of serving high-quality development, the Company incorporates ESG binding indicators into the remuneration and assessment management of directors and senior executives, focusing on key ESG areas such as prevention of major environmental incidents, quality control of operations, energy saving and carbon reduction performance, safety production management, and enhancement of customer satisfaction, thereby promoting the deep integration of incentive compensation with sustainable development goals.

The Company's Board of Directors' Remuneration and Assessment Committee is responsible for formulating and reviewing the remuneration policies and plans for directors and senior executives, and establishing assessment standards. The remuneration of the Company's directors and senior management mainly consists of basic annual salary, performance-based annual salary, tenure incentives, and welfare subsidies. The Company has established and improved the mechanism for clawback and deduction of remuneration by formulating the Compensation Management Measures for Managerial Personnel. When it is verified that managerial personnel have violated national laws and regulations or the Company's rules and regulations during their tenure, or have caused losses of company assets due to failure to perform or correctly perform their duties, the Company will retroactively adjust their performance evaluation results for the tenure in accordance with relevant provisions, deduct the performance-based annual salary for the year, or claw back part or all of the paid performance-based annual salary and tenure incentive income.

Investor Communication and Shareholder Rights Protection

The Board Secretary's Office of the Company, as the specific functional department for investor relations management, formulates and implements the Investor and Public Relations Management Measures and other relevant management systems and working mechanisms to maintain good relationships with all parties involved in investor relations management and ensure smooth communication channels.

The Company continuously strengthens investor relations management and establishes a mechanism for positive communication and interaction. The Company actively communicates with the capital market, continuously promoting the concept of green and sustainable development. It has engaged in multiple exchanges with investors, analysts, and others on matters such as carbon reduction strategies and targets, prospects for the application of new energy or low-carbon materials, and the evaluation and management of health, safety, and environmental risks, thereby deepening investors' understanding of the Company.

The Company strictly complies with the "Company Law of the People's Republic of China," the "Rules of General Meetings of Listed Companies," and other laws and regulations, and has formulated the Rules of Procedure for General Meetings of Shareholders to standardize the operation of shareholder meetings, ensure the legality of the procedures for convening, holding, and resolving meetings, and safeguard shareholders' legitimate rights and interests. All directors of the Company act with diligence and responsibility, ensuring that shareholder meetings are convened normally and that statutory powers are exercised in accordance with the law. At the same time, the Company has established detailed and explicit rules regarding shareholder and shareholder proxy attendance, voting, and other matters, effectively safeguarding shareholders' lawful rights.

At the annual shareholders' meeting of 2024 and the first extraordinary shareholders' meeting of 2025, the Company adopted the "One-Click Online Voting" system, effectively expanding meeting participation through intelligent text messages. The number of voting shareholders increased nearly 20-fold year-on-year, representing a new enhancement in corporate governance, as well as a concrete demonstration of the Company's efforts to improve market transparency and care for minority investors.

During the reporting period, the Company convened four shareholders' meetings and completed the review of 19 resolutions. Before each shareholders' meeting, the Company disclosed announcements and relevant materials in advance in accordance with regulatory and legal requirements, ensuring that resolutions were made in a fair and transparent manner.



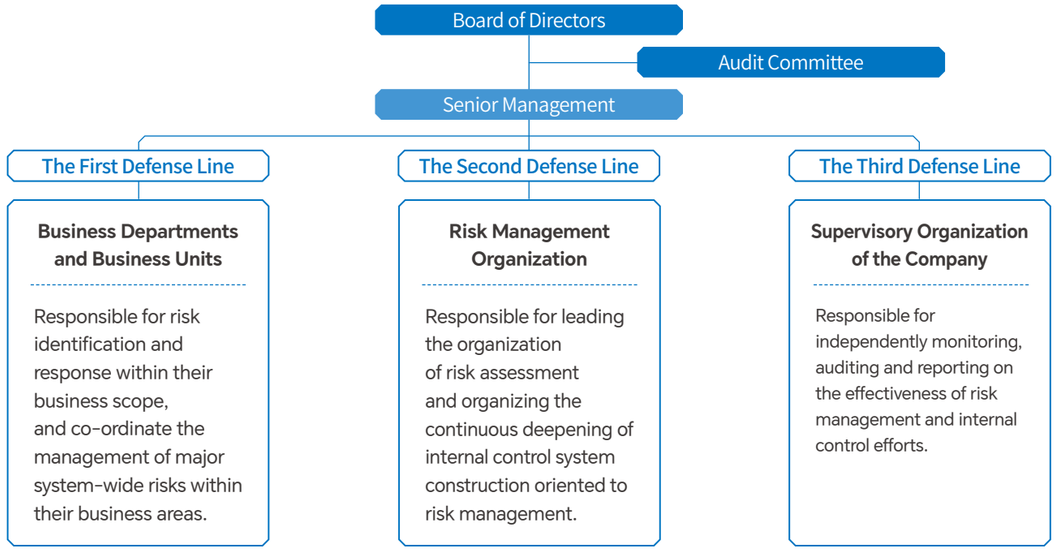
1.3

Risk Management and Internal Control

Risk Management

COSL establishes a sound risk management system to address various operational risks and market challenges, aiming for sustainable and healthy development. The Company thoroughly implements the requirements of the "Guidelines for Comprehensive Risk Management of Central Enterprises," executing basic risk management processes in all aspects of corporate management and operations, and enforcing comprehensive risk control by all employees, across all areas, and throughout the whole process. The Company formulates and implements relevant management systems such as the Comprehensive Risk Management Measures and the Major Operational Risk Event Reporting and Response Management Measures and actively carries out risk management work.

COSL Risk Management Three Lines of Defense



On an annual and quarterly basis, and in conjunction with special risk assessments, the Company establishes a two-tier risk assessment mechanism covering both its headquarters and affiliated units. The affiliated units organize risk assessments for their respective units, submitting risk management reports and related information to the Company on an annual and quarterly basis. The Company's Risk Management Office compiles the relevant information into a comprehensive analysis report for submission to company management and continuously follows up and supervises the implementation of key risk control measures.

During the reporting period, the Company regularly convened annual and quarterly comprehensive risk assessment meetings to accurately identify ten major and significant risks, including annual tax, quality, health, safety, and environmental risks, and implemented dynamic tracking and control. The Company headquarters works efficiently with affiliated units to provide guidance on risk control, systematically assess overseas public health and security risks, and continually enhance overall risk prevention and resolution capabilities.

During the reporting period, the Company carried out in-depth on-site risk inspections. Through special overseas inspections, the Company conducted full-level interviews, system reviews, and process spot checks for overseas subsidiaries to achieve early detection and early warning of overseas risks; through grassroots unit exchange programs, risk inspections and guidance were delivered directly to the front line, effectively improving grassroots units' risk monitoring and self-management capabilities. In addition, the Company is advancing the construction of the risk database, assessing various types of risks, and promoting the deep integration of the risk database into business processes through systematic review and optimization, as well as widely soliciting opinions from various units, thereby continuously enhancing the Company's overall risk management level and its ability to prevent and resolve major risks.

Risk Management Training Indicators

Indicator	Unit	2023	2024	2025
Risk Management Training Organized	Times	50	49	51
Risk Management Training Participation	Participants	1,852	1,811	1,820

Internal Control Management

The Company is steadily advancing the iterative upgrade of its institutional system, focusing on 14 major systems such as corporate governance, human resources, and strategic planning, establishing and improving an institutional framework that covers "Basic System - Management Policies – Implementation Measures" to provide a solid guarantee for the Company's high-quality development.

During the reporting period, the Company addressed institutional pain points through full life cycle management of internal controls, achieving dynamic alignment between systems and strategy and operations. Focusing on key areas such as supply chain and project management, the Company identified and promoted the rectification of over 30 institutional shortcomings, completing a "Streamlining and Improving Quality" initiative for the system, significantly enhancing clarity of management responsibilities and the standardization of institutional textual documents.

In accordance with the "Three-Year Full Coverage" requirement and incorporating the concept of process development, the Company conducted internal control assessments for 37 affiliated units. For identified shortcomings and weak areas, relevant units were urged to complete closed-loop rectifications through measures such as revising regulations, specialized training, supervision of implementation, loss recovery, and accountability enforcement.

During the reporting period, based on results from process optimization, the Company carried out iterative updates of the institutional system to ensure deep alignment between process specifications and institutional requirements. Revisions were made to institutional system documents such as the Science and Technology Project Management Measures, adding mandatory requirements for scientific research project initiation, progress management, project acceptance, and achievement evaluation to match the process optimization content.

Internal Control Management Training Indicators

Indicator	Unit	2023	2024	2025
Internal Control Training Organized	Times	112	116	128
Internal Control Training Participation	Participants	2,213	2,368	2,623

Internal Audit

The Company strictly adheres to the "Regulations of the National Audit Office on Internal Audit Work," and the "Detailed Rules for the Implementation of Economic Responsibility Audits Management of Central Enterprises," rigorously carrying out internal audit work. On the basis of implementing exit audits, conduct audits covering the term of office of relevant personnel, with a focus on corporate governance, strategic decision-making, and risk control, and include ESG issues such as energy efficiency, low-carbon operations, ecological environmental protection, and supply chain compliance within the audit scope. Relying on economic responsibility audits to identify issues in project operations and asset management, the Company has completed comprehensive rectification, effectively leveraging internal audits to safeguard the Company's steady operations and sustainable development.

1.4

Business Ethics and Compliance Management

Compliance Management

COSL has consistently adhered to the principle of governing the enterprise in accordance with the law, continuously improving the legal compliance system, revising and issuing the Compliance Management Measures under the framework of the "Legal Compliance Management System," and proactively aligning with the requirements of the management measures for central enterprises. In terms of trade compliance, the Company has formulated and issued regulatory documents such as the Basic Introduction to Export Control and Economic Sanctions and the Trade Compliance Guidelines for Procurement Operations, thereby improving the framework system for compliance management.

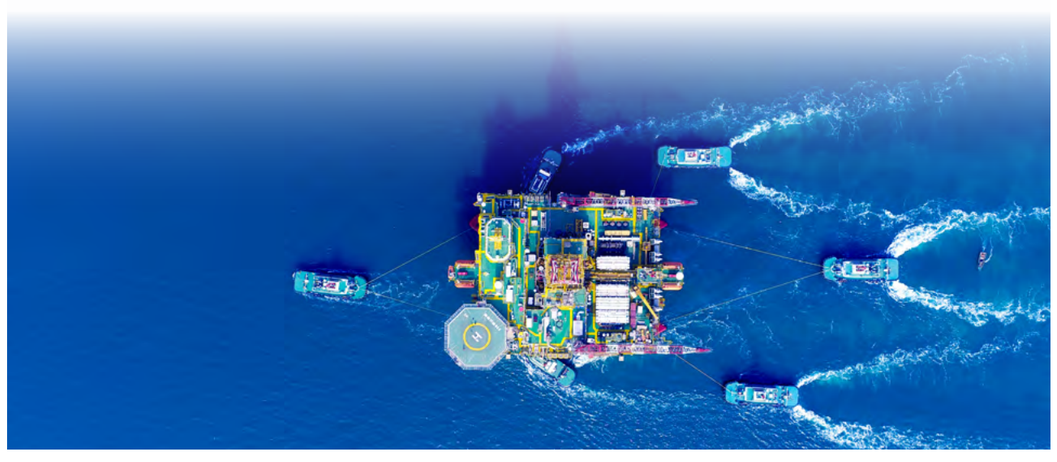
The Company continues to strengthen compliance management in key areas. In the management aspect, the Company has released compliance-related checklists for key areas such as finance and taxation, quality, health, safety, environment protection, materials and equipment, and labor employment; in terms of regional management, it has issued business guidelines for high-risk countries/regions. By using practical and operative work guidelines, business units can proactively prevent project risks. The Company has compiled legal policy research reports or country-specific reports for 12 countries, fully analyzing major laws, regulations, and compliance management essentials in the oil and gas sector, thus providing effective reference tools for project implementation.

The Company focused on the "15th Five-year" legal compliance business development plan and deepened compliance management in key stages of overseas operations. The Company developed special action plans for compliance management in key areas such as overseas taxation, labor management, equipment import and export, and property governance; organize legal compliance training, including specialized training on import/export controls, as well as state-owned enterprise legal compliance; carry out compliance advocacy activities to strengthen employees' legal awareness and compliance spirit, thereby providing solid safeguards for achieving high-quality development in the Company's international operations.

Benchmarks against World-class standards and systematically advances the certification of its compliance management system. During the reporting period, the Company successfully passed ISO 37301 Compliance Management Systems Certification ,covering key areas such as anti-commercial bribery, business partners, import and export management, labor and employment, financial and tax management, anti-monopoly, and data security compliance. The level of its compliance management system has received authoritative recognition from the international certification body.

Anti-Unfair Competition

The Company abides by the "Anti-Unfair Competition Law of the People's Republic of China" and the "Interim Provisions on the Prohibition of Commercial Bribery," adhering to the principles of voluntariness, equality, fairness, and integrity, and firmly opposes obtaining business opportunities or competitive advantages through commercial bribery.



Integrity Management

The Company strictly abides by laws and regulations such as the "Criminal Law of the People's Republic of China," the "Company Law of the People's Republic of China," the "Supervision Law of the People's Republic of China," the "Several Provisions on Clean and Honest Professional Conduct of Leaders in State-owned Enterprises," the "Measures for Accountability for Irregular Operations and Investments of Central Enterprises," and the "Interim Regulations on Prohibiting Commercial Bribery." The Company fully implements the responsibilities for integrity work and builds a comprehensive supervisory collaboration framework. Focusing on production, operations, and reform and development priorities, the Company continuously strengthens routine supervision, functional supervision, and grassroots supervision, specifies the annual key supervision tasks, and perfects the hierarchical supervision mechanism of "Business Units Managing the Source, Functional Departments Managing the Line, and Compliance Institutions Conducting Re-supervision."

To dynamically identify the weak links of integrity risk in various business areas, strengthen pre-event prevention and ensure precise supervision, the Company has established a normalized mechanism for identifying and controlling integrity risk points, guaranteeing that integrity risk prevention and control is normalized and minimizing integrity risks to the greatest extent.

The Company actively carried out integrity risk prevention training. During the reporting period, a total of 1,348 training sessions were conducted, representing a year-on-year increase of 103%, covering 24,260 participants, a year-on-year increase of 46%.

During the reporting period，the Company achieved full coverage of integrity risk prevention training for all directors, senior management and other employees.

Accumulated training conducted **1,348** Times

representing a year-on-year increase of **103%**

Covering **24,260** Participants

representing a year-on-year increase of **46%**

Integrity Risk Prevention Training Indicators

Indicator	Unit	2023	2024	2025
Integrity Risk Prevention Training Organized	Times	569	664	1,348
Integrity Risk Prevention Training Participation	Participants	15,788	16,621	24,260

Whistleblower Protection

The Company attaches great importance to managing whistleblower reports, publicly discloses information on the methods and scope of accepting petitions and reports, and continuously promotes the development of systems related to whistleblower protection. The Company's internal supervisory body strictly implements the Rules for Handling Whistleblower Reports and the Full-Cycle Management Measures for Clues and Issues, ensuring smooth access through multiple reporting channels such as in-person visits, telephone calls, letters, and online submissions, and supports employees, customers, suppliers, and external stakeholders in reporting illegal or non-compliant behaviors. The Company continuously improves and strengthens the whistleblower protection mechanism, formulating and implementing the Guidelines for Handling Real-Name Whistleblower Reports to strictly protect the confidentiality of information such as the whistleblower's identity and workplace. According to the Measures for Handling Reports and Complaints, the Company explicitly protects the legitimate rights and interests of whistleblowers and deals with acts of retaliation against whistleblowers in strict accordance with laws and regulations.

1.5

Responsible Supply Chain

Supply Chain Management System

COSL establishes a comprehensive supply chain management framework. The Company's Supply Chain Management Committee and Materials and Equipment Department are responsible for formulating procurement and supply chain management strategies, monitoring the construction of the Company's supply chain management system, optimizing resource allocation adjustments, and ensuring compliance in implementation; the Supply Chain Management Center, as the professional body for procurement implementation, is responsible for strategy implementation, handling procurement operations, implementation and tracking, and ensuring compliance in the procurement process; each affiliated unit, as the primary responsible party for supply chain development, is responsible for submitting demand requests, executing contracts, and daily management of suppliers.

The Company adheres to the principles of "Ensuring Supply, Reducing Costs, Compliance, and Efficiency" in conducting supply chain management work, and has formulated systems such as the Supply Chain Demand Management Measures and the Supply Chain Procurement Management Measures to standardize the full-cycle management of procurement activities. During the reporting period, the Company formulated a new Digital Supply Chain Management Measures and revised 19 regulations to further strengthen full-process control of the supply chain.

Supplier Indicators

Indicator	Unit	2023	2024	2025
Total Number of Suppliers	Entities	8,782	8,895	9,628
Proportion of Suppliers Signing Sunshine Agreements	%	100	100	100
Overseas Suppliers	Entities	5,398	5,977	6,147
Domestic Suppliers	Entities	3,384	2,918	3,481
Among Them: Tianjin	Entities	904	706	776
Beijing	Entities	489	392	454
Guangdong	Entities	433	372	375
Shanghai	Entities	192	151	180
Others	Entities	1,366	1,297	1,696

Supply Chain Risk Management

The Company carries out risk control in major procurement areas such as raw materials, equipment accessories, operational services, and technical services, and determines a supply chain risk list. Based on the identified risks, the Company implements targeted countermeasures and establishes a continuous monitoring mechanism to ensure risks are manageable.

Supply Chain Risk Management

Risk Descriptions	Participation of Related Parties in Bidding
Countermeasures	Clearly define requirements to avoid conflicts of interest, strictly review relationships between bidding-related parties, and prevent entities with interests from participating in bids.
	Inconsistent Evaluation Criteria
	Establish fair and objective review conditions and evaluation criteria, and regularly inspect whether the bid evaluation committee conducts reviews strictly in accordance with the tender documents.
	Restrictive Bidding Conditions
	Standardize the requirements for preparing bidding documents to avoid clauses in the bidding conditions that restrict or specify particular patents, trademarks, brands, places of origin, suppliers, or inspection/testing agencies, and strengthen the review of bidding documents.
	Bidding Not Conducted for Projects that Require Bidding
	Clarify the scope and procedural requirements for projects that must be tendered according to law, and standardize the implementation of tender management for procurement projects that meet the criteria.

Supply Chain Security

The Company builds a diversified, efficient, safe, and stable supply chain ecosystem, promotes tiered management of suppliers, and establishes strategic cooperation models with key suppliers. At the same time, the Company continues to strengthen supplier resource management and sharing, driving improvements in the overall efficiency of the supply chain. During the reporting period, the Company did not experience any major risks or impactful events in the supply chain.

Supply Chain Security Management

Quality Management	Supplier Classification and Grading
Actions and Achievements	The Company carries out graded classification management based on the urgency and value of supplier products and services, optimizing the supplier resource structure and continuously enhancing supply chain resilience and security levels.
	Strategic Partnership Development
	As of the end of the reporting period, the Company had established partnerships with 34 strategic partners to jointly promote industrial upgrading and technological innovation.

Quality Management	Cross-Regional Resource Sharing
Actions and Achievements	Consolidate and expand the partner network to enhance the efficient collaboration and resource integration capabilities of the industrial and supply chains.
	Supplier Capability Profiling
	Promote supplier performance assessment and establish detailed supplier capability profiles to continuously drive supply chain optimization and improvement. During the reporting period, the Company completed performance evaluations for 2,438 suppliers.

Transparent Procurement

The Company strictly complies with relevant laws and regulations to carry out sunshine procurement management, has established an anti-corruption management system covering all suppliers, and formulated the Positive and Negative List of Employee-Supplier Interactions (Trial) to standardize procurement work. The Company incorporates the integrity memorandum into standard contract content, requiring staff to comply with relevant integrity regulations and uphold professional ethics and integrity bottom line; at the same time, the Company issues a Letter of Initiative on Complying with Integrity Regulations During Cooperation to regulate supplier behavior. The Company requires suppliers to sign the Integrity Memorandum simultaneously when signing contracts to further standardize supplier integrity behavior.

During the reporting period, the Company organized a conference on supply chain cooperation and compliance training for key category suppliers, attended by representatives from 103 suppliers. Multilateral discussions were held, and the Integrity in Practice Responsibility Letter and Compliance Performance Commitment Letter were signed, laying a solid foundation for building clean, honest, and trustworthy cooperative relationships.

Transparent Procurement Initiative

- Procurement personnel are strictly prohibited from soliciting or accepting any personal benefits offered by partners.
- Partners should exercise self-discipline in their interactions with COSL and must not proactively or passively offer any form of personal benefit to employees, including gifts, entertainment, or hospitality.
- Partners must strengthen supervision over their own behavior and that of COSL employees in business interactions, immediately cease any violations, and report them to the relevant company departments.
- Partners must not engage in bid rigging, collusion in bidding, or exclusion of competitors, nor adopt false advertising or other unfair competition practices.
- Partners shall truthfully declare the status of this affiliated relationship and cooperate with COSL's admission review and supervision inspection work.
- If any violations by partners or their staff are discovered, the Company shall immediately terminate the partnership to maintain a fair and transparent business environment.



Green Supply Chain

The Company promotes the concept of a green supply chain, carrying out green procurement, green logistics, green warehousing, resource sharing and recycling, to foster the green development of the supply chain. During the reporting period, in order to steadily advance the construction of a green supply chain, the Company released the COSL Green Supply Chain Construction Action Plan (2025-2028), systematically promoting green supply chain construction across green supply, green procurement, green logistics and warehousing, and resource recycling links.

During the reporting period, the Company implemented guiding documents for green supply chain construction, such as the "Recommended Catalog for Procurement of Green Low-Carbon and Environmentally Friendly Technologies (2025 Edition)" and the "Elimination Catalog of High-Energy-Consumption Electromechanical Equipment (Products) (2025 Edition)," further guiding and standardizing related work carried out by its subordinate units. The Lanhai Boda manufacturing plant has been rated as the "2025 Fujian Green Factory."

The Green Supply Chain Actions

Green Procurement

Advocate for suppliers to provide green and low-carbon products, and work together to promote new product development and the application of new technologies.

Seek cooperation opportunities with suppliers that meet national quality, safety, and environmental certification standards, and provide green and low-carbon products.

Green Logistics

Enhance the level of greening in the logistics process by centralized demand management, prioritizing the use of energy-saving transportation tools, and adopting logistics solutions that reduce carbon emissions, thereby lowering the carbon footprint of the entire supply chain.

Green Warehousing

Promote warehouse classification and grading for quality improvement, as well as resource-intensive and intelligent transformation and upgrading, to reduce environmental impact and transportation costs during the material inbound, outbound, and storage processes.

Resource Sharing

Continue to advance the digital transformation of the supply chain, building a green integrated digital platform for the supply chain. During the reporting period, the overseas module of the supply chain digital platform basically achieved full coverage, and the unification of the business data basic coding system with the same source was basically completed.

Resource Recycling and Reuse

Encourage and support resource reuse, strengthen the whole life cycle management of large equipment, and promote automation upgrades and other renovations of facilities and equipment.

Case **Digital Empowerment in Unmanned Warehouse Management**

COSL has launched its unmanned intelligent three-dimensional warehouse, integrating smart warehousing and modern logistics technologies to establish a dynamic material management mechanism. This initiative achieves intelligent operations, enhanced operational efficiency, and seamless production coordination. Leveraging core equipment such as four-way shuttles and handheld terminal scanners, along with cutting-edge technologies including the Internet of Things, artificial intelligence, and modern logistics, the unmanned smart warehousing system enables fully automated, end-to-end processes—from material inbound identification and warehouse zone management to outbound matching. This significantly enhances operational efficiency and warehouse utilization, while achieving a 100% accuracy rate for material outbound.



Unmanned Intelligent Three-Dimensional Warehouse

Equal Treatment of Small and Medium-sized Enterprises

The Company attaches great importance to the payment management of small and medium-sized enterprises, and has formulated relevant regulations such as the Fund Management Measures to ensure timely payment of related funds. The Company scientifically arranges funding plans to ensure that corporate payables are paid on time and in full; it has established a tracking mechanism for accounts payable to regularly check overdue situations and prevent risks in advance.



02

Deepening Low-Carbon Transformation to Protect Our Blue Homeland

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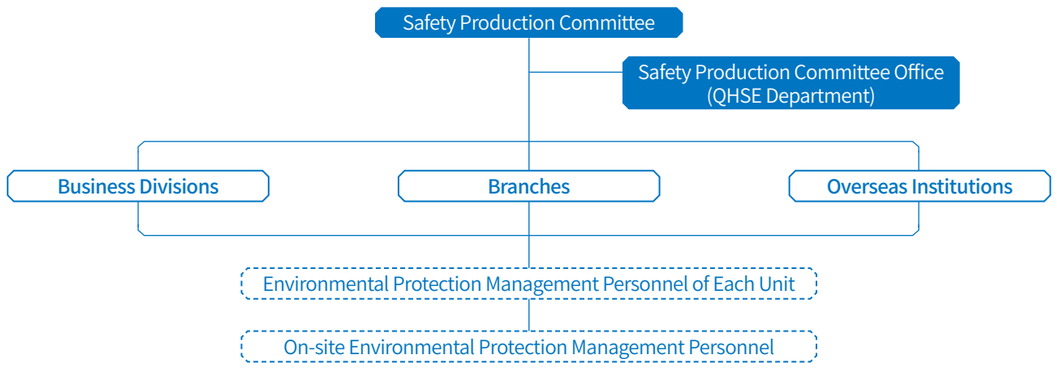
2.1

Environmental Protection Management

Governance

COSL builds an environmental management organizational system with clearly defined responsibilities, smooth vertical and horizontal communication, and comprehensive coverage. The Safety Production Committee is the highest decision-making level, for environmental protection work, overseeing the Company's environmental protection efforts at an overall level, formulating strategies, providing top-level design, and ensuring the coordination of resources and implementation of policies for environmental protection. The Committee is supported by the QHSE Department, which serves as the working office, responsible for establishing and maintaining the Company's environmental protection management system, conducting environmental risk identification, and supervising and guiding the environmental protection work of all subordinate units. As the implementation bodies, each of the Company's business divisions has established environmental protection management bodies that focus on the main business operations to implement environmental protection management and adhere to the relevant system requirements. Each branch, as a regional functional extension of the headquarters, is responsible for coordinating, managing, supervising, and providing support for related work in the region. The operating units and project teams have dedicated or part-time environmental protection management personnel to ensure the effective implementation of environmental protection efforts at the grassroots level.

COSL Environmental Management Framework



The Company strictly complies with laws and regulations such as the "Environmental Protection Law of the People's Republic of China," the "Marine Environmental Protection Law of the People's Republic of China," the "Environmental Impact Assessment Law of the People's Republic of China," the "Measures for the Administration of Environmental Monitoring" and the "Regulations on the Administration of Environmental Protection of Construction Projects," formulates and effectively implements management systems such as the Environmental Factor Assessment, the Environmental Protection, the Hazardous Chemicals and Radioactive Substances, and implements whole-process supervision and control of important environmental factors to effectively prevent and reduce possible adverse impacts of production and operation activities on the ecological environment. As of the end of the Reporting Period, a total of 11 affiliated units of the Company passed the ISO 14001 Environmental Management System Certification, and all of them passed the annual audit.

During the Reporting Period, the Company revised and published four eco-environmental protection systems, including the Environmental Protection Management and the Hazardous Chemicals and Radioactive Materials Management, in combination with business development and regulatory requirements, further improved the environmental risk prevention and control system, and significantly improved the dynamic monitoring, accurate identification and closed-loop management capabilities of key environmental factors.

Strategy

The Company adheres to the environmental protection concept of "Providing Green Services, Enriching Enterprises through Green Initiatives, and Integrating Ecological Civilization Construction into Production and Operations," building a green and low-carbon development path covering all oilfield service specialties, and regards cultivating green and low-carbon core competitiveness as its environmental protection development strategy. The Company follows the "Caring for the Environment, Saving Energy and Increasing Efficiency, and Developing in a Green Way" management policy, continuously improving the environmental management system, systematically identifying and effectively controlling significant environmental risks.

Environmental Management Risk Identification and Countermeasures

Risk Descriptions	Risk of Oil and Gas Blowouts and Leaks During Drilling and Workover Operations
Countermeasures	**Prevention in Advance:** Strictly perform drilling and workover operations according to standards to prevent well kicks and blowout accidents. **Resource Reserves:** Regularly maintain and service well control equipment and facilities to ensure they are always available; develop emergency response plans for well kick and blowout to ensure timely and effective response; stock sufficient oil spill emergency equipment. **Personnel Readiness:** Conduct well control knowledge training and emergency skills drills for well kick and blowout to improve personnel emergency capabilities; ensure relevant personnel obtain certification in accordance with regulations, with all well control certificates complete and valid; regularly carry out well control drills and improve emergency handling plans.
Risk Descriptions	Leakage Risk of Oil-Based Drilling Fluid or Oil-Containing Drill Cuttings During Drilling and Workover Operations
Countermeasures	**Source Prevention and Control:** Regularly inspect and maintain the mud circulation system, cuttings handling equipment, and pipelines to prevent leakage; strengthen sea surface inspections during operations and immediately stop operating and report upon detection of abnormalities. **Emergency Preparedness:** Conduct annual oil spill emergency drills as planned, and equip with oil booms, oil absorbent pads, and other emergency supplies. **Green Alternatives:** Continuously track the progress of the eco-friendly Drilling liquid technology and actively recommend its use to clients in operational areas where conditions permit, reducing environmental impact at the source.
Risk Descriptions	Spill Risk During Vessel Loading and Offloading Operations
Countermeasures	**Standardized Operations:** Strictly implement the Guidelines for Offshore Oil Support Vessel Loading and Offloading Operations, conduct job safety analysis before operations, and clearly define the responsibilities and emergency assignments of both supplying and receiving parties. **Facilities Assurance:** Ensure the integrity and effectiveness of key components such as oil pipelines, valves, and deck scupper blocking; equip the site with sufficient spill recovery materials and firefighting equipment. **Process Monitoring:** Maintain real-time communication between both parties, accurately calculate tank capacity, assign dedicated personnel to monitor liquid level changes, and strictly prevent overfilling and spillage; in the event of a leak, immediately activate the Special Emergency Plan for Vessel Oil Spill.
Risk Descriptions	Directional Well Trajectory Loss of Control Leading to Casing Puncture and Oil Spill Risk
Countermeasures	**Design Control:** Strictly verify wellhead coordinates, target points, and adjacent well data before operations; conduct multiple rounds of anti-collision scans; develop obstacle-avoidance plans scientifically. **Technical Prevention:** Use a combination of roller cone bit and gyroscopic directional drilling in high-risk well sections; dynamically monitor trajectory deviations during drilling; set graded warning thresholds. **Emergency Response:** Establish a three-tier technical support mechanism of "On-Site — Base — Experts"; in case of anomalies, immediately pull out drilling tools, remeasure the trajectory, and make rapid decisions according to the Directional Well Anti-Collision Response Plan.

Risk Management

COSL strictly implements the Environmental Factors Assessment management system, systematically carrying out environmental risk identification and dynamic evaluation work across the entire business chain. The QHSE Department leads and coordinates relevant risk management efforts, working with each division and subsidiary to develop control plans and contingency measures for identified environmental risks based on their business characteristics. Through digital monitoring, regular inspections, and audits, the Company supervises the implementation of related work by responsible personnel, effectively building a defense line for environmental risk prevention before incidents, control during incidents, and response after incidents, thus preventing and curbing environmental events.

The Company continues to advance environmental protection capacity building through coordinated efforts in equipment upgrades and employee training, comprehensively enhancing its environmental protection standards. During the reporting period, the Company carried out a comprehensive upgrade to the domestic wastewater treatment facilities on the drilling platform and the offshore vessels, applying high-efficiency biological treatment processes on a large scale. The operational stability of the system was significantly improved, and the concentration of chemical oxygen demand (COD) emissions was substantially reduced, effectively mitigating the impact on the marine ecological environment. In terms of personnel training, the Company established an environmental training system covering all employees with layered and categorized programs, integrating both online and offline methods to regularly provide basic training on environmental laws, company policies, and operational guidelines. At the same time, targeted training is conducted according to specific job requirements, including wastewater discharge permit management, standardized disposal of hazardous waste, and ecological civilization principles, effectively enhancing frontline personnel's professional capabilities in compliance enforcement, risk prevention, and emergency response, thereby solidifying the talent foundation for implementing environmental protection systems.

Metrics and Targets

COSL sets clear environmental protection goals and regularly monitors and reviews these goals to ensure their implementation and progress meet the expected standards and requirements.

COSL Annual Environmental Protection Goals and Progress

2025 Annual Goal	Goal Achievement Status
No occurrence of general accident, level C or above environmental pollution liability incidents	No environmental pollution liability accidents occurred

Environmental Protection Indicators

Indicator	Unit	2023	2024	2025
Environmental Protection Investment	RMB Ten Thousand	9,780 [Note]	6,031	6,899
Major Pollutant Emission Violation Events	Cases	-	0	0

Note: In 2023, to strategically expand its EPS business and enhance related scientific research facilities, the Company made concentrated equipment purchases and dedicated environmental protection investments. This one-time expenditure led to an increase in the relevant data indicators for the year compared to regular years.

2.2

Water Resource Utilization

COSL integrates water resource management deeply into the Company's sustainable development management system, incorporating it into the Company's unified environmental protection management framework, with the Safety Production Committee coordinating overall leadership and the QHSE Department taking the lead in implementing specific tasks. The Company strictly complies with laws, regulations, and rules such as the "Water Law of the People's Republic of China" and the "Law of the People's Republic of China on the Prevention and Control of Water Pollution" and has formulated and implemented management systems and procedural documents such as the Water Management policy to ensure lawful water resource usage. In 2025, the Company formulated the Water Conservation Work Plan, strengthened water usage index control, implemented dual control requirements on total volume and intensity, promoted the use of unconventional water sources and the application of water-saving technologies, and continuously improved the level of water conservation management in office and operational sites.

The Company attaches great importance to the sustainable management of water resources, and, based on the characteristics of its business, systematically identifies water resource dependency and supply risks, strengthens targeted control measures, and ensures the coordinated advancement of operational compliance and ecological responsibility.

Water Resource Utilization Risks and Opportunities Identification and Countermeasures

Risk/Opportunity Descriptions	Living water on offshore operation platforms depends on vessel transport or seawater desalination devices; extreme weather events such as typhoons and cold waves may prevent vessels from docking, posing risks of freshwater supply shortages and interruptions.
Countermeasures	**Resource reserves:** Establish a daily freshwater emergency reserve mechanism to ensure water supply security in emergency situations. **Preventive preparation:** Improve the meteorological warning and vessel dispatch linkage mechanism, strengthen emergency reserves in advance based on forecasts; optimize personnel rotation arrangements, orderly evacuate non-essential personnel before extreme weather to reduce freshwater consumption on the platform. EPS Drilling liquid waste treatment technology can increase the water phase separation rate of discarded Drilling liquid. The treated water can be used to prepare new drilling liquid, achieving on-site wastewater reduction and freshwater reuse. **Application promotion:** Expand the application scope of EPSDrilling liquid waste treatment technology to improve water resource utilization efficiency. **Water quality control:** Set key index limits for water quality to ensure that the treated wastewater meets reuse requirements.

During the reporting period, the Company advanced the research, development, and application of water-saving processes and technologies, continuously reducing reliance on freshwater resources, enhancing water resource utilization efficiency, and improving risk resilience.

Case **Application of Offshore Fracturing and Displacement Water-Saving Process Technology to Reduce Freshwater Consumption**

Fracturing fluid and displacement fluid are key materials for improving oil and gas recovery rates. Traditional technology relies on using freshwater for preparation, but offshore platforms have long faced issues with high storage and transportation costs and difficulties in ensuring continuity, which have long constrained the large-scale implementation of offshore fracturing and displacement operations.

COSL independently developed a new seawater-based fracturing fluid and displacement fluid system that directly uses filtered seawater for preparation, eliminating the reliance on freshwater resources for fracturing and displacement operations. The Company actively promotes the application of relevant technologies in offshore oilfield sites, which have already been successfully used in multiple displacement operations, saving a total of more than 200,000 cubic meters of freshwater resources. This technology has been included in the Ministry of Industry and Information Technology's Catalogue of Industrial Water-Saving Processes, Technologies, and Equipment Encouraged by the State (2025 Edition).



Independently Developed Seawater-Based Fracturing Fluid for Proppant Carrying

The Company's main source of water is municipal supply. To continuously optimize the efficiency of water resource use, the Company sets annual water consumption targets each year and carries out water-saving management.

COSL Annual Water Usage Goals and Progress

2025 Annual Goal	Goal Achievement Status
Water consumption: 1,628,048 tons	Water consumption: 1,598,202 tons

Water Resource Indicators

Indicator	Unit	2023	2024	2025
Water Withdrawal	Tons	1,311,321	1,356,119	1,598,202
Water Consumption	Tons	1,311,321	1,356,119	1,598,202
Water Consumption per Unit of Output Value	Tons/RMB Ten Thousand	0.4447	0.3944	0.4119

2.3

Energy Management

COSL strictly complies with the "Energy Conservation Law of the People's Republic of China," the "Law of the People's Republic of China on the Promotion of Clean Production," the "Measures for the Administration of Industrial Energy Conservation," and other laws, regulations, and rules, continuously optimizing and improving management systems and procedural documents such as the Energy Management and the Low-Carbon Management.

The Company regards the efficient utilization and safe supply of energy as an important foundation for operational assurance, systematically advancing energy management, continuously optimizing the energy structure, and enhancing energy resilience and low-carbon performance.

Energy Management Risk and Opportunity Identification and Countermeasures

Risk/Opportunity Descriptions	Work vessels and the offshore drilling platform face risks of fuel supply interruptions, such as diesel, due to extreme weather conditions like typhoons and sea ice, impacting energy use stability and operational safety.
Countermeasures	**Resource reserves:** Establish a fuel emergency reserve mechanism to ensure fuel supply during emergency situations. **Preventive preparation:** Improve the meteorological warning and vessel scheduling linkage mechanism, and, based on forecasts, prepare fuel emergency reserves in advance.
Risk/Opportunity Descriptions	LNG dual-fuel powered ships can effectively reduce carbon dioxide and nitrogen oxide emissions from vessel fuel combustion.
Countermeasures	**Technical application:** Adjust vessel power demand to increase LNG fuel utilization; ensure stable LNG fuel supply.
Risk/Opportunity Descriptions	Actively promote the application of clean energy, optimize the energy mix, reduce the use of traditional fossil fuels, and lower carbon emission intensity.
Countermeasures	**Application promotion:** Continuously optimize existing distributed photovoltaic power generation projects and green electricity procurement partnerships, expand renewable energy application projects, and deepen the low-carbon transformation of the energy structure.

The Company advances energy efficiency improvements and diversified energy supply measures, including promoting vessels' power access to shore, exploring the deployment of photovoltaic clean energy technology in suitable scenarios, continuously enhancing energy security resilience, reducing carbon emission intensity, and supporting green and low-carbon transformation.

Case **Diesel Generator Set Upgrade and Renovation**

The HYSY906 platform carried out an upgrade and renovation of its diesel generator sets. The new units adopt electronically controlled unit pumps and digital control technology. Compared to the original units, fuel injection control is more precise and efficient, effectively improving fuel combustion efficiency and significantly reducing fuel consumption. With an 800 kW electrical load, a single new unit can replace two original units in operation, saving 1.7 cubic meters of fuel per day and reducing carbon dioxide emissions by 4.19 tons.



Generator Set Upgrade and Renovation

Case **Promoting Shore Power Applications to Support Green Low-Carbon Transformation of Offshore Platforms**

COSL continued to advance energy structure optimization. During the reporting period, the Company completed shore power retrofit projects for seven offshore platforms. By replacing traditional diesel power generation with shore power, the platforms' electricity needs during operations were effectively met, significantly reducing reliance on fossil fuels for drilling and completion work. As of now, the Company has 22 offshore platforms with shore power access, with total annual shore power usage exceeding 25 million kilowatt-hours, effectively reducing carbon emissions and steadily progressing toward green and low-carbon goals.



Pre-Operation Inspection of Shore Power System

Case **LNG Power and Battery Energy Storage Technology Facilitate Low-Carbon Transformation of Vessels**

COSL actively promotes the application of LNG power and battery energy storage technology on offshore oilfield support vessels. The Company operates 12 LNG-powered vessels and has equipped some LNG and fuel dual-fuel powered ships with additional battery energy storage systems, providing hybrid power through containerized battery energy storage. The system improves fuel utilization by "shaving the peaks and filling the valleys", achieving an average reduction of approximately 10% in vessel carbon emissions and fuel consumption.



Application of Battery Energy Storage Technology on Vessels

Case **COSL Singapore Ltd. Strategically Plans Green Power and Commissions Distributed Photovoltaic System**



COSL Singapore Ltd. Photovoltaic Power Generation

COSL Singapore Ltd. strategically plans and establishes a "Self Generation for Self-Use" green power system. In October 2025, the 1.41 MWp distributed photovoltaic system at COSL Singapore Ltd. Haixin Base was completed and put into operation, with an annual power generation of approximately 930,000 kWh and an annual carbon reduction of about 370 tons. The project adopts the "Self Generation for Self-Use With Surplus Power Fed to the Grid" model, effectively addressing local high electricity prices and carbon tax pressures, and helping to build an overseas green and low-carbon demonstration base.

The Company's energy consumption mainly comes from the use of traditional fossil fuels such as diesel and gasoline. At the same time, the Company promotes the use of clean energy such as solar power and liquefied natural gas (LNG), and vigorously advances the construction and implementation of renewable energy projects such as photovoltaic power generation.

The Company continuously updates and optimizes its energy-saving plans, setting annual energy-saving targets each year and breaking them down into detailed indicators for each energy-consuming unit to ensure goal implementation. In addition, for fixed asset investment projects and key energy-consuming units, the Company regularly carries out energy-saving reviews and monitoring to maximize energy use efficiency.

COSL Annual Energy-Saving Goals and Progress

2025 Annual Goal	Goal Achievement Status
Total energy savings of 14,100 tons of standard coal	Total energy savings of 14,701 tons of standard coal

Energy Indicators

Indicator	Unit	2023	2024	2025
Diesel	Tons	369,309	346,897	396,000
Gasoline	Tons	304	532	427
Natural Gas	Cubic Meters	392,106	426,913	444,449
LNG	Tons	7,248	6,379	8,140
Purchased Electricity	10 MWh	3,730	4,704	5,296
Purchased Thermal Energy	Million Kilojoules	-	-	3,215
Total Energy Consumption (Total Energy Use) [Note]	Tons of Standard Coal	556,110	523,806	599,152
of which: Direct Energy Consumption	Tons of Standard Coal	-	-	14,894
Indirect Energy Consumption	Tons of Standard Coal	-	-	584,258
of which: Clean Energy Usage	Tons of Standard Coal	-	-	16,332
Energy Consumption per Unit Output	Tons of Standard Coal per Million RMB	18.9	15.2	15.4
Special Expenses for Energy Conservation and Emission Reduction	RMB Ten Thousand	97	80	78
Energy Savings	Tons of Standard Coal	25,143	12,775	14,701

Note: The conversion coefficient used in the calculation of energy consumption data is from the "China Energy Statistical" Yearbook.

2.4

Waste Management and Circular Economy

COSL incorporates full life-cycle waste management into an integrated environmental protection management system, strictly adhering to laws, regulations, and rules such as the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste," the "Circular Economy Promotion Law of the People's Republic of China," and the "Measures for the Administration of the Transfer of Hazardous Waste," to ensure the compliant disposal of various types of waste and to promote the recycling of all types of waste generated in operation, thereby contributing to the establishment of a green circular economy system.

The Company has formulated and implemented rules such as the Solid Waste Management system, which clearly stipulates that temporary storage sites must be set up by waste category, and ensures that each storage location has a clear label. For hazardous waste, the Company classifies it according to its characteristics and strictly prohibits the mixed collection, storage, or transportation of hazardous waste that has not been safely treated.

The Company integrates the concept of recycling into its production and business activities, striving to achieve maximum reduction, maximum utilization, and maximum resource recovery of waste. The Company has formulated the Recycling Management system to encourage all affiliated units to implement waste recycling, and regularly tracks and evaluates the implementation status of each unit.

The Company entrusts qualified third-party disposal units to carry out waste recycling and compliant disposal. Recyclable components in non-hazardous waste, such as scrap metal and waste plastics, are collected and reused separately; waste mineral oil in hazardous waste is used as raw material for base oil or fuel oil, and metal chips from hazardous waste, after harmless treatment, are used as recycled metal materials.

COSL Waste Management Measures

Waste Type | Non-Hazardous Waste

Countermeasures

- Equipped with dedicated recycling bins to ensure the entire recycling process is protected against wind, rain, sunlight, and leakage.
- All general industrial solid waste generated by offshore platforms is transported back to land for treatment.
- Each operational area signs contracts with disposal units, and conducts strict inspections of disposal units before contract signing. During contract execution, regular audits are carried out to ensure they have the capacity to process waste and that the handling process complies with relevant laws and regulations.

Hazardous Waste

- Hazardous waste is sorted, collected, and disposed of in accordance with relevant standards and specifications. Hazardous waste storage facilities are established, labeled, and a hazardous waste ledger is maintained.
- All hazardous waste generated by offshore platforms is disposed of in compliance with regulations.
- Sign a contract with the disposal unit, and conducts on-site investigation and review before signing the contract to ensure that its qualifications and treatment capacity meet requirements, and that the treatment process complies with laws and regulations.
- The disposal process of hazardous waste is strictly carried out in accordance with the management requirements of the local ecological environment department, with declaration and disposal carried out in the form of consignment notes to ensure the accuracy of ledger records.

Note: Regarding the total amount of packaging materials used for finished products and the per production unit consumption indicators, the Company's main business areas are drilling services, well tech services, marine support services, geophysical collection, and geo-surveying services, which do not involve packaging materials, so this indicator is not applicable.



Waste Source Reduction and Resource Recycling Practices

During the offshore oil and gas exploration and development process, drilling operations generate drilling cuttings waste, which contains mineral oil, organic treatment agents, and potential heavy metals. If not properly disposed of, these can easily cause long-term harm to the marine ecological environment, with risks of leakage and dispersion, and may also destroy marine biological habitats, threatening ecological safety.

Facing this common industry challenge, COSL, relying on its independently developed "Haiheng" non-water-based drilling cuttings thermo-mechanical treatment technology, has successfully achieved a fundamental shift from "End-of-Pipe Treatment" to "Source Reduction + Resource Utilization" for drilling cuttings. This technology has been applied on a large scale in key sea areas such as the Bohai Sea, cumulatively treating nearly 120,000 tons of drilling waste and reducing over 60,000 tons of onshore disposal volume. By implementing customized in-situ treatment solutions across multiple platforms, the Company achieves efficient on-drilling treatment of oil-containing cuttings and resource utilization of the products, significantly reducing carbon footprint and overall costs.

The technology has been included in the National Catalogue of Advanced and Applicable Processes, Technologies, and Equipment for Comprehensive Utilization of Industrial Resources (2025 edition), marking its national-level recognition for leading value in promoting green, low-carbon transformation of offshore oil and gas and practicing the concept of circular economy, providing the industry with a replicable and promotable ESG practice model.

The harmless waste generated from the Company's operations mainly includes general industrial solid waste and domestic waste such as wastepaper, waste wood, waste rubber, and waste plastics produced during production operations and equipment maintenance; the hazardous waste generated mainly includes oily wastewater, oil-containing contaminants, waste mineral oil, and waste metal shavings from equipment maintenance and washing processes.

Waste Indicators

Indicator	Unit	2023	2024	2025
Total Waste Emissions	Tons	88,174	89,522	85,903
Waste Emissions per Unit Output	Tons/RMB Ten Thousand	0.03	0.03	0.02
Total Hazardous Waste Emissions	Tons	19,122	17,926	15,187
Hazardous Waste Emissions per Unit Output	Tons/RMB Ten Thousand	0.01	0.01	0.01
Total Non-Hazardous Waste Emissions	Tons	69,052	71,974	70,716
Non-Hazardous Waste Emissions per Unit Output	Tons/RMB Ten Thousand	0.02	0.02	0.02

2.5

Pollutant Emission Management

COSL strictly complies with the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution," the "Law of the People's Republic of China on the Prevention and Control of Water Pollution," the "Regulations on Pollutant Discharge Permit Administration," the "Implementation Plan for the Pollutant Discharge Permit System," and other relevant laws, regulations, and rules. It has formulated and implemented institutional documents such as the Waste Gas and Noise Emission Management and the Water Management to regulate the management of waste gas and wastewater discharge during production and operation.

The Company continuously reduces pollutant emissions through advanced emission reduction technologies, strict management systems, and innovative business models, minimizing the negative impact of its production and operations on the ecological environment to the greatest extent possible.

Pollutant Emissions Risk and Opportunity Identification and Countermeasures

Risk/Opportunity Descriptions	Countermeasures
The emergency response mechanism for heavily polluted weather and unexpected environmental incidents may affect the normal production and operation of enterprises.	Equipment maintenance: Conduct regular inspection and maintenance of environmental protection equipment to ensure normal operation and stable, compliant pollutant discharge. Dynamic monitoring: Implement real-time monitoring of emission outlets, treatment facility operational status, and monitoring data; establish over-limit warning mechanisms to ensure data authenticity and traceability. Emergency preparedness: Develop the Emergency Plan for Sudden Environmental Incidents and the Heavy Pollution Weather Emergency Response Operational Plan to define handling procedures for unexpected situations and emission reduction measures for different warning levels, and conduct regular emergency drills to enhance personnel response capability.
Excessive pollutant emissions or negative public opinion can damage the Company's reputation and brand image.	

The Company has fully incorporated the risks associated with pollutant emissions into its environmental risk management, carrying out unified identification, assessment, and graded control. The exhaust gases generated by the Company include sulfur oxides (SOx) and nitrogen oxides (NOx) from platforms and vessel diesel engine emissions, as well as volatile organic compounds (VOCs) and particulate matter produced during production, maintenance, and testing processes; the generated wastewater includes domestic sewage and oily wastewater produced during equipment parts cleaning and deck washing.

COSL Pollutant Emission Management Measures

Type of Pollutant		Countermeasures
Exhaust Emission Management		
Exhaust Gases Generated from Offshore Operating Sites	Diesel Engine Exhaust Containing Nitrogen Oxides and Sulfur Oxides	Purchase diesel engines that meet the latest environmental emission certification requirements, and use diesel fuel that complies with national standards. Strictly follow operating procedures to use equipment correctly, and carry out regular maintenance in accordance with equipment maintenance regulations to ensure the diesel engine remains in good operating condition.

Type of Pollutant		Management Measures
Exhaust Gases Generated at Land-Based Operation Sites	Exhaust Gases Generated During Production, Maintenance, and Testing Processes: VOCs, Total Non-Methane Hydrocarbons	Collect exhaust gas through hoods and fume cupboards, treat it, and discharge it in compliance with regulations. Discharge in compliance with regulations after treatment through an alkali scrubber and water scrubber.
	Exhaust Gas Generated During Production and Maintenance: Particulate Matter.	Discharge after treatment with environmental protection equipment such as bag filters.
Wastewater Discharge Management		
Domestic Sewage		Both offshore platforms and onshore operation sites are equipped with domestic wastewater treatment facilities to ensure that treated water is discharged in compliance with standards.
Oily Wastewater		Oily wastewater generated in prohibited discharge areas is transported back to shore for disposal; platforms and vessels in other areas are equipped with oil-water separators, and discharge is carried out in accordance with laws and regulations after treatment.

Case **Technical Upgrade of Domestic Wastewater Treatment Device**

During the reporting period, COSL advanced the technical upgrade work for the domestic wastewater treatment of vessels. Through a systematic comparison of multiple treatment technology solutions, the evaluation focused on the operational stability of the equipment under vessel's pitching conditions, environmental adaptability in different navigation areas, and its ability to meet effluent quality standards. Simulated voyage tests and third-party authoritative testing and verification were also organized. On this basis, the Company focuses on enhancing the biochemical degradation efficiency of the treatment facilities and the advanced purification capacity before discharge, effectively reducing the concentration of pollutants in vessel domestic sewage and genuinely mitigating the impact on the marine ecological environment.



Upgrade of Domestic Sewage Treatment Facilities

During the reporting period, the Company was not subject to any major administrative penalties or criminal liabilities due to pollutant discharge, and pollutant emissions did not have a negative impact on company employees or the surrounding community.

Emission Indicators

Indicator	Unit	2023	2024	2025
Wastewater Discharge Compliance Rate	%	100	100	100
Wastewater Recycled Volume	Tons	2,998	3,917	4,202
Compliant Discharge of Oily Wastewater	Cubic Meters	288	379	660

2.6

Hazardous Chemical Management

The Company adheres to the principle of "Substituting Low-toxicity for High-toxicity and Low-hazard for High-hazard" in the use of hazardous chemicals, promoting the application of green chemistry concepts in process design and actual production, and selecting harmless substitutes whenever possible. For the unavoidable use of hazardous chemicals, all units are required to conduct hazard identification and risk assessment of chemicals, and to formulate and implement corresponding control measures.

The Company has developed the Hazardous Chemicals and Radioactive Substances management procedure, exercising strict control over the entire process of transportation, storage, use, and disposal of hazardous chemicals.

COSL Hazardous Chemicals Management Measures

Transportation

During the transportation of hazardous chemicals, storage must meet rescue and evacuation requirements, warning signs must be set up, and dedicated personnel must be assigned for management.

Storage

All hazardous chemical packaging or containers must be labeled with corresponding safety labels and clear markings.

Hazardous materials storage devices (warehouses, containers, gas cylinders, acid tanks, etc.) must be kept intact, meet usage standards, and be equipped with complete firefighting, first-aid, and emergency equipment and facilities.

Facilities storing hazardous chemicals must be equipped with lightning protection and ventilation equipment; the ventilation and exhaust systems must have grounding devices for eliminating static electricity, and smoking or the use of open flames is strictly prohibited in the area.

Any hazardous chemicals on the premises must be stored in designated locations or containers away from danger zones and living areas.

Usage

Personnel must hold relevant qualification certificates, be familiar with the Material Safety Data Sheet (MSDS), and understand the product's characteristics, usage methods, safety precautions, and emergency handling procedures.

Workplaces using hazardous chemicals must be equipped with operating instructions, ensure strict separation of hazardous and non-hazardous operations, and workers must wear appropriate personal protective equipment.

Disposal

Waste disposal must be carried out strictly in accordance with the requirements stipulated by the relevant laws.

2.7

Ecological and Environmental Protection

COSL complies with the requirements of the "International Convention for the Prevention of Pollution from Vessels," the "Marine Environment Protection Law of the People's Republic of China," and other relevant regulations and initiatives, formulating corresponding management systems to ensure that daily operations do not harm the marine ecosystem. The Company protects and restores biodiversity in and around its operation sites through marine life rescue and conservation work.

The Company has established a clear and well-defined environmental protection system that covers standards and requirements for ecological environmental protection. The Company systematically assesses potential risk points and conducts routine inspections to promptly detect and address any irregularities. At the same time, the Company regularly carries out special inspections for oil spill risks, fully implements oil spill prevention responsibilities, continuously strengthens management capabilities in key areas such as equipment maintenance, material reserves, and emergency drills, and improves the oil spill risk management system.

Case "Haijing" Whale Protection: Marine Mammal Conservation Practices in Geophysical Operations

During geophysical operations in an offshore sea area, the Company's vessel which worked using the "Haijing" system strictly followed biodiversity protection measures. Before commencing work, the team conducted an environmental assessment to identify the condition of the sea area and determine whether it served as a breeding or migration corridor for animals. During operations, the vessel was equipped with Marine Mammal Observers (MMO) and a Passive Acoustic Monitoring system (PAM), enabling simultaneous real-time monitoring above and below the water surface. Once a marine mammal was detected, the "Haijing" system's air gun operations were immediately halted, and a 30-minute observation and waiting period was imposed; work could only resume after both MMO and PAM confirmed no animal activity. During restart, a 20-minute "Soft Start" mode is adopted, gradually increasing the air gun pressure to provide potential animals with time to move away. If animals are spotted again during this period, the timing is reset. This mechanism effectively prevents exploration activities from disturbing marine mammals, demonstrating in practice the responsibility and commitment to "Balancing Ecological Protection and Resource Exploration."

> "Half an hour may not cause a significant impact on the exploration mission, but protecting the marine environment is more important. Even if it takes more time, it is worth it."
>
> —A COSL Navigation Engineer

Case Reducing Ecological Disturbance and Building a Harmonious Environment Together

COSL has deeply integrated local ecological characteristics into its Uganda project, making every effort to build a harmonious ecological environment together with the operator and the local community. The Company's Uganda branch selected earth-toned work uniforms that better adapt to the local environment, gradually repainted vehicles, oil pipes, and other equipment in matching colors, and adopted yellow-green wellsite lighting to effectively reduce visual disturbance and avoid interfering with local bird habitats. At the same time, the Company customized "LR8001," China's first 8,000-meter fully automated environmentally friendly drilling rig, incorporating leading technologies such as full-site noise control technology, a zero-emission system, and a fully automated pipe handling system. This achieves automation, zero emissions, low noise, and precise control, minimizing the impact on the local ecosystem and biodiversity from the source in terms of acoustic environment and pollutant emissions.



Equipment for the Uganda Project

In its production and operations, the Company actively advocates biodiversity conservation, encourages employees to participate in marine wildlife rescue and protection activities, and conducts marine biodiversity awareness training to enhance staff awareness of ecological environment protection.

Case **Protecting Migratory Birds and Fulfilling Marine Ecological Responsibility**

In December 2025, during a cold wave in Laizhou Bay of the Bohai Sea, the crew of HYSY541 discovered an injured, isolated bean goose during an inspection and immediately provided food, fresh water, and treated its wounds. After two days of care, the bean goose regained its ability to fly and was successfully released back into the wild. This heartwarming action is a vivid example of the Company integrating ecological protection into its daily operations.



Rescuing a Stray Bean Goose

Case **Jointly Building the "Marine Youth Forest" to Support Mangrove Ecological Restoration**

In March 2025, COSL Shenzhen Branch, together with the Huizhou Maritime Bureau, Huizhou Radio and Television Integrated Media Center, and the Blue Bay Association, organized young volunteers to carry out a "Joint Planting of Marine Youth Forest" mangrove planting activity along the coast of Huizhou. Mangroves, as an important coastal ecosystem, play a vital role in maintaining biodiversity, purifying water quality, and carbon sequestration. On the day of the event, under professional guidance, volunteers learned planting techniques and cooperated in tasks such as tidal flat cleaning and digging holes for soil preparation. They successfully planted over 300 saplings of Kandelia seedlings and signed a co-construction responsibility agreement, establishing mechanisms for subsequent maintenance and inspections. Through this practice, the Company not only deepens employees' understanding of the value of coastal ecology, but also actively integrates into the regional ecological protection network through concrete actions, contributing corporate strength to safeguarding marine biodiversity.





Mangrove Planting

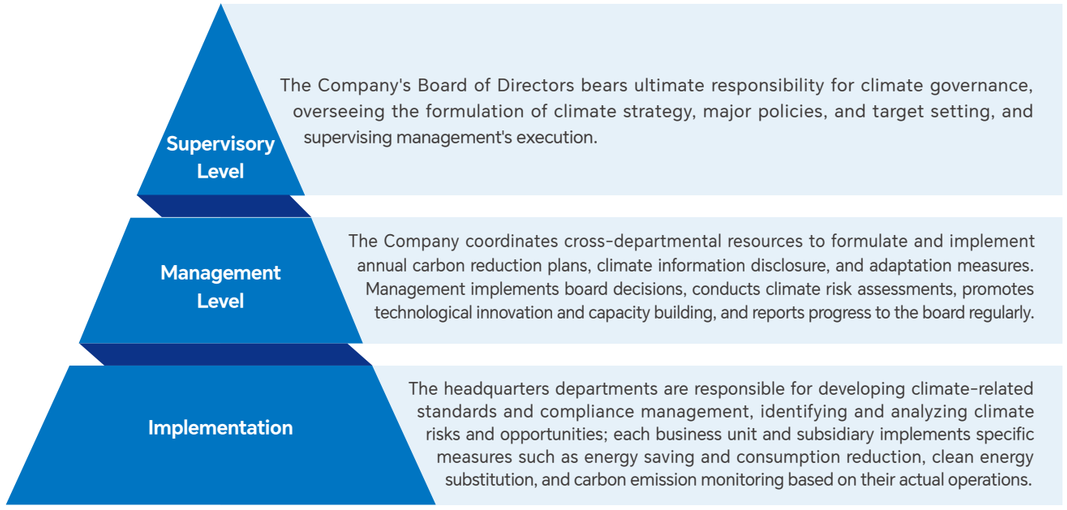
2.8

Response to Climate Change

Governance

COSL attaches great importance to the long-term impacts of climate change, and has fully integrated climate governance into the Company's strategic planning, business operations, and risk management system, covering the entire project life cycle. The Company has established a three-tier governance structure of "Supervision-Management-Execution," forming a coordinated mechanism in which the Board of Directors provides overall supervision, the management team promotes coordination, and the implementation bodies carry out specific implementation, ensuring that climate governance requirements are effectively communicated to the business frontlines, achieving full-process closed-loop management and continuous improvement.

COSL Climate Governance Framework



COSL attaches great importance to the impact of climate change on the Company's strategy, operations, and long-term value, and continuously improves its climate governance framework.

The Company has fully integrated the management of climate-related risks and opportunities into its overall enterprise risk management system. The Board of Directors and management attach great importance to the identification, assessment, and response to climate-related risks and opportunities. They review the results of the Company's climate risk and opportunity identification on an annual basis and utilize climate-related factors as a critical basis for corporate strategic planning, capital allocation, and major investment decisions.

Currently, the Company has included the achievement of energy savings and carbon reduction targets in its business performance evaluation system. In the future, the Company will closely align with the national "Carbon Peaking And Carbon Neutrality " strategy deployment, actively adapt to the industry's carbon reduction trend, integrate its own green and low-carbon development path, and continuously strengthen the implementation and incentive for climate action responsibilities.

Strategy

Physical Risks

Acute Risk

Period of Impact [Note]

Short-term	mid-term	long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Areas of Concentrated Impact

Drilling sector, technology sector

Risk Descriptions

Sudden natural disasters such as typhoons, earthquakes, and tsunamis may cause personnel injuries, asset damage, and production interruptions for the Company.

Potential Financial Impact

Rising costs, declining revenue

Countermeasures

Closely monitor climate change trends, carry out meteorological monitoring, establish long-term mechanisms for disaster prevention and response, take proactive measures in natural disaster risk management and hazard investigation and rectification, and continuously improve and refine disaster emergency plans.

Each unit shall allocate and stock various emergency supplies in accordance with institutional regulations and operational needs, and form an emergency expert team based on business requirements.

Conduct drills and exercises according to the plan to strengthen employees' disaster prevention awareness and capabilities.

Physical Risks

Chronic Risk

Period of Impact

Short-term	mid-term	long-term
■	■	✓

Scope of Impact

Operations and value chain

Areas of Concentrated Impact

Drilling sector, Shipping sector, Geophysical sector

Risk Descriptions

Seasonal and periodic risks such as high-temperature heatwaves and winter ice conditions may affect the production and operation of offshore facilities, the safety and health of employees, and increase operational costs.

Potential Financial Impact

Rising costs

Countermeasures

Organize risk assessments in advance on an annual cycle and deploy key tasks.

Carry out risk prevention and hazard investigation based on seasonal and regional characteristics, continuously improving and enhancing the level of risk management.

Reserve various types of risk prevention and response materials for foreseeable risks during different cycles, ensuring the operation of offshore facilities and the safety and health of employees.

Note: Short-term: 0-1 year; Medium-term: 1-5 years; Long-term: above 5 years.

Transition Risks/Opportunities

Policy and Legal Risk

Period of Impact

Short-term	mid-term	long-term
■	✓	✓

Scope of Impact

Operations

Areas of Concentrated Impact

/

Risk Descriptions

Stricter environmental policies such as carbon emission limits may lead to increased operating costs.

Potential Financial Impact

Rising costs

Countermeasures

Keep pace with changes in environmental laws and regulations, and thoroughly implement a green and low-carbon development path.

Transition Risks/Opportunities

Reputation Risk

Period of Impact

Short-term	mid-term	long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Areas of Concentrated Impact

/

Risk Descriptions

Failure to communicate with external stakeholders in a timely manner or failure to disclose information may trigger negative public opinion.

Potential Financial Impact

Rising costs, declining revenue

Countermeasures

Strengthen communication with stakeholders by disclosing the Company's initiatives and progress in addressing climate change through channels such as the annual ESG report, official website, and WeChat public account.

Risks and Opportunities

Technology and Market Opportunity

Period of Impact

Short-term	mid-term	long-term
■	✓	✓

Scope of Impact

Operations

Areas of Concentrated Impact

/

Risk Descriptions

Safe and efficient development of CO_2-containing oil fields in synergy with CCUS (carbon capture, utilization, and storage) technology will become one of the important pathways to balance energy security with the advancement of carbon peaking and carbon neutrality goals.

Potential Financial Impact

Income increase

Countermeasures

Accelerate the deployment of CCUS engineering technical services and actively carry out relevant basic research and achievement transformation.

In terms of financial impact, due to the typhoon entering the operational sea area, the Company's operating platforms implemented typhoon avoidance and work suspension measures in accordance with the contingency plan. After the third-party inspection agency completed safety inspections and confirmed compliance, the platforms resumed normal operations. Given that relevant business contracts have fully considered the impact of force majeure events such as natural disasters, the typhoon incidents during the reporting period did not have a significant impact on the Company's operating performance.

The Company attaches great importance to the potential impact of climate-related risks on its operations. In addressing climate physical risks, the Company pays particular attention to the challenges posed by extreme weather events to offshore operational safety and facility stability. For typhoon risks, the Company has established regular monitoring and emergency response mechanisms, fully considering uncertainties such as typhoon path, intensity, and impact range. Through scientific evaluation, early warning, and contingency drills, the Company effectively enhances the safety of operational assets and personnel, ensuring operational resilience even under extreme climate conditions. At the same time, the Company continues to optimize work arrangements and facility protection strategies to enhance its ability to adapt to the long-term trends of climate change. In terms of climate transition risks, the Company actively addresses challenges such as energy structure transformation, stricter carbon regulations, and increasing low-carbon requirements from clients. It does so through large-scale construction of green equipment such as LNG-powered OSV vessels, retrofitting with LNG vessel new energy battery storage technology, green transition assessments for aging vessel units, and the deployment of energy-saving technologies including waste heat utilization, flywheel energy storage, and harmonic suppression, continually exploring low-carbon operational pathways. At the same time, the Company actively seizes low-carbon development opportunities by accelerating its deployment in CCUS engineering services, conducting relevant fundamental research and achievement transformation, and its focused investment in key technologies such as low-concentration CO_2 capture, CO_2 hydrate storage, and intelligent monitoring. The Company focuses on breakthroughs in scalable, low-cost, and highly reliable core technologies to support the transition of CCUS from demonstration to industrialization.

Risk Management

COSL has incorporated climate-related risks into the Company's overall risk management system, establishing a systematic and hierarchical mechanism for identification, assessment, and response. The Company regularly organizes cross-departmental teams to identify physical risks and transition risks brought about by climate change, focusing on core operations such as offshore drilling and shipping activities and Well Tech services.

To ensure that risks remain controllable, the Company has established a tiered supervision mechanism. The headquarters coordinates climate risk management strategies, regional subsidiaries take the lead in climate risk response in their respective areas, and each business unit is responsible for implementing specific prevention and control measures in its business domain. Through internal and external weather forecasts, disaster warning platforms, and professional institution information channels, the Company continuously tracks climate risk developments. Based on the urgency, intensity, and potential impact of the risks, it organizes cross-departmental consultations and promptly adjusts response plans.

Metrics and Targets

The Company carries out carbon emission management work, sets annual carbon reduction targets each year, and breaks them down into detailed indicators for each subsidiary to ensure the targets are achieved.

COSL Annual Carbon Reduction Goals and Progress

2025 Annual Goal	Goal Achievement Status
Total carbon reduction: 30,100 tons of CO_2	Total carbon reduction: 30,604 tons of CO_2

Greenhouse Gas Emission Indicators

Indicator	Unit	2023	2024	2025
Total Greenhouse Gas Emissions	Tons of CO_2	1,218,527	1,142,124	1,299,069
of which: Total Direct Greenhouse Gas Emissions	Tons of CO_2	1,182,609	1,110,250	1,267,802
Total Indirect Greenhouse Gas Emissions[Note]	Tons of CO_2	35,918	31,874	31,267
of which: Total Greenhouse Gas Emissions of the Drilling Services	Tons of CO_2	-	-	547,172
Greenhouse Gas Emissions of the Technology Services	Tons of CO_2	-	-	15,643
Greenhouse Gas Emissions of the Marine Support Services	Tons of CO_2	-	-	613,792
Greenhouse Gas Emissions of the Geophysical Acquisition Services	Tons of CO_2	-	-	116,435
Greenhouse Gas Emissions of the Other Services	Tons of CO_2	-	-	6,027
CO_2 / Greenhouse Gas Emission Reduction	Tons of CO_2	46,311	27,373	30,604
CO_2 Emissions per Million RMB of Output Value	Tons of CO_2 per RMB Ten Thousand	0.4132	0.3322	0.3347

Note: The calculation method for greenhouse gas emissions refers to the "GHG Protocol Corporate Accounting and Reporting Standard." The relevant coefficients for direct greenhouse gas emissions are taken from the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Industrial Enterprises in Other Sectors (Trial)"; the relevant coefficients for indirect greenhouse gas emissions are taken from the "Announcement on Releasing the 2023 CO_2 Emission Factors for Electricity."

03

Enhance Quality and Safety to Ensure Steady and Far-Reaching Progress

51 Safety and Health
59 Quality Management
61 Customer Service
63 Technological Innovation

3.1

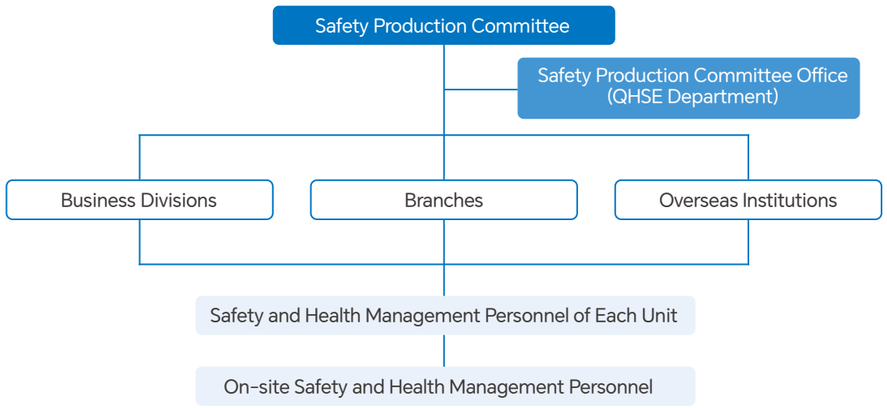
Safety and Health

Governance

COSL continues to improve and optimize the Company's safety and health management system in compliance with laws, regulations and management regulations such as the "Safety Production Law of the People's Republic of China," the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases," and the "Regulations on the Administration of Safety Production of Construction Projects."

COSL has established a comprehensive safety and health management framework. At the management level, the Safety Production Committee, as the highest decision-making organization for safety and health work, is responsible for overseeing the Company's safety and health efforts at a global level, formulating strategies, providing top-level design, and ensuring the coordination of resources and implementation of policies for safety and health. The Committee is supported by the QHSE Department, which serves as the working office, responsible for establishing and maintaining the Company's safety and health management system, conducting safety and health risk identification, and supervising and guiding the safety and health work of all subordinate units. At the implementation level, each of the Company's business divisions has established safety and health management organizations that focus on the main business operations to implement safety and health management and adhere to the relevant system requirements. Each branch, as a regional functional extension of the headquarters, is responsible for coordinating, supervising and providing necessary support for related work in the region. The operating companies and project teams have dedicated part-time safety and health management personnel to ensure the effective implementation of safety and health efforts at the grassroots level.

COSL Safety and Health Management Structure



The Company, based on the overall requirements for safety production and occupational health management, has formulated and implemented management systems such as the Interim Measures for Accountability in Safety, Environmental Protection, and Incident Responsibility, promoting the formation of a standardized, coordinated, and efficient safety and health management system. As of the end of the reporting period, a total of 11 affiliated units of the Company obtained ISO 45001 Occupational Health and Safety Management System Certification. During the reporting period, all 11 affiliated units passed the ISO 45001 annual audit. In addition, the Company's Shipping Division and Geophysical Division passed the SMS Safety Management System Certification[Note].

Note: SMS (Safety Management System) Certification ensures safe vessel operations in compliance with the International Safety Management Code (ISM Code).

Strategy

The Company adheres to the safety management philosophy of "Safety First, Prevention Foremost, and Comprehensive Governance," with clear strategic goals of "Zero Personnel Injuries, Zero Environmental Damage, Zero Property Loss, and Zero Brand Impact," and continuously promotes the overall improvement of its safety management standards. The Company has established standardized procedures for identifying and assessing production safety risks and conducts regular safety risk analyses. Based on the identification results, the Company formulates and implements corresponding control measures, continuously consolidates the foundation of production safety, and ensures that all business operations are carried out safely and in an orderly manner.

Safety Production Risk Identification and Countermeasures

Risk Descriptions	Countermeasures
Risk of Large Mobile Facilities: Towline Breakage of Drilling Platform During Towing and Loss of Control of Vessels	· Prepare and strictly implement the towing plan. · Conduct pre-assessment and inspection of the towing system. · Strengthen shore-based support and towing operation timing management.
Risk of Large Mobile Facilities: Collision, Personnel in Distress, or other Marine Damage Involving Vessels	· Enhance the application of vessel intelligent collision avoidance technology in offshore facilities. · Conduct timely inspections to ensure the integrity and effectiveness of the mooring system. · Strengthen process control for vessel berthing at offshore facilities.
Well Control Risk: Inadequate Prediction and Risk Assessment Leading to Blowout Accidents	· Enhance the sensitivity of monitoring systems to predict early signs of problems. · Establish a well control expert team to provide professional support for well control risk assessment. · Carry out regular inspections for well control hazards.
Well Control Risk: Blowout Accidents Caused by Lax Project Design or on-Site Management	· Strengthen design review and change management for risk wells. · Carry out well control key position training and require certification. · Implement on-site management strictly in accordance with relevant requirements.
Major Operational Accident Risk: Safety Accidents Caused by Lax Operation Plan Review and Non-Standard Operational Processes	· Establish a job information management system to standardize the approval process. · Enhance training and assessment for personnel, including contractor employees. · Intervene in unsafe behaviors at key positions, and provide full-time on-site supervision when necessary.

Risk Descriptions	Occupational Health Risk: Employees Suffering from Occupational Diseases
Countermeasures	· Install ventilation and dust removal facilities in the production workshop. · Carry out regular occupational health examinations and establish personal records. · Mandate and supervise employees in using necessary protective equipment.

Risk Management

The Company continuously strengthens safety risk control, actively promotes the proactive management of safety indicators, and builds a safety management indicator system covering 17 indicators based on professional, regional, and seasonal characteristics. Following the path of "Overall Design by Headquarters – Periodic Analysis by Hierarchical Units – Daily Execution by On-Site Operating Units," safety risks are addressed at annual, monthly, and daily frequencies, achieving dynamic safety risk management with full employee participation. During the reporting period, the Company did not experience any major safety incidents.

Risk Control Mechanism

Annual Control	At the end of each year, the Company headquarters organizes the identification and assessment of safety risks for the following year, determines the Company's 'Annual Unacceptable Safety Production Risks,' and develops specific control measures and key control points from the perspectives of personnel, technology, materials, and processes. Responsibilities are clearly assigned and broken down to front-line operational units to ensure effective implementation of the measures.
Monthly Control	Units at all levels hold regular monthly safety risk analysis meetings, in conjunction with production operation plans, to assess key risks for the month and develop corresponding control measures.
Daily Control	On-site operational units, through the application of Job Safety Analysis (JSA) and Permit to Work (PTW), identify risks present in work tasks and determine control measures. Conduct real-time monitoring of work processes, with safety supervisors using a points-based system to intervene in unsafe behaviors. Encourage employees to use safety, training, and observation procedures (STOP cards) to intervene in unsafe behaviors, thereby strengthening risk management effectiveness through full participation.

Hazard Inspection

The Company has established a hazard inspection and management system covering the entire process and multiple levels, with well-developed inspection mechanisms in place at frontline teams, operating companies, business divisions, branch offices, and company headquarters. The Company holds a monthly safety production operation analysis meeting to comprehensively assess the effectiveness of hazard management, and to formulate detailed governance plans and improvement measures. Meanwhile, units at all levels carry out irregular cross-supervision inspections, providing practical management suggestions for bottom-line red-line issues and recurring problems. In addition, to address difficulties in hazard rectification, the Company relies on the QHSE information management platform to achieve real-time entry of hazard information and dedicated tracking, ensuring the remediation process and progress are visible and traceable in real time. During the reporting period, the Company's rate of rectifying identified hazards reached 99.9%.

Emergency Management

Focusing on risks from emergencies, the Company continuously strengthens its emergency management system to effectively safeguard employee lives and company assets. The Company has established a three-tier emergency response mechanism consisting of the First-level Headquarters Emergency Center, Second-level emergency centers at each branch company and directly managed overseas institutions, and Third-level emergency centers in each business division, with corresponding comprehensive and specialized emergency plans. When an emergency occurs, the business division acts as the first line of defense to handle it initially; the second-level emergency center mobilizes regional resources for assistance as needed; for emergencies of higher importance, they are reported to the first-level Headquarters Emergency Center for unified coordination and handling.



The Xinjiang Branch Carried Out Dual-Scenario Drills for "Sudden Fire" and "Sudden Injury Incidents."



COSL Iraq Branch Health Service Center Conducts Medical Incident Emergency Drill

Occupational Health Protection

In accordance with the Catalogue of Classification of Occupational Hazard Factors, the Company conducts annual identification and analysis of occupational hazard factors in the workplace. The Company focuses on employees exposed to high-risk factors and compiles a list of occupational hazard factors in the workplace. For the identified hazard factors, the Company develops emergency response plans and provides corresponding protective measures to ensure effective control of occupational health risks. In addition, the Company regularly commissions external evaluation agencies to conduct testing and assessment of occupational disease hazards in the workplace, quantitatively analyzing the extent of hazards and exposure risks, and promptly disclosing the testing results to employees to safeguard their right to know.

At the same time, the Company organizes employees every year to undergo occupational disease medical examinations at medical and health institutions with nationally recognized qualifications, ensuring that employees can regularly understand their health status, and establishes occupational health records to carry out systematic and continuous occupational health monitoring.

The Company continues to promote occupational health training and awareness programs for employees exposed to occupational disease hazards. The Company implements comprehensive occupational health training for relevant employees, enabling them to fully understand occupational disease hazards, recognize potential occupational health risks associated with their positions, and master corresponding protective measures, ensuring the proper use of protective equipment and continuously enhancing awareness and skills in protection. At the same time, the Company actively carries out occupational health publicity activities, including organizing Occupational Disease Awareness Week, extensively disseminating occupational health knowledge, and guiding employees to pay more attention to and place greater importance on their own occupational health.

The Company continuously focuses on employees' mental health, providing a 24/7 mental health consultation hotline to offer timely and convenient psychological support. By conducting online training courses on topics such as stress management, family relationship management, and negative emotion management, the Company guides employees to understand mental health issues scientifically, enhance their self-adjustment capabilities, and promote holistic well-being. The Company cooperates with professional mental health consulting institutions, and on the basis of strictly protecting employees' personal information, third-party organizations conduct psychological assessments. Through big data, they conduct in-depth analyses of employees' mental health status, providing data and theoretical support for improvement directions.

Case **Introduction of Smart Health Wristbands in the Land-based Production Workshop**

The Company has introduced the "Smart Health Wristband Monitoring Project" in the land-based production workshop. This project relies on an independent intranet architecture and industrial-grade equipment to achieve 24/7 continuous monitoring of key indicators such as heart rate, blood oxygen levels, and body temperature, and through localized algorithms, it enables anomaly detection and second-level response. Since the system was put into operation, the efficiency of identifying health risks such as fatigue and abnormal heart rate among workshop employees has increased by about 50%, while manual inspection workload has been reduced by about 70%, effectively lowering operational risks and improving the precision and timeliness of occupational health management.



The Production Workshop is Equipped with Smart Health Wristbands.

Safety Culture Development

To promote full employee participation in safety management, the Company creates a safety culture atmosphere of "Everyone Participates in Safety, Everyone Values Safety" from multiple angles. In terms of safety skills training, the Company continuously improves employees' safety-related capabilities through various forms such as special events, safety training, emergency drills, and Safety Month activities. In terms of cultivating safety awareness, the Company issued the Guidelines for Jointly Safeguarding Employee Safety by Families and the Company, and through activities such as family messages to employees, role-switching "Major Interventions," and targeted enhancement of safety awareness, strengthened the connection and interaction between the Company and employees' families, promoting the building of a safety culture and the dissemination of safety concepts.



Employees in the Zhanjiang Branch Participated in the "Safety Publicity and Consultation Day" Event.



The Xinjiang Branch of the Company Held a Themed Speech Contest for the Safety Production Month.

Metrics and Targets

To comprehensively enhance safety management standards, COSL sets annual safety production goals each year and breaks them down into detailed indicators for each affiliated unit to ensure their implementation. The Safety Production Committee and QHSE Department regularly review the progress of safety production goals in their affiliated units and take strict measures against those that fail to meet the standards.

COSL Annual Safety and Health Goals and Progress

2025 Annual Goals	Goal Achievement Status
· No fatalities from responsibility-related accidents · No general accidents of Grade A or above causing property loss due to responsibility-related incidents · No general accidents of Grade A or above due to work-related traffic responsibility incidents · OSHA recordable incident rate below 0.1 · No occurrence of acute occupational poisoning incidents	· No occurence of employee fatal liability accidents · No occurrence of general accident Class A or above property damage liability incidents · No occurrence of general accident Class A or above work-related traffic liability incidents · OSHA recordable incident rate is 0.016 · No occupational poisoning incidents occurred

Safety Production Indicators

Indicator	Unit	2023	2024	2025
Safety Production				
Total Safety Incidents	Cases	8	13	8
Recordable Injury Incidents	Cases	6	12	8
OSHA Recordable Incident Rate[Note 1]	/	0.014	0.026	0.016
Lost Workday	Days	-	-	364
Lost Workday Rate[Note 2]	/	0.74	0.45	0.75
Employee Fatalities	Persons	0	0	0
Fatality Rate per Million Man-Hours[Note 3]	/	0	0	0
Contractor Fatalities	Persons	0	0	0
Employee Coverage Rate of Work Safety Liability Insurance	%	-	100	100
Investment in Work Safety Liability Insurance	Ten Thousand RMB	-	-	124.69
Coverage Rate of Safety Risk Protection Training	%	-	-	100

Note 1: OSHA Recordable Incident Rate = Recordable Incidents × 200,000 / Total Man-Hours
Note 2: Lost Workday Rate = Lost Workdays × 200,000 / Total Man-Hours
Note 3: Fatality Rate per Million Man-Hours = Employee Fatalities / Total Man-Hours × 1,000,000 Man-Hours

Indicator	Unit	2023	2024	2025
Emergency Drill				
Number of Participants in Safety Emergency Drills	Participants	503,483	551,390	660,412
Number of Safety Emergency Drills	Times	23,208	25,526	29,330
Safety Training				
Number of Participants in Safety Training	Participants	372,198	403,696	444,977
Number of Safety Training Sessions	Times	30,174	33,679	35,788

Occupational Health Indicators

Indicator	Unit	2023	2024	2025
Coverage Rate of Employee Health Checkups and Health Records	%	99.56	99.65	99.68
Number of Employees Receiving Occupational Health Checkups	Persons	3,407	3,417	3,412
Completion Rate of Occupational Health Checkups	%	100	100	100
Completion Rate of Occupational Health Checkups for Employees Exposed to Occupational Disease Risk Factors	%	100	100	100
Pre-employment Occupational Health Checkups	Participants	184	210	183
Pre-employment Occupational Health Checkups Completion Rate	%	100	100	100
In-service Occupational Health Checkups	Participants	3,084	3,046	3,084
In-service Occupational Health Checkups Completion Rate	%	100	100	100
Post-employment Occupational Health Checkups	Participants	157	161	145
Post-employment Occupational Health Checkups Completion Rate	%	100	100	100

Public Security

The Company upholds the "People First, Life First" philosophy and continuously advances initiatives to improve public security management and emergency response capabilities. The Company has established a security management system covering its headquarters and all overseas institutions, forming a framework consisting of 1 manual, 9 procedural documents, and 3 guidelines to standardize security management from the workflow level.

The Company has established a security management system covering the entire project lifecycle. Before conducting overseas business, the Company considers security risks as a key factor and systematically evaluates the security situation in the project's location during the bidding stage. For projects with extremely high risks, the Company, in principle, does not participate in bidding. For overseas projects already underway, the Company hires professional security teams based on local public safety conditions to effectively safeguard the personal and property safety of employees abroad.

In terms of security warning information, the Company cooperates with institutions such as the International SOS Rescue Center and conducts targeted security risk assessments based on relevant information. According to the evaluation results, the Company promptly issues security alerts and provides necessary preventive recommendations to ensure that overseas employees can effectively respond to local security risks.

In the area of security training, the Company arranges for expatriate employees to participate in multiple security risk prevention and response training programs organized by professional institutions. During the reporting period, the Company conducted a total of 31 security emergency drills, further enhancing the emergency response capabilities of its overseas offices.

Information Security

COSL conscientiously fulfills its subject responsibilities for cybersecurity and data security, strictly complying with the requirements of the "Cybersecurity Law of the People's Republic of China," the "Data Security Law of the People's Republic of China," and other national laws and regulations. It has established and improved its management system, continuously enhanced security protection technologies and emergency response mechanisms, and regularly conducts risk assessments, vulnerability checks, and security training to continuously improve employees' security awareness and protection capabilities, effectively ensuring the stable operation of the Company's information systems and the security of core data assets.

The Company has established a comprehensive organizational and institutional system for cybersecurity, adhering to the principle of "Whoever is in Charge is Responsible, Whoever Builds is Responsible, Whoever Operates is Responsible, And Whoever Uses is Responsible," ensuring that cybersecurity responsibilities are implemented at all levels, and continuously enhancing its capabilities for risk prevention, control, and comprehensive governance of cybersecurity and data security.

The Company strictly follows relevant national regulations and completes all tasks related to the classification and filing under the cybersecurity multi-level protection scheme every year. The Company continuously improves its management standards in alignment with international standards and has successfully obtained ISO 27001 Information Security Management Systems Certification. To strengthen information security risk monitoring, the Company has established a unified and effective cybersecurity situational awareness platform, routinely enhancing the monitoring, early warning, analysis, and handling of cybersecurity threats. The Company promptly eliminates all identified security risks to ensure the safe and stable operation of all networks and information systems.

In terms of employee awareness development, the Company organizes activities such as cybersecurity and data security training and dissemination, security assessment and evaluation, emergency drills and exercises, security inspections, and special rectifications to improve employees' security awareness and emergency response capabilities.

The Company continues to strengthen cybersecurity and data security management, achieving good results. During the reporting period, the Company did not experience any major data security incidents.

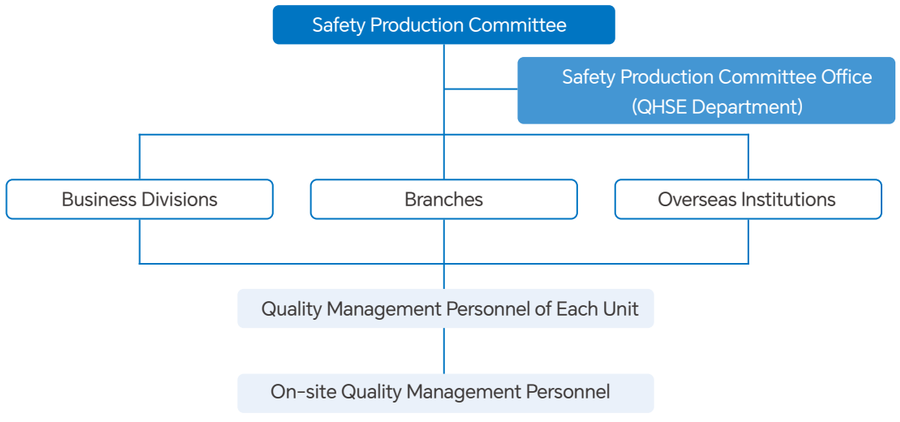
3.2

Quality Management

Governance

COSL has established a comprehensive and effective quality management framework. The Company has established a comprehensive quality management framework. As the management organization, the QHSE Department, as the highest responsible organization for quality management, is responsible for formulating the top-level design of the Company's quality management system and supervising and guiding subordinate units to implement quality management, in accordance with the directives of the Safety Production Committee. As the implementation bodies, each of the Company's business divisions has established quality management bodies that focus on the main business operations to implement quality management and adhere to the relevant system requirements. Each branch, as a regional extension of the headquarters, is responsible for coordinating, supervising, and providing necessary support for related work in the region. The operating companies and project teams have dedicated or part-time quality management personnel to ensure the effective implementation of quality management efforts at the grassroots level.

COSL Quality Management Structure



The Company strictly complies with the "Product Quality Law of the People's Republic of China, " the "Regulations on the Quality Management of Construction Projects, " and other laws, regulations, and management rules, and has established a comprehensive quality management system. As of the end of the reporting period, a total of 11 affiliated units of the Company obtained ISO 9001 Quality Management Systems Certification, and all passed the annual review during the reporting period. In addition, the Oilfield Chemicals Research Institute Experimental Center, the Production Optimization Division Experimental Center, and the Well Tech Experimental Center have all obtained CNAS (China National Accreditation Service for Conformity Assessment) Certification. In terms of industry-specific certifications, COSL Iraq Branch, and others have obtained the ISO 29001 Certification for The Petroleum, Petrochemical, and Natural Gas Industry-Specific Management Systems; multiple operating companies have obtained API Q1 (Quality Management System for Oil and Gas Industry Manufacturing Enterprises) and API Q2 (Quality Management System for Oil and Gas Industry Service Organizations) certifications, ensuring compliance with legal and regulatory requirements and providing customers with professional and reliable products and services.

During the reporting period, in accordance with the quality management requirements and best practices set by government authorities and relevant departments, the Company revised and refined the three major system regulations—the Quality Management, the Quality Management Team Activity Management, and the Operation Management—further strengthening the institutional framework.

Strategy

COSL has a deep understanding of the critical role that quality management plays in ensuring project delivery and meeting customer needs. The Company, following the path of "Lean Operation Quality Management," has set the goal of "Ensuring Well bore Delivery Efficiency and Quality," accelerating the implementation and effectiveness of the Company's "Customer Experience Improvement Three-Year Action Plan," and solidifying long-term mechanisms such as customer experience improvement, operation quality index management, targeted enhancement of prominent issues, and closed-loop management of operational incidents, to ensure the Company's quality management level continues to improve steadily.

Quality Management Risk Identification and Countermeasures

Risk Descriptions	With the continuous increase in workload and operational difficulty, the challenges of risk control for complex downhole situations have risen sharply.
Countermeasures	Establish a tiered and classified management mechanism for high-risk and difficult wells at the Company and professional sector levels. At the same time, based on the characteristics of complex downhole conditions, organize more targeted cross-professional, cross-regional, and cross-party (client-contractor) exchanges, to improve a long-term joint control mechanism for operational quality risks.

Risk Management

The Company has formulated the "Standard-Lean-Excellent" operational quality management path and incorporated it into the "The 15th Five-Year Plan" of quality. During the reporting period, the Company carried out special quality management initiatives such as "Top Drive Quality Improvement" and "Comprehensive Enhancement of Directional Drilling while Drilling (DWD) Capability" aimed at addressing key damage factors affecting work quality. Guided by actual problems on-site, 215 QC team activities were carried out to continuously motivate employees to participate in quality management and drive quality-based value creation.

To enhance employees' quality awareness and management capabilities, COSL actively conducted diversified quality training. In terms of awareness cultivation, the Company organized a "Quality System Promotion Week" activity to establish correct quality concepts and awareness among employees. In terms of capability enhancement, the Company leveraged professional training resources to organize training for internal auditors of the quality management system, continuously strengthening systematic thinking and auditing capabilities of quality management personnel at all levels. During the reporting period, the Company strengthened cooperation with the China Quality Association and organized 13 key quality management personnel to participate in the Association's "Excellence Performance Model Enterprise Self-assessment Specialist and Promotion Backbone" training course, successfully obtaining training completion certificates.

Metrics and Targets

To comprehensively enhance quality management standards, COSL has established quality management objectives with Non-Productive Time (NPT)[Note] as the core evaluation metric.

COSL Annual Quality Management Goals and Progress

2025 Annual Goal	Goal Achievement Status
NPT per man-hour and Direct NPT per man-hour decreased year-on-year by 1.5% and 3.0% respectively, ensuring well bore delivery efficiency and quality.	The relevant indicators decreased year-on-year by 8.9% and 16.3%, respectively.

Note: Non-Productive Time (NPT) refers to the duration of interruptions or delays in the operational plan, measured from the occurrence of an event to the completion of its resolution.

3.3

Customer Service

Customer Service Achievements

COSL, adhering to the philosophy of "AMAZING TECHNOLOGY, EXCELLENT SERVICE," continuously improves its customer communication and feedback mechanisms. The Company's service quality and delivery capability have been widely recognized by customers. During the reporting period, the Company's overall customer satisfaction reached 98.7%.

In December 2025, PT.COSL.INDO, with its reliable operational service capability, standardized HSSE management system, and efficient on-site performance, was awarded the 2025 "Best Operation Performance" honor by PT Pertamina.



COSL Wins the "Best Operation Performance" Award from PT Pertamina

Customer Communication and Privacy Protection

The Company places great emphasis on managing customer needs, continuously enhancing communication with customers, and responding to their requests. The Company has established a regular communication mechanism with client senior management to maintain smooth and efficient interactions and promptly respond to customer needs. At the same time, the Company continuously improves customer file management, systematically collects customer feedback, and optimizes service quality accordingly. During the reporting period, the Company completed over 40 high-level overseas customer communications and established strategic-level connections with key clients such as TotalEnergies, PT Pertamina, and PTT.

Case **COSL Proprietary Technology Brand Launch Event in Jakarta**

In October 2025, at the COSL Proprietary Technology Brand Launch Event held in Jakarta, the Company conducted in-depth exchanges with a number of international clients, jointly discussed the development trends of the industry and regional cooperation opportunities. While expanding its global network of partners, COSL joined hands with clients to build a bridge for future cooperation.



COSL Proprietary Technology Brand Launch Event in Jakarta

The Company leveraged industry summits and exhibitions to conduct face-to-face exchanges with clients, further enhancing communication and strengthening customer awareness of the Company's brand.



Participating in the 10th Mozambique Gas & Energy Summit & Exhibition



Participation in the Bahrain International Petroleum fair 2025

The Company attaches great importance to the protection of customer privacy, establishing a strict customer privacy protection management mechanism, and carrying out the collection, use, and storage of customer information in accordance with laws and regulations, strictly implementing relevant customer privacy protection policy requirements. At the same time, the Company conducts privacy protection awareness training for relevant employees, strengthening the control of privacy leak risks at the source to effectively ensure the security of customer information. During the reporting period, the Company did not experience any customer privacy leakage incidents.

3.4

Technological Innovation

Governance

COSL practices the "Technology-Driven" strategy, continuously improving the "I^{4}R Research, Production, Implementation, and Reform Integrated Technology Breakthrough Model" technological breakthrough model, always guided by market demands and future development trends. Focusing on technological value and customer value, it builds and refines a sci-tech innovation system covering the whole life cycle of intellectual property and the entire industry chain, providing strong technical support for building a World-class Energy and Resource Service Company.

Through institutional arrangements such as technology development planning, project management, achievement management, and technology evaluation and reward management, the Company implements full-process control over innovation activities, enhancing the efficiency of resource allocation and the scientific nature of R&D decision-making, and promoting the effective identification and transformation of sci-tech innovation opportunities.

During the reporting period, the Company systematically revised the Measures for the Administration of Scientific and Technological Projects and the Measures for the Administration of Scientific and Technological Rewards to strengthen supervision and evaluation mechanisms, ensuring research management is dynamic yet orderly. By optimizing the reward mechanism, it guides research resources to focus on overcoming the Company's technical challenges and addressing customer pain points, building a more flexible, efficient, and pragmatic research management system.

Strategy

The Company adheres to technology-driven strategy, with the goal of leading the construction of a World-class Energy and Resource Services Company. The "Two Main and One Special" technology system is continuously improved, visible and tangible, and has basically achieved three-dimensional output of "Single Product, Overall Solution, and Integrated Service." The Company always upholds the R&D orientation of promoting research through application and driving application through research, building the distinctive COSL "I^{4}R Research, Production, Implementation, and Reform Integrated Technology Breakthrough Model" technological breakthrough model, highlighting industrial thinking and value creation. Guided by technology planning, it strengthens efforts in key core technology equipment, producing a number of internationally competitive key core technological products, with steadily improving industrial support capabilities.



Technological Innovation Risk and Opportunity Identification and Countermeasures

Risk Descriptions	Technological innovation is driving the reduction of CCUS costs and breakthroughs in application scenarios, providing key support for the low-carbon energy transition and creating new market opportunities.
Countermeasures	· Professional Assessment: Systematically select high-potential technological innovation pathways and integrated application scenarios. · Specialized R&D: Tackle innovative capture materials, high-efficiency conversion, and storage monitoring technologies. · Performance Evaluation: Quantify the emissions reduction contribution and economic viability of the technology, and iteratively optimize R&D directions.
Risk Descriptions	The explosive growth of information technology represented by Artificial Intelligence (AI) will change or reshape the traditional operation service model in the Well Tech service sector, gradually becoming a new type of productive force that drives high-quality corporate development.
Countermeasures	· High-quality dataset construction: Centered on business objectives, sort out data conditions, establish unified data collection and labeling standards, and set up four stages of dataset construction—collection, cleaning, labeling, and quality inspection. Support large-scale dataset building through the adoption of dataset labeling tools and other means. · Strengthening AI models and intelligent agent applications: Focusing on specific environmental scenarios, enhance model trials by linking internal professional data and integrating system software interfaces, thereby further developing AI applications with oilfield service characteristics to unleash the real business value brought by AI.

Risk Management

The Company consistently adheres to the principle of technological self-reliance and self-strengthening, upholds the innovation concept of "Comprehensive Mainstream Technology, Outstanding Core Technology, and Distinctive Specialized Technology," builds a complete system for technological research and development as well as industrialization, fosters an open scientific research ecosystem, strengthens discipline development, carries out "Research, Production, Implementation, Reform" process reengineering, and establishes a results transformation center. It focuses on resolving horizontal disconnections and vertical blockages in the full lifecycle management of scientific research, enhancing the ability to transform scientific achievements, breaking through bottlenecks in key core technologies, and promoting the broad application of proprietary intellectual property products.

The Company is accelerating the pace of digital transformation and intelligent development, using digitalization and intelligence to restructure service and management models, expand application scenarios, drive industrial upgrades, and build digital infrastructure, digital resources, digital environments, and digital oceans. Focus on emerging industries such as next-generation information technology, marine equipment industry, new energy, energy conservation and environmental protection, energy and mineral geological exploration, deepwater and deep-layer operations, and heavy oil thermal recovery services. Increase resource investment and technological R&D, cultivate new growth drivers, and build a diversified and coordinated development pattern.

In terms of capacity building, the Company continues to optimize the training system for scientific research talent, implementing a combined "Fixed Training" and "Flexible Training" scientific research talent development model to enhance sustained innovation capabilities in key technology areas. As of the end of the reporting period, the Company had 58 leading talents and 1,937 R&D personnel.

The Company actively expands its domestic and international R&D network, establishing deep partnerships with more than 40 universities and research institutes at home and abroad, steadily advancing basic research and personnel exchanges to provide solid talent and technology reserves for corporate development.

Metrics and Targets

COSL continues to strengthen R&D investment, dedicates itself to building a high-quality team of technological talent, enhances intellectual property protection, and improves technological R&D capabilities.

Technological Innovation Indicators

Indicator	Unit	2023	2024	2025
Investment in Scientific and Technological Research and Development	RMB Ten Thousand	164,420	178,220	204,901
Number of New Patents	Items	155	131	127
Number of New Invention Patents	Items	125	98	101
Number of Newly Filed Invention Patent Applications	Items	-	-	242
Cumulative Number of Invention Patents as of Year-End	Items	-	-	987
Number of Accredited High-Tech Enterprises	Entities	-	7	7
Number of National Science and Technology Awards Received	Units	-	2	1

Technological Innovation Achievements

COSL continues to advance the research, scale-up, and industrial application of key core technological equipment, successfully fostering and developing a series of high-end technology brands represented by "Xuanji," "Xuanyue," "Haijing," "Haimai," "Haihong," and "Haiheng." The Company has maintained its qualification as a national high-tech enterprise since 2002.

Technological Innovation Achievements

"Xuanji"-"Key Technologies in Geological Trajectory-Following Rotary Steerable Drilling System" has won the 2025 National Science and Technology Progress Award.	"High-Speed High-Definition Point-the-Bit Geo-Steering Drilling System" selected in the fifth batch of major technical equipment in the energy sector by the National Energy Administration.	"FLAT PRO Wide-Temperature-Range Stable-Rheology High-Performance Synthetic-Based Drilling Fluid System" won the OTC Brazil New Technology Award.	"Haimai" HQN500 subsea node seismic exploration complete equipment and 675 directional rotary steering Drilling system included in the State-owned Assets Supervision and Administration Commission's catalogue for promoting technological innovation achievements.



Intellectual Property Protection

The Company strictly adheres to relevant laws and administrative regulations such as the "Patent Law of the People's Republic of China," the "Trademark Law of the People's Republic of China," and the "Implementation Regulations of the Copyright Law of the People's Republic of China," incorporating intellectual property protection as an important part of technological innovation management to prevent potential intellectual property risks in technological innovation activities and safeguard the Company's legitimate rights and interests.

The Company has formulated and implemented systems such as the Intellectual Property Management Measures and the Detailed Rules for the Implementation of Patent Management, embedding intellectual property protection clauses in key stages such as R&D, innovation, and market expansion. It clarifies the responsibilities and obligations of each department and employee in intellectual property management, forming a standardized management mechanism that covers the entire process of intellectual property creation, utilization, and maintenance.

The Company has established a mechanism for regular review and update of intellectual property, responding promptly to changes in laws, regulations, and regulatory requirements, and continuously enhancing the compliance and adaptability of its systems. At the same time, through policy promotion and regular training, the Company strengthens all employees' understanding and implementation of intellectual property protection policies and systems.

04

Stimulating Talent Potential and Building a Harmonious Workplace

69 Employee Rights Protection
72 Comprehensive Talent Development
74 Harmonious Employee Relations

4.1

Employee Rights Protection

Employment Management

COSL adheres to the management philosophy of "People-Oriented" and implements the principle of equal employment in personnel selection and employment management, ensuring employees have fair and impartial opportunities in recruitment, promotion, and assessment, without any form of discrimination based on gender, age, ethnicity, skin color, nationality, language, race, religion, or physical disability. The Company strictly complies with relevant laws and regulations, resolutely prohibiting illegal employment practices such as the use of child labor and forced labor, and continuously strengthens lawful and compliant employment management.

As of the end of the reporting period, the Company had 15,533 employees, of whom 8.2% were female, an increase of 0.2 percentage points year-on-year, and 12.6% were foreign employees. In the future, the Company will continue to promote the diversification of its workforce, fully leveraging the advantages of diverse perspectives to enhance corporate management standards.

Employee Diversity Indicators

Indicator	Unit	2023	2024	2025
Total Number of Employees	Persons	15,472	15,509	15,533
of which: Full-time Employees	Persons	15,472	15,509	15,533
Part-time Employees	Persons	0	0	0
of which: Chinese Employees	Persons	13,214	13,350	13,583
Foreign Employees	Persons	2,258	2,159	1,950
of which: Male Employees	Persons	14,244	14,273	14,255
Female Employees	Persons	1,228	1,236	1,278
Male Employee Ratio	%	92.1	92.0	91.8
Female Employee Ratio	%	7.9	8.0	8.2
of which: Skill Sequence Employees	Persons	3,876	3,645	3,366
Technical Sequence Employees	Persons	890	934	1,084
Business Sequence Employees	Persons	9,454	9,636	9,905
Management Sequence Employees	Persons	1,252	1,294	1,178
Among Them: Ph.D. Holders	Persons	67	79	96
Master's Degree Holders	Persons	1,250	1,388	1,574
Bachelor's Degree Holders	Persons	7,647	7,884	8,028
Below Bachelor's Degree	Persons	6,508	6,158	5,835
of which: Aged 30 and below	Persons	2,027	2,225	3,038
Aged 31-40	Persons	7,025	6,283	5,094
Aged 41-50	Persons	4,282	4,791	5,148
Aged 51 and Above	Persons	2,138	2,210	2,253
Female Employee Ratio in Management Positions	%	6.9	6.7	7.6
Minority Employees Ratio among Chinese Employees	%	3.1	3.1	3.2
Labor Contract Signing Rate	%	100	100	100

The Company has established a recruitment committee to uniformly review recruitment plans and coordinate decisions on important matters such as campus recruitment; meanwhile, interview panels are formed according to job categories with participation from human resources, professionals, and supervisory staff to ensure standardized processes and clear responsibilities. Through standardized processes, modular management, and a regular reporting mechanism, the Company continuously strengthens recruitment risk control to ensure orderly progress of recruitment work. In addition, the Company continuously strengthens information disclosure management to ensure transparency in the recruitment process and safeguard candidates' equal opportunities and legitimate rights. During the reporting period, the Company actively broadened recruitment channels, launched a series of recruitment activities, and continuously enriched the talent pool to provide solid talent support for the enterprise's high-quality development.

Employee Turnover Indicators

Indicator	Unit	2023	2024	2025
Number of New Employees During the Reporting Period	Persons	421	484	688
Number of Employee Turnover	Persons	-	447	454
of which: Male Employee Turnover	Persons	-	396	408
Number of Female Employee Turnover	Persons	-	51	46
of which: Number of Employee Aged 30 and Below Turnover	Persons	-	136	107
Number of Employee Aged 31-40 Turnover	Persons	-	175	140
Number of Employees aged 41-50 Turnover	Persons	-	103	143
Number of Employees Aged 51 and Above Turnover	Persons	-	33	64
Employee Turnover Rate[Note]	%	-	2.9	2.9
of which: Male Employee Turnover Rate	%	-	2.6	2.6
Female Employee Turnover Rate	%	-	0.3	0.3
of which: Employees Aged 30 and Below Turnover Rate	%	-	0.9	0.7
Employee Turnover Rate Aged 31-40	%	-	1.1	0.9
Employee Turnover Rate Aged 41-50	%	-	0.7	0.9
Employee Turnover Rate Aged 51 and Above	%	-	0.2	0.4

Note: Employee Turnover Rate = Number of Employee Turnover / Total Number of Employees × 100%.

Labor Rights

COSL adheres to a people-centered goal, establishes smooth employee communication mechanisms and a well-developed welfare protection system, and continuously enhances employees' sense of happiness and corporate cohesion.

The Company strictly complies with the "Trade Union Law of the People's Republic of China" and other relevant laws and regulations, sets up trade union organizations at various levels, and promotes the improvement of labor relations coordination mechanisms through equal consultation to effectively safeguard employees' labor rights. During the reporting period, the Company experienced no labor dispute incidents.

Regarding the leave system, the Company protects employees' rights to statutory public holidays, marriage and funeral leave, maternity leave, nursing leave, and paid leave, ensuring that employees receive adequate rest.

In terms of protecting the rights and interests of female employees, the Company strictly enforces the Special Provisions on Labor Protection for Female Employees and other national laws and regulations, ensuring that female employees enjoy equal rights with male employees in areas such as compensation, benefits, and career development. The Company rigorously implements special leave policies for pregnancy, maternity, and breastfeeding periods, providing compliant and comprehensive leave benefits to genuinely safeguard the lawful rights and interests of female employees.

Compensation and Benefits System

Fair and Compliant Compensation System

In compliance with the relevant labor, compensation, benefits, and social insurance laws and regulations of the home country and countries where we operate, the Company has established a competitive compensation and benefits system along with a fair and just performance appraisal mechanism. The Company continuously improves the linkage between wage distribution and performance management, promoting resource allocation towards core technological talent, outstanding high-skill professionals, and frontline industrial workers who have made significant contributions, ensuring labor value matches income, and incentives are proportional to contributions.

Strict Implementation of State-Mandated Benefits

Pay all basic social insurances, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund for employees in full and on time.

Proactively Purchase Other Insurance

Establish and improve the enterprise supplemental security system, providing employees with corporate annuities, supplemental medical insurance, medical insurance for employees and their children, critical illness insurance, personal accident insurance, and work safety liability insurance.

Humanistic Care Benefits

Provide employees with a variety of benefits, such as health check-ups, assistance for those in need, major illness relief, etc.

4.2

Comprehensive Talent Development

Employee Training

COSL continuously optimizes the talent development system, revises and improves the Occupational Skill Level Certification Management, and simultaneously issues the Guidelines for Optimizing Technical Skill Position Sequences, further enhancing the management of employee career development pathways. Based on the Capability Assurance Management and the Training Management Measures systems, the Company systematically conducts multi-level and multi-category training, covering business management, professional technical skills, professional management, international talent, and new employee training, to meet differentiated development needs of employees at different career stages. During the reporting period, the Company's employee training coverage rate reached 89.7%, with an average training duration of 173.3 hours.

Employee Training Indicators

Indicator	Unit	2023	2024	2025
Total Employee Training Hours	Hours	2,824,384	3,138,470	2,474,749
of which: Male Trained Employees	%	92.1	92.0	91.7
Female Trained Employees	%	7.9	8.0	8.3
Skill Sequence Trained Employees	%	21.3	20.4	18.8
Technical Sequence Trained Employees	%	7.1	8.6	9.8
Management Sequence Trained Employees	%	9.7	10.1	10.0
Business Sequence Trained Employees	%	61.8	60.9	61.4
Male Employees Training Average Hours	Hours	261.2	262.7	206.3
Female Employee Training Average Hours	Hours	150.1	179.5	158.1
Skill Sequence Employee Training Average Hours	Hours	323.2	243.6	206.6
Technical Sequence Employee Training Average Hours	Hours	238.7	215.5	161.2
Management Sequence Employee Training Average Hours	Hours	200.4	292.5	235.8
Business Sequence Employee Training Average Hours	Hours	230.2	259.9	202.1
Amount Invested in Vocational Training	RMB Ten Thousand	-	-	9,615

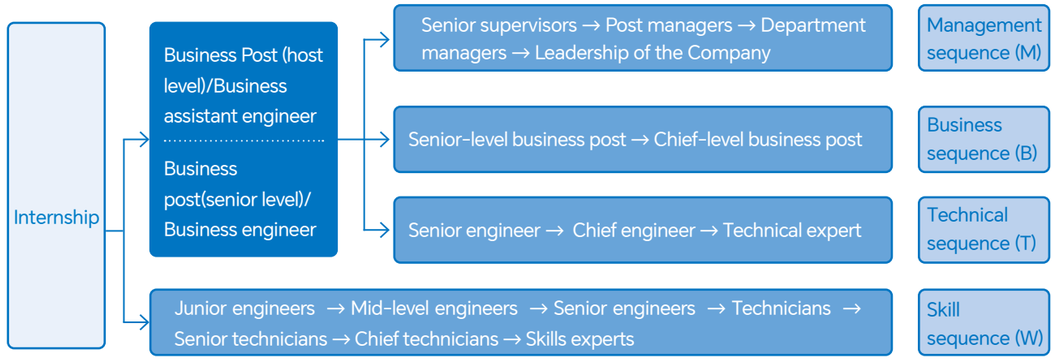
Case **"Global Energy Industry Situation Analysis and Oil & Gas Hotspot Market Research" Special Training**

In response to the new situation in the industry and to build core competitive advantages in energy services for the new era, the Company held a special training session on "Global Energy Industry Situation Analysis and Oil & Gas Hotspot Market Research." This training systematically interpreted multiple hotspot oil and gas markets, analyzed the strategic trends of major international oil and gas companies, service demands, and development trends, and conducted discussions on global oil and gas project development and market merger and acquisition dynamics. A supporting research guide was distributed to provide practical analytical tools for overseas business expansion, helping trainees enhance their industry insight and market assessment capabilities.

Talent Development

COSL attaches great importance to employee growth and development, has formulated the Employee Promotion Management Measures, and established a scientific promotion mechanism and career development system, providing employees with broad space and opportunities for growth to achieve mutual enhancement of employee value and enterprise development.

The Company has set up four promotion channels—management sequence, business sequence, technical sequence, and skill sequence—providing employees with clear career development paths and promotion opportunities, which helps motivate employees to continuously improve their professional skills and career qualities.



Case **Deepening Talent Development: Promoting Advancement Through Competitions to Stimulate Intrinsic Motivation**

The Company adopts a competition-based training model that combines "Training Through Contests and Learning Through Observation" to encourage employees to improve their skills, creating a complete career development loop of "Competition—Skills Certification—Career Promotion." By implementing the "New Eight-Level Worker" system, outstanding skilled personnel can be directly promoted through a green channel via competitions. In the past five years, hundreds of employees have achieved career advancement through this approach, fully stimulating the intrinsic motivation of all staff to hone their skills.



Opening Ceremony of the "Haihe Craftsman Cup" and "Golden Hammer Cup" Competitions

4.3

Harmonious Employee Relations

Employee Communication

COSL continuously establishes and improves the democratic management system with the employees' congress as the main form, holds the employees' congress regularly, listens to employees' opinions and suggestions, and meets employees' demands.

In December 2025, the Company convened the employees' congress, lawfully elected an employee representative director, reviewed the QHSE report and democratic evaluation report, completed 3 employee proposals with high quality, and initiated 9 new proposals, fully demonstrating the practical role of employee participation in management and democratic supervision. Regarding the proposal from employee representatives to improve the quality of frontline labor protection, the Company invited frontline employees to participate in supplier evaluations and sample trials, effectively promoting the improvement in labor protection product quality and highlighting the value of employees' democratic participation in management.

The Company has established a standardized and comprehensive labor dispute handling process to address employee labor disputes in accordance with laws and regulations. Employees can express their demands through various channels, such as telephone, email, and on-site feedback. Relevant departments dynamically track and manage incidents, and formulate solutions based on laws, regulations, and internal policies to ensure disputes are handled in a timely, compliant, and effective manner.



The Third Session of the Third Workers' Congress of COSL

Employee Care

COSL continuously improves the dynamic assistance mechanism for employees in difficulty, establishes the COSL Implementation Rules for Assisting Employees in Difficulty, continually strengthens policy communication, optimizes approval processes, and constantly enhances the standardization and precision of assistance work. Relying on the trade union organization, the Company carried out targeted assistance work, distributing a total of 2.95 million RMB in aid funds to 557 in-service employees in need during the reporting period, effectively fulfilling the role of safeguarding people's livelihood.

At the same time, the Company has always adhered to the "People-oriented" philosophy, systematically building an employee care and support system, and continuously enhancing employees' sense of belonging, fulfillment, and security through a series of care activities.

Physical and Mental Health Services

Focusing on employees' physical and mental needs, the Company launched a one-month free Traditional Chinese Medicine consultation campaign, providing employees with body constitution identification and health adjustment advice, effectively alleviating occupational fatigue and sub-health conditions.

More than 10 sessions of psychological health lectures and family happiness workshops were held in Tianjin and other areas, helping employees master stress management and emotional regulation methods, and building a strong psychological health defense.



"Family Happiness Lecture" Activity

Care for Female Employees

Implement fertility support policies; during the reporting period, granted 44,000 RMB in child education subsidies to 22 families with a third child.

Promote the maintenance and construction of nursing rooms and childcare services for employees' children; built a nursing room at the Tianjin Industrial Park.

Improve health protection by providing annual gynecological examination programs for female employees.

Optimize Living Conditions

At the Huizhou logistics base, the first "Happy Crew Cabin" has been put into operation, with system-configured functional areas including fitness, reading, skills training, and mental health education, improving crew onshore service support and providing strong assistance for their learning, development, and physical and mental well-being.

The Zhanjiang Branch focuses on the housing needs of young employees, efficiently advancing the construction and relocation of single apartments. Through site optimization, quality upgrades, and warm services, the new apartments serve both as the "First Stop for New Employees" and as a "Rotation Station During Shore Leave," ensuring long-term stability and comfort for employees.

Cultural and Entertainment Development

Provide annual park passes for nearby cities to union members, enriching employees' leisure life.

Promote the annual weight management campaign by organizing union activities such as brisk walking, workplace exercises, and badminton matches to ensure employees' physical and mental health.



Employee Fun Sports Event

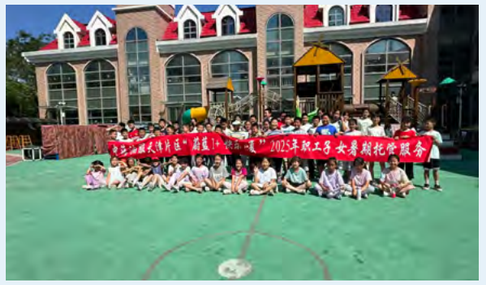


Parent-Child Game Activity

Family Care Activities

Summer care classes for employees' children were opened in Yanjiao, Tianjin, and other locations, benefiting nearly 500 children of employees.

Continuously carried out the "Family Open Day" activities, inviting families of domestic and international employees to visit the production frontlines, enhancing family support for employees and the cohesion of the enterprise.



Summer Care Class for Employees' Children



"Family Open Day" Activities

05

Deepen Responsibility Commitment and Jointly Create Social Value

79 Rural Revitalization
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85 Global Responsibility

5.1

Rural Revitalization

Centering on the national rural revitalization strategic plan, COSL continues to strengthen its sense of responsibility and advances the implementation of various rural revitalization initiatives through concrete actions. Leveraging its own resource advantages, the Company has established a three-pronged working system of "Targeted Assistance + Local Support + Village Stationing." It carries out targeted assistance in Hezuo, Gannan Tibetan Autonomous Prefecture, Gansu; implements local support projects in Qindou, Leizhou, Zhanjiang, Guangdong, Longmen, Zhanjiang, Guangdong, Xiuying District, Haikou, Hainan; Wuzunbulak Village, Yangxia, Luntai, Bayingolin Mongol Autonomous Prefecture, Xinjiang; and has dispatched stationed village cadres to Libozhuang Village, Tianjin, to provide in-depth on-site support. By coordinating the advancement of key measures such as education assistance, consumption-driven support, and employment assistance, the Company effectively promotes comprehensive revitalization in the supported regions. During the reporting period, the Company invested a total of 36.04 million RMB in rural revitalization, benefiting a population of 254.6 thousand people, continuously injecting momentum into rural development.

Targeted Assistance

A donation of 15 million RMB was made to Hezuo in Gansu for targeted assistance, funding projects such as contiguous improvement of the living environment in Jiala Village, Nawu; construction of the Flower Dance Duoji Resort Camp; promotion and market expansion activities for agricultural and specialty products in Gannan Prefecture and Hezuo; cadre and talent training programs; and the establishment of a highland barley deep-processing workshop, comprehensively enhancing the rural landscape, industrial revitalization, and talent development of Hezuo, and supporting the effective alignment of consolidating poverty alleviation achievements with rural revitalization.

Local Assistance

Donated 200,000 RMB to Qindou, Zhanjiang, to support Guangdong's "Hundred-Thousand-Ten Thousand Project," carrying out streetlight repairs, basketball court upgrades, and building livable and beautiful villages.

Donated 1,000,000 RMB to Longmen, Zhanjiang, for the Longmen Experimental School cafeteria renovation project.

Carried out the "Ethnic Unity as One Family" activity with Wuzunbulake Village, donated special funds for streetlights to support the construction of village road lighting, and organized paired villager visits, with a total donation of 49,600 RMB.

Cadres stationed in the village carried out assistance work in Libozhuang Village, Tianjin, continuously promoting targeted assistance through road construction funded by donations, industrial support, and volunteer services. During the reporting period, a total income of approximately 1.36 million RMB was generated to assist farmers. Volunteer services were organized during the critical spring plowing period to enhance agricultural efficiency and farmers' income, comprehensively improving the development level of the targeted assistance village.



Longmen Experimental School Cafeteria Renovation



Villager Visit Activity in Wuzunbulake Village

Educational Assistance

The Company has continuously carried out the construction of Hope Primary Schools. As of the end of the reporting period, a total of 13 "CNOOC COSL Hope Primary Schools" have been built.

During the reporting period, a total of 1.38 million RMB was donated to Hope Primary Schools to improve rural schooling conditions and enhance the quality of rural education.

A donation of 30,000 RMB was made to Nanyou Haidong School in Zhanjiang for the construction of functional classrooms; six computers were donated to Ma Village School in Chengmai; and 200 sets of single desks and chairs were donated to Dongshan Middle School in Haikou, continuously improving school conditions.

Organized a summer study tour activity for students from four CNOOC COSL Hope Primary Schools in Hainan, broadening their horizons through marine petroleum science popularization, patriotism education, and visits to prestigious universities.









Summer Study Tour Activity for Students from CNOOC COSL Hope Primary Schools

Consumption Assistance

Through methods such as union procurement, cafeteria procurement, and centralized events like the Spring Festival central SOE consumption assistance campaign, continuously expanded the scale of agricultural and sideline product purchases from supported regions. During the reporting period, the total procurement amount reached 17.27 million RMB, effectively promoting farmers' income growth.

Employment Assistance

Continued to advance special recruitment, employing 14 university graduates from supported regions as well as Tibet, Qinghai, and Xinjiang.

5.2

Maritime Rescue

Focusing on a production and business environment with intensive offshore operations, COSL relies on its professional capabilities and objective advantages to proactively undertake social responsibilities and actively carry out maritime rescue. The Company responds to the "International Convention for the Safety of Life at Sea (1974)," complies with the requirements of the "National Inter-ministerial Joint Conference System for Maritime Search and Rescue" and the "National Inter-ministerial Joint Conference System for Emergency Response to Major Maritime Oil Spills," and actively participates in external maritime search and rescue, firefighting, and other emergency rescue work. During the reporting period, the Company participated in 15 maritime emergency rescues, dispatched vessels 19 times; rescued 3 vessels in distress, and saved 13 people, receiving six letters of appreciation.



Guohai Minfeng Completed the Salvage of Maritime Obstructions and Received a Letter of Thanks from Dongying Maritime Search and Rescue Center.



HYSY609 Efficiently Mitigates Navigation Safety Risks and Receives Thanks from the Zhanjiang Maritime Search and Rescue Sub-Center



NH 221 Conducts a 45-Minute Emergency Rescue of Injured Crew from a Distressed Fishing Boat



Binhai 267 and Dechun Successfully Extinguish a Fishing Boat Fire in Bohai Bay

5.3

Social Welfare

Social Welfare Donations

COSL regards charitable public welfare as an important component of corporate social responsibility. It has established a sound management mechanism, set up a Charitable Public Welfare Working Committee, and formulated and implemented the Charitable Public Welfare Management Measures to standardize project initiation, implementation, and supervision, ensuring that public welfare projects are carried out in an orderly manner. During the reporting period, the Company's public welfare donations amounted to 429.2 thousand RMB.

Social Welfare Indicators

Indicator	Unit	2023	2024	2025
Public Welfare Donations	RMB Ten Thousand	-	27.16	42.92
of which: Education Welfare Donations	RMB Ten Thousand	-	21.18	30.43
Environmental Welfare Donations	RMB Ten Thousand	-	0.75	3.99
Medical Welfare Donations	RMB Ten Thousand	-	5.23	8.50

Volunteer Service Activities

COSL adheres to the volunteer service philosophy of "Ambition is in the Heart and Willingness is in Action," establishing employee-based volunteer service stations in 8 regions: Yanjiao, Tianjin, Zhanjiang, Shenzhen, Shanghai, Hainan, Huizhou, and Xinjiang, and regularly carrying out various distinctive activities. During the reporting period, the Company participated in volunteer services 3,953 person times, representing a year-on-year increase of 12%, with the achievements in volunteer service being reported by multiple media outlets and widely recognized by society.

Voluntary Service Indicators

Indicator	Unit	2023	2024	2025
Number of Youth Volunteer Activities	Participants	3,125	3,523	3,953



COSL "Blue Power" Volunteer Service Exemplary Deeds Reported on the Front Page of China Youth Daily Official Website

Case **"Connecting Mountains and Seas" Charity Teaching Activity**

During the reporting period, the volunteer service stations in Zhanjiang, Hainan, and Shanghai continuously carried out the "Connecting Mountains and Seas" series of charity teaching activities. By offering diverse courses such as music, art, science popularization, and mental health, they helped address the shortage of teachers in mountainous areas and promoted the holistic development of rural students.





"Connecting Mountains and Seas" Charity Teaching Activity

Case **"Warm Chongyang · Respect for the Elderly Together" Chongyang Festival Volunteer Service Activity**

During the Chongyang Festival, COSL Tianjin Branch organized volunteers to visit the Zhujiangli Community in Xinhe Subdistrict, Binhai New Area, Tianjin. Focusing on the needs of elderly people with advanced age and limited mobility, they provided free haircuts, hygiene cleaning, safety inspections, and companionship, bringing festive care and warmth to the community's seniors.





"Warm Chongyang · Respect for the Elderly Together" Chongyang Festival Volunteer Service Activity

Case **The 9th National Beach Cleaning Public Welfare Activity (Huizhou Station)**

COSL Shenzhen Branch actively participated in the 9th National Beach Cleaning Public Welfare Activity (Huizhou Station), organizing 20 Blue Force volunteers to carry out coastal cleaning activities, taking concrete actions to protect the blue coastline and advocate the concept of environmental protection and civility.



Clean Beach Charity Event (Huizhou Station)

Case **"Petroleum Exploration" Study Camp Activity**

During the reporting period, the Company's volunteer service stations in Tianjin, Shenzhen, Xinjiang, and other locations extensively carried out the "Petroleum Exploration" study camp activities, guiding students from mountainous areas to directly experience the technological innovation and breakthroughs in the offshore petroleum industry through physical exhibits and hands-on practice, thereby stimulating their interest in science and spirit of exploration.









"Petroleum Exploration" Study Camp Activity

5.4

Global Responsibility

As a steadfast participant and contributor to the high-quality joint development of the Belt and Road Initiative, COSL has always adhered to the responsibility philosophy of "Compliance in Operations, Respect and Inclusiveness, and Mutual Benefit for Shared Growth" in its overseas operations. The Company strictly abides by the laws and regulations of the countries in which it operates, deeply integrates into local cultures, and earnestly fulfills its overseas social responsibilities through a series of pragmatic actions such as supporting community development and fostering local talent. These efforts create long-term value for local communities, continuously enhance the Company's international recognition, and strengthen its influence on sustainable development.

The Company has established a systematic and regular community communication mechanism to ensure timely and accurate listening and responses to community concerns, achieving efficient cross-cultural dialogue. Through continuous community engagement, the Company promotes the steady operation of its overseas business and effectively safeguards and protects the legitimate rights and interests of local communities.

Local Employment Indicators

Indicator	Unit	2023	2024	2025
Local Employees in Overseas Operations	Persons	2,258	2,159	1,950
Local Employee Ratio in Overseas Operations	%	73	77	83

Community Development and Support

In December 2025, multiple regions in Southeast Asia were hit by flood disasters. PT.COSL.Indo donated a total of 85,000 RMB to Indonesia to support emergency relief and recovery work in the affected areas.

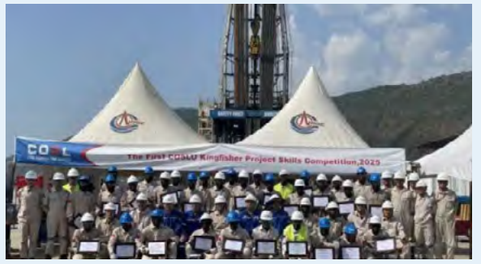
COSL Canada Limited donated 20,000 CAD to support local community welfare projects and infrastructure development.

COSL Uganda SMC Limited donated large outdoor sunshades, seating, and cleaning and disinfection supplies to local medical institutions, providing convenience and a comfortable environment for patients who wait outdoors for extended periods.

Talent Development and Technical Exchange

COSL Canada Limited continues to support the development of local Indigenous communities, participating in career development fairs for three consecutive years to help community members learn about career opportunities and broaden their professional horizons.

In June 2025, COSL Uganda SMC Limited held a skills competition for local employees, covering five categories in both general and professional fields. Forty-three Ugandan employees stood out and were awarded, effectively motivating skills improvement and promoting localization.



Skills Competition for Local Employees of COSL Uganda SMC Limited

In July 2025, COSL Uganda SMC Limited, together with the Uganda Management Institute, held a "Fundamentals of Oil and Gas Management" training to provide key full-value-chain oil and gas content training for 18 expatriate backbone employees from Uganda National Oil Company, Petroleum Authority, and COSL Uganda SMC Limited Company, effectively promoting local talent development and the localization of the oil and gas industry.





Fundamentals of Oil and Gas Management Training by COSL Uganda SMC Limited

COSL Drilling Pan Pacific (Malaysia) Sdn. Bhd., for its outstanding achievements in talent training in the field of integrated decommissioning, was awarded the certification of "Contribution to the Development of MPM – HWU Academy" by Petroliam Nasional Berhad (PETRONAS).



"Contribution to Localization Development" Honorary Certificate by PETRONAS

Prospects

In 2025, we shouldered heavy responsibilities, forged ahead under pressure, and drove transformation and upgrading with a spirit of self-reform. We continuously intensified our efforts in the three key dimensions of technological innovation, industrial control, and security support, successfully achieving our ESG goals for the year. Our core business operations provided robust support, with the "one profit and five rates" showing stable improvement; our management system became increasingly refined, significantly enhancing operational efficiency; innovation and reform advanced in depth, accelerating the cultivation of new quality productive forces; and international expansion progressed in coordination, further solidifying the foundation for high-quality development. These efforts have laid a solid groundwork for the Company to stride confidently towards becoming a World-class Energy and Resource Services Company during the "15th Five-Year Plan" period.

In 2026, we will aim for a strong start to the "15th Five-Year Plan" period, focusing on our main business, serving the national interest, and deepening lean management and digital transformation. We will fully activate the engine of innovation-driven growth, increase investment in technology research and development, and accelerate the layout of new quality productive forces in marine energy and resources. Guided by the "Carbon Peak and Carbon Neutrality" goals, we will lead the green and low-carbon transition, launching flexible and diverse low-carbon service solutions. We will optimize our international development strategy and actively expand overseas markets. We always adhere to a people-oriented approach, integrating employee well-being and development into our ESG practices, building a diversified mental health service system, and striving continuously on our journey to build a World-class Energy and Resource Services Company. Persist in upholding the safety baseline and strengthening comprehensive risk prevention in parallel, achieving steady and long-term progress through the positive interaction between high-quality development and high-level safety.

Appendix

HKEX Environmental, Social and Governance Reporting Code Index

Part C: "Comply or Explain" Provisions

Subject Areas	Aspects	General Disclosures and KPIs	Pages
A. Environmental			
Aspect A1 Emissions	General Disclosure	(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.	29-48
	KPIs	A1.1 The types of emissions and respective emissions data.	38、40、48
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	38
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	38
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	37-41
		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.	37
Aspect A2 Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	32-36
	KPIs	A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	34
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	33
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	34-36
		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.	32-33
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The business areas of COSL include Geophysical Acquisition and Surveying Services, Drilling Services, Well Services, and Marine Support Services. As these do not involve packaging materials, this indicator is not applicable to the Company.
Aspect A3 The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	42-43
	KPIs	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	42-43

Subject Areas	Aspects	General Disclosures and KPIs	Pages
B. Social			
Employment and Labour Practices			
Aspect B1 Employment	General Disclosure	(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, equity opportunity, diversity, anti-discrimination, and other benefits and welfare.	69-71
	KPIs	B1.1 Total workforce by gender, employment type (for example, fullor part- time), age group and geographical region.	69-71
		B1.2 Employee turnover rate by gender, age group and geographical region.	69-71
Aspect B2 Health and Safety	General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	51-58
	KPIs	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	56
		B2.2 Lost days due to work injury.	56
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	51-58
Aspect B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	72-73
	KPIs	B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	72
		B3.2 The average training hours completed per employee by gender and employee category.	72
Aspect B4 Labour Standard	General Disclosure	(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	69
	KPIs	B4.1 Description of measures to review employment practices to avoid child and forced labour.	70
		B4.2 Description of steps taken to eliminate such practices when discovered.	69

Subject Areas	Aspects	General Disclosures and KPIs	Pages
Operating Practices			
Aspect B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	22-26
	KPIs	B5.1 Number of suppliers by geographical region.	22
		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.	22-23
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	22-26
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	25
Aspect B6 Product Responsibility	General Disclosure	(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	61-62
	KPIs	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The business areas of COSL include Geophysical Acquisition and Surveying Services, Drilling Services, Well Services, and Marine Support Services. Therefore, this indicator is not applicable to the Company.
		B6.2 Number of products and service related complaints received and how they are dealt with.	61
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	66
		B6.4 Description of quality assurance process and recall procedures.	59-60
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	61-62
Aspect B7 Anti-corruption	General Disclosure	(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.	21
	KPIs	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	21
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	20-21
		B7.3 Description of anti-corruption training provided to directors and staff.	21
Community			
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.	79-86
	KPIs	B8.1 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	79-86
		B8.2 Resources contributed (e.g., money or time) to the focus area.	79-86

Part D: Climate-related Disclosures

Aspects	Climate-related Disclosures	Pages
Governance	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	44
Strategy	climate-related risks and opportunities	45-47
	Business model and value chain	45-47
	Strategy and decision-making	45-47
	Financial position, financial performance and cash flows	47
	Climate resilience	47
Risk Management	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks. (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	47
Metrics and Targets	Greenhouse gas emissions	48
	Climate-related transition risks	47
	Climate-related physical risks	47
	Climate-related opportunities	47
	Capital deployment	47
	Internal carbon prices	Not Applicable.
	Remuneration	44
	Industry-based metrics	48
	Climate-related targets	48
	Applicability of cross-industry metrics and industry-based metrics	48

Guidelines No.14 of Shanghai Stock Exchange for Self-regulatory of Listed Companies–Sustainability Report (Trial)

Scope	No.	Subject	Terms	Pages
Environmental	1	Response to Climate Change	Articles 21 to 28	44-48
	2	Pollutant Emissions	Article 30	39-40
	3	Waste Management	Article 31	37-38
	4	Ecosystem and Biodiversity Conservation	Article 32	42
	5	Environmental Compliance Management	Article 33	29-31
	6	Energy Utilization	Article 35	34-36
	7	Water Utilization	Article 36	32-33
	8	Circular Economy	Article 37	37-38
Social	9	Rural Revitalization	Article 39	79-80
	10	Social Contributions	Article 40	82-84
	11	Innovation Drive	Article 42	63-66
	12	Technological Ethics	Article 43	Not applicable. The Company has not engaged in scientific research, technological development and other activities in scientifically and ethically sensitive fields such as life sciences and artificial intelligence. Therefore, this subject is not applicable to the Company
	13	Supply Chain Security	Article 45	23
	14	Fair Dealing with Small and Midsize Enterprises	Article 46	24
	15	Safety and Quality of Products and Services	Article 47	59-60
	16	Data Security and Customer Privacy Protection	Article 48	58、61-62
	17	Employee	Article 50	69-76
Sustainable Development Governance	18	Due Diligence	Article 52	10
	19	Stakeholder Communication	Article 53	10
	20	Anti-commercial Bribery and Corruption	Article 55	21
	21	Anti-unfair Competition	Article 56	20

Reference Index System for ESG Special Reports of Central Enterprises' Listed Companies

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E4 Biodiversity	42-43
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Social Aspect	
S1 Employee Rights and Interests	69-76
S2 Product and Service Management	59-62
S3 Supply Chain Security and Management	22-26
S4 Social Contributions	79-86
Governance Aspect	
G1 Governance Strategy and Organizational Structure	14-17
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G3 Investor Relations Management and Shareholder Rights	17
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UNGC's Ten Principles and COSL Accountability Measures

China National Offshore Oil Corporation (CNOOC) is a member of the United Nations Global Compact (UNGC). As a member of the CNOOC Group, COSL fully adheres to the Ten Principles advocated by the UNGC and strives to fulfill its responsibilities in the four areas of human rights, labor rights, environmental protection, and anti-corruption.

Going forward, the Company will continue to disclose in the ESG reports accountability measures and performance results in implementing the UNGC Ten Principles.

UNGC's Ten Principles		COSL Accountability Measures	Pages
Human Rights	1.Businesses should support and respect the protection of internationally proclaimed human rights; and	Safety and health: Safety and health management, safety culture construction, and occupational health. Employee rights protection: Practice equal employment, improve compensation and benefits, conduct employee training, implement employee localization and promote diversity. Social contribution: Maritime rescue, rural revitalization, volunteer service and social welfare, and global responsibility.	51-57、69-76、79-86
	2.Make sure that they are not complicit in human rights abuses.	Employee rights protection: The Company implements the principle of equal employment in selecting and employing people, ensuring that all employees receive equal treatment, without any form of discrimination based on gender, age, ethnicity, skin color, nationality, language, race, religion, or physical disability. Employee rights protection: The Company implements the principle of equal employment in selecting and employing people, ensuring that all employees receive equal treatment without any form of discrimination based on gender, age, ethnicity, skin color, nationality, language, race, religion, or physical disability. The Company ensures employees' rights to statutory holidays, marriage leave, bereavement leave, maternity leave, nursing leave, and paid leave.	69-71
Labour	3.Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Employee rights protection: The Company continues to improve its democratic management system, primarily through the congress of workers and staff, holding regular meetings to listen to employees' suggestions for improvement and actively meet their demands.	69-71
	4.The elimination of all forms of forced and compulsory labour	Employee rights protection: The Company strictly complies with the "Labor Law of the People's Republic of China" and other relevant laws and regulations. The Company firmly opposes illegal forms of employment such as child labor and forced labor and strictly prevents any occurrence of illegal labor practices.	69
	5.The effective abolition of child labour; and	Employee rights protection: The Company strictly complies with the "Labor Law of the People's Republic of China" and other relevant laws and regulations. The Company firmly opposes illegal forms of employment such as child labor and forced labor and strictly prevents any occurrence of illegal labor practices.	69
	6.The elimination of discrimination in respect of employment and occupation.	Employee rights protection: The Company implements the principle of equal employment in selecting and employing people, ensuring that all employees receive equal treatment, without any form of discrimination based on gender, age, ethnicity, skin color, nationality, language, race, religion, or physical disability.	69

UNGC's Ten Principles		COSL Accountability Measures	Pages
Environment	7.Businesses should support a precautionary approach to environmental challenges;	Environmental protection management: The Company strictly complies with the "Environmental Protection Law of the People's Republic of China" and other relevant laws, regulations, and management rules, continuously revises and updates its systems, establishes and improves its environmental protection systems, and promotes the standardized management of environmental protection work. It systematically identifies and assesses environmental risks to prevent the occurrence of environmental risk incidents.	29-31
	8.Undertake initiatives to promote greater environmental responsibility; and	Water resource utilization: The Company strictly follows the "Water Law of the People's Republic of China" and ensures the compliance of water resource usage. Energy Management: The Company regularly conducts energy audits and monitoring to ensure maximum energy efficiency. Waste management: The Company adheres to the principles of waste minimization, resource recovery, and harmlessness in waste management, maximizing the recycling of waste resources, ensuring that all waste is disposed of in compliance with regulations. Response to climate change: The Company continuously strengthening internal governance on climate issues. The Company regularly reviews and supervises the progress of related goals and the execution of plans, offering opinions and suggestions.	32、33、37、44
	9.Encourage the development and diffusion of environmentally friendly technologies.	Water resource utilization: The Company promotes water recycling equipment upgrades and other water-saving projects, continually improving water resource utilization. Energy Management: The Company actively promotes the use of clean energy sources, such as liquefied natural gas (LNG), and vigorously advances the construction and implementation of renewable energy projects like photovoltaic power generation. Circular economy: The Company implements the recycling of waste and contributes resource utilization solutions to the industry.	32、34、37
AntiCorruption	10.Businesses should work against corruption in all its forms, including extortion and bribery.	Integrity Management: Prevent commercial embezzlement and bribery, prevent and control overseas corruption and fraud, and carry out integrity risk prevention trainings.	21

Feedback

This report is the forth environmental, social and governance (ESG) report and the 20th sustainability report issued by China Oilfield Services Limited. To continuously improve our work and enhance the Company's ESG and sustainable development capabilities and performance, we sincerely hope to hear your opinions and suggestions. We kindly request you to assist us by answering the relevant questions in the feedback form and choosing one of the following methods to send your responses to us.

Address: Administration Department, 201 Haiyou Avenue, Yanjiao Economic & Technological Development Zone, Sanhe City, Hebei Province

Your Information:

Name: ---------- Work Unit: ----------

Position: ---------- Contact Phone Number: ----------

E-mail: ----------

Feedback of Opinions

1. What is your overall evaluation of the Company's ESG report?

☐ Good ☐ Fairly Good ☐ Average

2. Do you think this report can reflect the Company's significant impacts on the economy, society, environment, and corporate governance?

☐ High ☐ Relatively High ☐ Average ☐ Relatively Low ☐ Low

3. How do you rate the clarity, accuracy, and completeness of the information, data, and indicators disclosed in this report?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor ☐ Not Aware

4. Which aspect of this report are you most satisfied with?

5. What information would you like to know further?

6. What suggestions do you have for our future report releases?

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