

OPERATION MANAGEMENT

Health and Safety

The Group proactively complies with the national laws and regulations, and resolutely implements the PRC Labor Law, the PRC Production Safety Law, the PRC Fire Protection Law, the Administrative Regulations on the Production Safety of Construction Projects and the safety production requirements of the industry regarding construction and building. It continuously improves the basic management system, and carries out the works in strict compliance with China Comservice Production Safety Management Measures and the safety management requirements of units of higher levels regarding densely-populated premises and communications materials warehouses.

Safety Management System

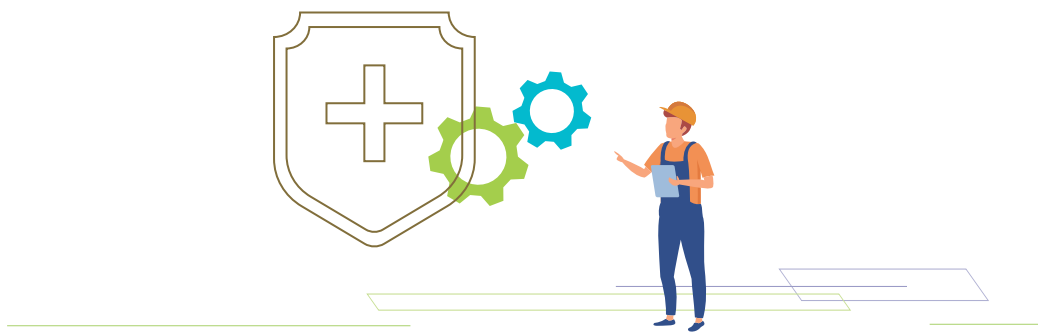
The Group's Production Safety Committee is a production safety management body, with the President as its director. Each of the subordinate provincial companies has set up a production safety committee to implement production safety responsibilities and regularly hold production safety committee meetings to discuss and make decisions on material matters related to production safety. By refining the duties and responsibilities of the organization and increasing the number of experts, the level of safety management is continuously enhanced.

Safe Construction

The Group attaches importance to and makes every effort to safeguard the funding for production safety, and requires all its subsidiaries to reserve special production safety funds in accordance with the regulations for, among others, improving working conditions, improving safety facilities, updating labor protection equipment, conducting education and training, and strengthening safety inspections, so as to provide financial safeguard for the smooth implementation of production safety.

In 2022, the Group issued "China Comservice's Ten Forbidden Matters for Production Safety" to specify the requirements for safe production in 23 scenarios, and issued "China Comservice's Eight Hard Measures for Production Safety". The Group engaged 18 externally invited production safety experts to consolidate its technological strength. Joint training and knowledge competitions were held, covering 254 units (including provincial companies, professional companies and closely cooperating subcontractors). Over 4,000 emergency evacuation drills were organized by the Group's headquarters and all of its provincial companies during the three-year special rectification period for production safety.

In 2022, the Company carried out a special inspection and rectification of production safety hazards throughout the Group and conducted a special safety hazard inspection of owned properties and leased properties to identify and rectify production safety risks and hazards in a timely manner to prevent accidents from occurring at source.



Building a Culture of Safety

Conducting education and training on production safety

The Group continued to carry out production safety education and training to enhance employees' awareness of production safety. Firstly, through the Group's production safety education and training platform, a total of 8,853 production safety managers from all provincial companies were provided with production safety training. Secondly, we organized a production safety knowledge competition for a total of over 70,000 employees from all provincial companies and business cooperation partners in conjunction with the theme of the "Production Safety Month" activity.

Valuing expert talents

In 2022, the Group updated and optimized the "Management Measures for Invited Experts of Production Safety of China Comservice", and engaged several external experts to give full play to their technological supporting role. These experts created synergy with the Group's expert talents, thereby enhancing China Comservice's education and training and supervision and management capabilities in respect of production safety.

Pilot working mechanism of on-site investigation and research by safety experts

A team of experts was sent to the branches from all regions and prefectures of Sichuan Communications Services under the Group to conduct in-depth investigation and research on the implementation of production safety. The team pointed out problems and gave advice on rectification in a timely manner. On the basis of the in-depth investigation and research and taking into account the current situation of safe production in other provincial companies of the Group, the expert team prepared the "Report on the Reflections and Working Recommendations on Production Safety of China Comservice" and presented it to the Company's Production Safety Committee.



Safeguarding the Occupational Health of Employees

The Group always values the occupational health management of its employees, strictly complies with The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and other relevant laws and regulations, provides occupational safety and protective equipment that meets the national occupational health standards and requirements, and ensures the occupational health of all employees. In order to enhance health and safety management, the Group has introduced internationally recognized occupational health and safety management system certification. As at the end of 2022, a number of the Group's subsidiaries have obtained the international OHSAS 18001 certification, ISO 45001 certification or relevant domestic certifications, etc.

The Group has established and implemented an accident reporting system and prepared statistics on a quarterly basis. During 2022, the Group did not have any material production safety responsibility accidents, and for the past three years (including the reporting year), there were no responsible work-related fatalities or serious injuries to employees*, and no working days were lost due to work-related injuries.



* The scope of the data covers current contract employees, which is counted based on the scope of responsibility for production safety, including those production safety incidents for which the Group has direct responsibility or management responsibility.

Supply Chain Management

In compliance with relevant laws and regulations of the PRC, the Group takes into account the actual situation of the enterprise to continuously improve the relevant administrative methods on procurement and strengthens their implementation, with a focus on the management and control over key procedures of, among others, the selection and management of suppliers, contract signing, safety management, financial settlement, supervision and inspection. At the same time, it provides trainings on job skills and safety education to the personnel of suppliers, and regulates their management on production safety, ensuring that the suppliers comply with the national and local regulations on the payment of remuneration and labor management.








Geographic Location	Unit of service suppliers (Number)	Unit of goods suppliers (Number)
● Northeast region	329	153
● Northwest region	1,250	1,132
● Mid-South region	3,605	2,478
● Southwest region	1,078	2,033
● Northern China region	893	1,047
● Eastern China region	3,631	5,295
● Hong Kong, Macao and Taiwan	2	—
Overseas	26	5
Total	10,814	12,143

Note: Each supplier is counted only once according to the area of principal use; some suppliers supplying services and goods at the same time are counted separately on both sides.

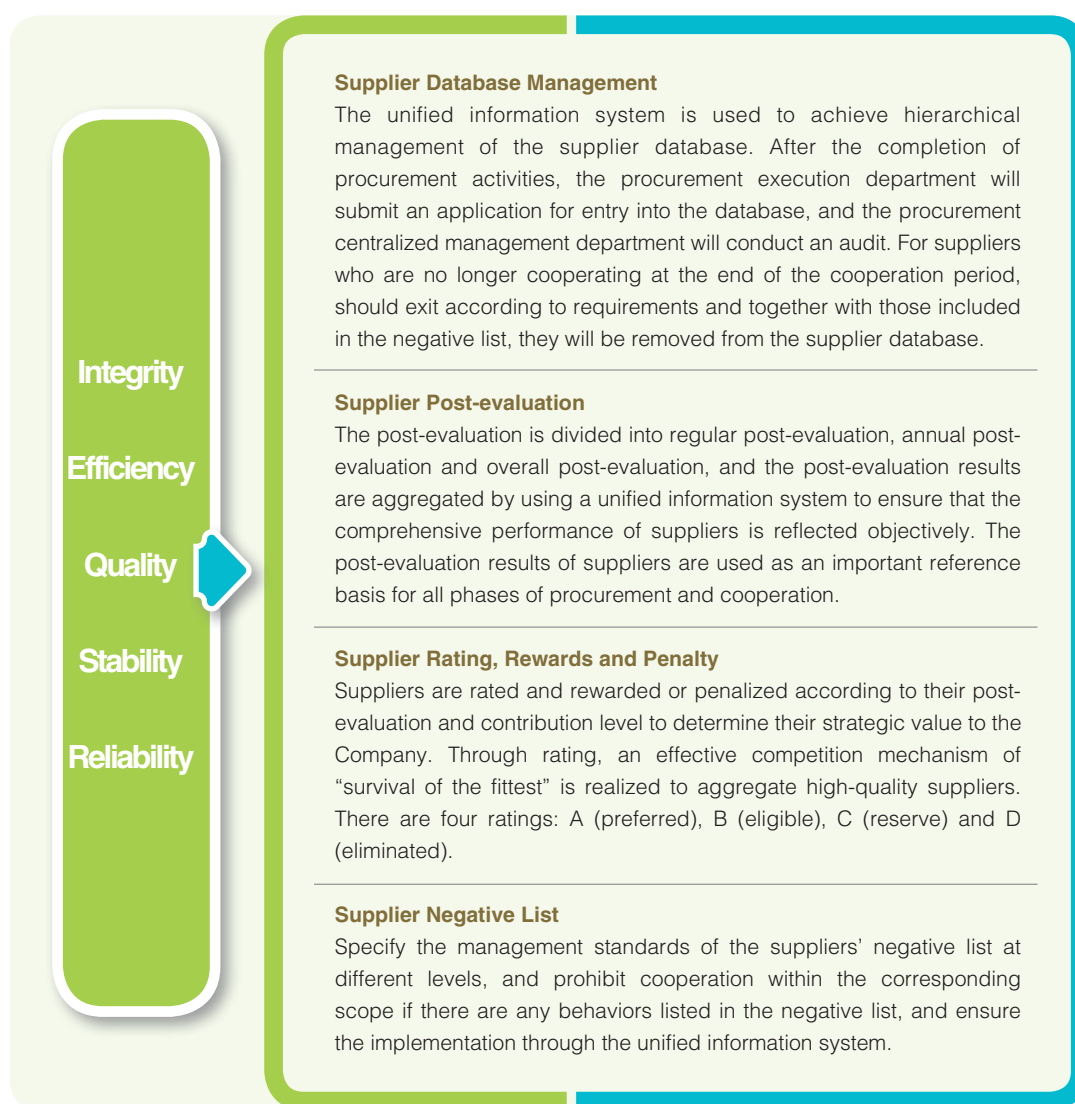
Develop a Fair and Equitable Supply Chain Environment

The Group implements hierarchical management of suppliers by its headquarters, provincial companies and professional companies. The headquarters is responsible for establishing a synergistic procurement system, formulating procurement management strategies and IT-based management requirements, and supervising, inspecting and assessing the procurement management of provincial companies. Provincial companies are responsible for establishing their own provincial procurement management system, carrying out the synergistic management of suppliers in the province through the IT system, formulating the implementation rules for procurement management and improving the corresponding internal control processes, and conducting inspection and assessment of the procurement situation of professional companies. Professional companies are responsible for the specific implementation of procurement management in their own units, formulating management standards or specific measures, and accepting supervision and inspection by the headquarters and provincial companies.

1	 Organizational System	<ul style="list-style-type: none"> Adapting to the Company's organizational structure and establishing the system of "three-level procurement and two-level centralized procurement" Leveraging the Company's subsidiary, China Comservice Supply Chain Management Company Ltd., to implement centralized procurement Establishing "headquarters + 21 provincial companies" centralized procurement center
2	 Scope & Plan	<ul style="list-style-type: none"> Headquarters-level centralized procurement, provincial-level centralized procurement, professional company procurement Classifying procurement types based on business development model, professional nature and other factors
3	 Procurement Method	<ul style="list-style-type: none"> Procurement methods include tendering, comparison, quotations, competitive bargaining, competitive negotiation, competitive bidding, single-source procurement, etc. Implementing procurement according to the content and amount, taking into account both efficiency and effectiveness, to ensure the maximum transparency of procurement
4	 Contract & Price	<ul style="list-style-type: none"> Formulating and utilizing standardized contract texts and adopting electronic approval throughout the process Establishing and implementing an "annual benchmark price" management system to control procurement costs reasonably
5	 Supervision	<ul style="list-style-type: none"> Comprehensively using "the China Comservice procurement management platform" to conduct procurement work Ensuring procurement data is comprehensive, timely, true and valid Improving the review and assessment mechanism to carry out supervision level-by-level



In 2022, targeting the principal business activities and key issues of supply chain management, the Group newly formulated, among others, the “China Communications Services Corporation Limited Procurement Management Measures (Self-use Category)”, “China Communications Services Corporation Limited Procurement Management Measures (Contracting Business Services Category)” and “China Communications Services Corporation Limited Centralized Procurement Management Measures” on the basis of the previous systems to ensure the achievement of procurement objectives, enhance the enterprise’s ability to acquire and integrate external resources, and improve the efficiency and service level of the supply chain operation, thus fostering a green cooperation ecosystem of “integrity, efficiency, quality, stability and reliability”.



Supplier Communication

The Group fully implements the “China Communications Services Corporation Limited Procurement Supplier Management Measures”. In order to facilitate suppliers and potential suppliers to accurately understand the Group’s relevant policies on supplier management, we proactively disclose such measures in the public through “China Comservice Procurement and Tendering Portal” (<https://szyc.chinaccs.cn/>).

Controllable Supply Chain Risk

Through continuous amendments and improvement on the system, the Group drives the implementation of the system and further improves management, implementation and monitoring and inspection capabilities. It strictly follows the supplier selection and examination procedures to eliminate the disqualified suppliers, to ensure that all suppliers enlisted in the “supplier resource pool” have materials to prove they possess adequate capabilities to perform the contract and control the risks. Such materials include enterprise qualifications issued by relevant government departments (the construction enterprise qualification, the design qualification, the labor qualification and the production safety permit), product standards and competence certificates recognized by the industry (product certificates and the service capability evaluation), professional qualification certificates of relevant personnel (certificates related to special operations, and certificates of safe production specialists of A, B and C classes). The Group instructs suppliers to improve their awareness of production safety, eliminates hidden risks and hazards and promotes the healthy development of the Company through a range of activities such as establishment of IT systems and standardization of management processes.

1		Pre-job Training	<ul style="list-style-type: none"> Daily safety and technical briefings for construction operations Unified drills
2		Working with Certificates	<ul style="list-style-type: none"> Climbing, electricity and other high-risk work scenarios require the appropriate certificates
3		Purchase of Insurance	<ul style="list-style-type: none"> No insurance, no entry Work-related injury insurance, with additional commercial insurance for construction business
4		Labor Protection	<ul style="list-style-type: none"> Pay the production safety fee in full and ensure the usage Central purchase of labor protective equipment with reliable quality
5		Safety Supervision	<ul style="list-style-type: none"> Complete on-site supervision by project manager High frequency of safety inspection

For major suppliers providing construction and other services, the Group required its subsidiaries at all levels to include the training and education of their employees in the organization coordinated by the Company. During the year, the Group's headquarters organized a production safety knowledge competition relating to information and communications engineering to promote training, explicitly covering employees of major suppliers.

When the Group enters into contracts with suppliers, the Group includes the Confidentiality Agreement, Production Safety Agreement, Anti-Corruption Agreement and Environmental Protection Agreement as the main annexures to the contracts, monitors the relevant situations through proactive audit activities to ensure the contracts are honored during cooperation, and performs procedures such as termination of cooperation, withdrawal or inclusion in the list of negative suppliers in accordance with the regulations for suppliers who have committed relevant risky acts.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Green Procurement

The Group has incorporated “green and environmental friendly” as one of the principles in its procurement system and strives for its compliance. In practicing the concept of green procurement, the Group has to take into account the requirements of environmental protection at the beginning of raising the procurement needs and is committed to working with the upstream and downstream of the supply chain to reduce the damage and impact on the environment.

1	 Preference for Suppliers with Environmental Management System Certification	In centralized procurement, the presence or absence of the environmental management system certification (ISO 14001) is one of the scoring criteria for suppliers.
2	 Preference for Products that Meet Environmental Protection Standards	In the centralized procurement of goods, specific environmental protection clauses are set as one of the main technical requirements in the technical specifications, and the implementation standard is “Requirements of Concentration Limits for Certain Restricted Substances in Electrical and Electronic Products” (GB/T 26572-2011), etc. Bidders are required to present their RoHS inspection reports.
3	 Conveying Environmental Protection Concepts to Suppliers	The Group’s subsidiaries are explicitly required in the system to strengthen the dissemination of environmental protection concepts to suppliers; for service suppliers, the “Environmental Protection Agreement” is included as one of the main annexures to the contract and their implementation of environmental protection responsibilities is strictly monitored; specific requirements are made for the packaging of goods in the centralized procurement of goods to prevent unnecessary excessive packaging.
4	 Disciplinary Action Against Suppliers who Neglect Environmental Protection	Suppliers who cause environmental pollution incidents can be withdrawn from the system and disqualified from cooperation according to the system. During the year, no supplier was withdrawn accordingly.
5	 Actively Exploring the Whole Procurement Process through Electronic Means	The Group put into operation of its “China Comservice Procurement Management Platform”, covering many modules such as procurement and tendering portal, procurement system, bidding system and e-mall, to promote the whole procurement process to be accessed online and minimize carbon emissions from paper use and personnel travel.

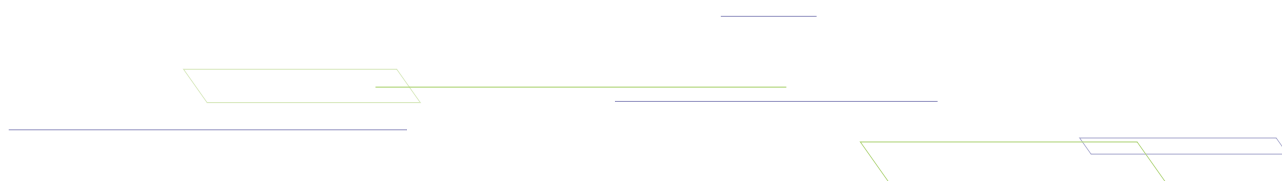
Integrity and Self-discipline in Procurement

In accordance with the provisions of the Group's procurement-related system, before the commencement of a procurement project, all personnel involved are required to sign a "Commitment of Integrity and Self-discipline" to remind them to perform their duties objectively and impartially and to serve as a basis for accountabilities afterwards. A pool of bid evaluation experts is established and maintained on a graded basis, and experts are randomly selected to participate in the evaluation process before the commencement of a procurement project, of which 381 experts were approved and included in the pool of headquarters-level bid evaluation experts in 2022. During the year, the Group conducted an inspection and verified the supplier enterprises, and included over 500 relevant enterprises into the negative list of suppliers at the headquarters level according to the system in order to prevent the occurrence of integrity risks.

Labor Rights Protection by Suppliers

The Group pays great attention to the protection of the rights and interests of its labor by its suppliers. In the process of cooperation with suppliers during procurement, we ensure that the wages and remuneration packages provided by suppliers are reasonable, wages are paid in a timely manner and all labor rights and interests are enforced through prior review, inspection during the process and assessment afterwards.

The Group specifically opens a channel for whistle-blowing and complaints regarding defaulted migrant workers' wages, ensuring that it is accessible, and actively coordinates the handling of relevant clues received. The Group could include suppliers who deliberately defaulted on migrant workers' wages or caused mass events in the negative list of suppliers in accordance with the system. During the year, the Group's subsidiaries had cumulatively included two suppliers who had wage claims in the negative list of suppliers at the corresponding level.



Product Responsibility and Customers

Ensuring Quality of Service

The Group is committed to building a “Service Excellence” corporate image and continuously improves its service quality. Over 100 subsidiaries of the Group have obtained ISO 9001/GB/T 19001 quality management system certification. During the year, the Group compiled the “China Communications Services Corporation Limited Service Quality Management Guidelines” to further standardize and improve the service quality management system, promote service awareness of companies at all levels of the Group, improve management and service quality, enhance customer satisfaction, shape a good image of the Company, build a “moat” of service quality and establish service golden signboard.

Basic Principles of Service Quality Management

 Customer Satisfaction-oriented	<p>We gain in-depth understanding of customers’ requirements or potential demands to offer compliant products and services that are in line with the interests of the customers and able to meet their demands. We also promote our service awareness and enhance our professional capabilities so as to enhance customer satisfaction.</p>
 Emphasize the Involvement of All Employees	<p>The detailed analysis on customer demand and the thoughtful and meticulous services and communications of the marketing personnel, the suitable solutions provided by the technical personnel, the stringent quality control of the delivery personnel, and the strict process control of the quality personnel are the core forces for the provision of high-quality delivery services of the Company. The staff in all departments and job positions cooperate with each other to establish the awareness of service quality, actively seek opportunities to enhance their skills, knowledge and experience, and proactively share the knowledge and experience with the team in an effort to jointly promote the improvement of service quality.</p>
 Focus on Process Control	<p>Service quality is not only reflected in the results, but more importantly in the quality of the service process. We ensure the overall service standard of the Company by establishing reasonable and detailed service specifications and processes, implementing process control to manage risks that may affect the process and results outcome, through practicing the principle of prevention beforehand, control the process and assessment afterwards.</p>
 Maintain Continuous Improvement	<p>We timely track customer advices and recommendations, analyse the key concerns of customers, continuously improve our technical solutions, optimize the service processes, and constantly enhance professional capability and service quality in order to satisfy customers’ demand.</p>
 Enhance Services Communications	<p>The communication with customers is the key method of the provision of services by the Company, and an important source for customer to realise the overall service quality of the Company. Companies at all levels should establish their own service concepts, maintain timely communication and quick response, enhance motivation and sense of responsibility to solve the actual problems faced by the customers.</p>

In terms of the delivery management of contracting business, the Group implements the “China Communications Services Corporation Limited Contracting Business Delivery Management Measures” to regulate the whole process from project implementation to completion, acceptance and settlement, to streamline the responsibilities of internal and external parties and management processes in the delivery process, and to promote internal management and customer satisfaction through scientific, regulated, standardized and effective delivery management.

1		Determine the department and person responsible for delivery quality management
2		Develop clear delivery quality standards with clients for specific projects
3		Quality control/inspection/assessment during delivery process
4		Use of digitalized control tools
5		One-time quality acceptance target
6		Data archiving/experience accumulation/continuous improvement

Ensuring
Quality of
Service



The Group held the “Cloud-network Engineering Service” labor competition to improve engineering service level and enhance engineering service quality.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Awards Received

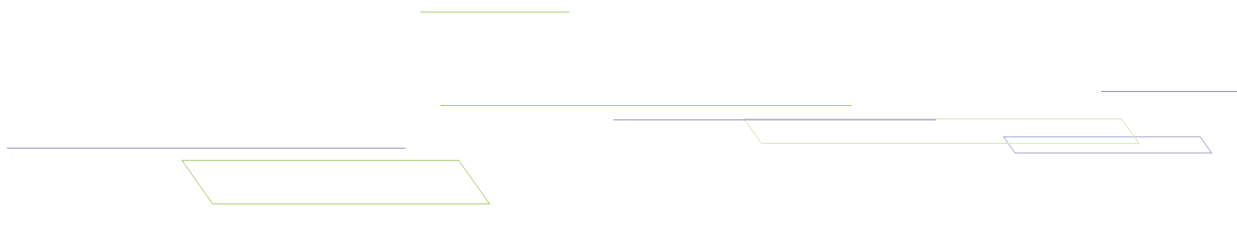
During the year, the Group's subsidiaries provided supervision services for a project which was selected for "China Construction Engineering Luban Prize", a project which was selected for "the China Installation Star" and two projects which were selected for "the China Steel Structure Golden Award", respectively, and provided design, construction and supervision services for a project which was selected for "the National Quality Engineering Award".

Responding to Customer Complaints

Adhering to the "customer-centric" development philosophy, the Group pays great attention to customer perception. Catering to the characteristics of customer service for government and enterprises, companies at all levels under the Group have set up service departments for different customer groups, established direct and efficient communication channels with customers, and actively followed up on customers' needs through customer visits, skills exchanges, implementation of delivery, maintenance services, post-sales visits and satisfaction surveys at all stages of pre-sales, in-sales and post-sales.

The Group has set up a customer complaint response mechanism, with different response processes for serious and general complaints. It adopts closed-loop management in handling customer complaints, with the handling process recorded and filed in writing. It proactively explores the in-depth root causes of customer complaints. The Group organizes service quality meetings from time to time to collect and handle customers' opinions and recommendations on its services, carry out analysis on service quality, and formulate specific rectification measures so as to develop an effective mechanism of improvement.

In 2022, customers were generally satisfied with the quality of the Group's services and there were no material complaints or disputes. The Group belongs to the informatization communications services industry, and is mainly engaged in project design, construction, supervision and maintenance services for the communications service industry, which does not involve product recall.



Intellectual Property Protection

The Group strictly complies with all the laws and regulations in relation to the protection of intellectual property rights, such as the PRC Civil Code, the PRC Trademark Law, the PRC Patent Law, the PRC Copyright Law and the PRC Anti-Unfair Competition Law, while continuously enhancing its awareness of intellectual property rights protection, handling and resolving infringement disputes on a timely basis. The Group strengthens trademark management to regulate the use of registered trademarks. It pays attention to brand protection while promoting its own brand and enhancing the brand value. It conducts research on intellectual property in respect of the emerging businesses of the Group. The Group organizes law-enforcement seminars from time to time to enhance its employees' knowledge of, respect to, compliance with and usage of relevant laws and regulations and their awareness and levels of intellectual property rights protection.

In the process of product research and development, the Group attaches importance to the protection of intellectual property rights, resulting in the corresponding patents or software copyrights.

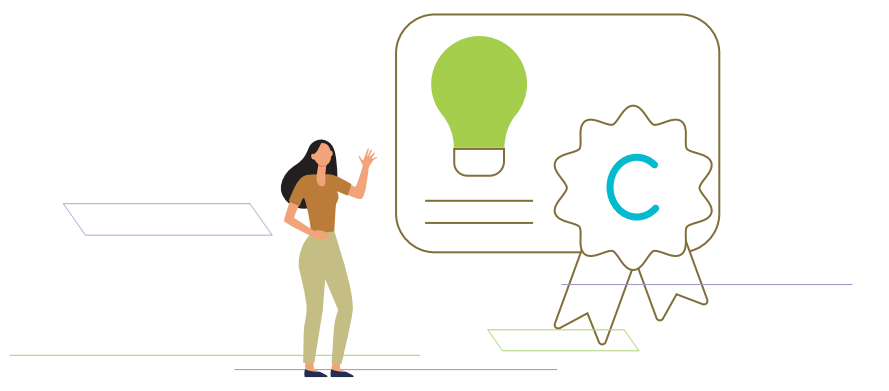


Information Security and Privacy Safeguards/Cybersecurity

Attaching great importance to the protection of information, privacy and data security of the Company, its employees and customers, the Group strictly complies with the laws and regulations such as the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, and complies with and continuously improves a series of systems such as the Management Measures for Network and Information Security and the Management Measures for Data Security of the Group to regulate internal network, information and data security management. Over 60 companies under the Group obtained ISO27001 information security management system certification.

Network and Information Security Management System

The Group's Network and Information Security Leading Group is the network and information security management body, headed by the President. Each of its provincial companies has set up its Network and Information Security Leading Group to fulfill the responsibility for network and information security. The Group and all of its provincial companies regularly hold monthly meetings of the Leading Group to discuss and make decisions on network and information security matters.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Network/Information Security and Privacy Protection Training and Dissemination

The Group strengthened the training and dissemination of network and information security and privacy protection for its employees. In 2022, a total of five training sessions on network and information security were organized for relevant management and technical personnel, including policy interpretation, awareness dissemination and skill enhancement, with a total of over 190,000 person-times' participation. In addition, we actively participated in publicity activities such as National Security Education Day and Cybersecurity Publicity Week, and we have been raising the awareness of internal employees on network and information security and privacy protection through online and offline forms such as special training by external experts, poster publicity and video dissemination.

Building a Strong Line of Defense for Network and Information Security

The Group actively carries out regular security operations, organizes 7 x 24 hrs round-the-clock security monitoring, regularly analyses security situation, conducts and organizes offensive and defensive drills and social engineering drills covering the entire Group, conducts special inspections and checks on key issues, and establishes an all-round emergency response mechanism and process.

In order to strengthen information security protection, the Group continues to promote various special actions, organizes data security compliance assessments, and conducts regular inspections of new technologies and businesses. Meanwhile, it carries out assessments and inspections of its own APPs involving users' personal data to effectively protect users' personal information and avoid excessive claims to rights.

Culture and Responsibility of Privacy and Security

In 2022, no occurrence of leakage of customer privacy and information was identified within the Group. The Group enters into relevant information protection agreements in accordance with the customer needs and signs confidentiality agreements with relevant employees according to actual needs, which are strictly complied after signing. The possibility of leakage of customer privacy is also eliminated through technical means such as isolation from the Internet, data desensitization and encryption, data leakage prevention and data auditing.



Cybersecurity Capabilities

Through integration of internal resources, the Group has established a sub-brand of “CCS Cyber Security” and set up a professional team to serve the country, customers and industry, so as to provide overall solutions and comprehensive security products and services for information infrastructure security and undertake the construction of national major network and information security projects. Having participated in compiling the national and industrial standards for network and information security, the Group was accredited the “Pilot Demonstration of Cybersecurity Technology Application” by the Ministry of Industry and Information Technology in many occasions. It has been listed in the “Top 100 Cybersecurity Enterprises in China” report published by “AQNIU”, an authoritative media in the cybersecurity industry for four consecutive years, and its own core products and services have been selected for many times in the “China Cybersecurity Industry Panorama” report. The brand influence of “CCS Cyber Security” is gradually expanding.



Cyberspace asset
surveying and
mapping platform

Based on the perspective of network attack and defense, it adopts a combination of active and passive methods to comprehensively discover the security assets in the enterprise network, continuously detects the security risks of network assets through real-practice-oriented, automated and intelligent technical means, consolidates the cornerstone of customer security management so that the security of assets is identifiable, visible, manageable, verifiable and controllable.



Data security
monitoring and
management
platform

We provide data security management services such as data asset management, data desensitization management, interface security management and access and operation audit management to help customers improve their overall data security capabilities and enhance their data security assurance capabilities, so as to build a good data security ecology and provide protection for the development of digital economy.



Comservice
crowdsource
testing and
security
vulnerability
management
platform

By aggregating information security experts through Internet crowdsourcing, and based on an intelligent control model with in-depth integration of “manual + automation”, we provide operators, government and enterprise customers and venture-startup teams with a full set of one-stop services with cybersecurity vulnerability management as the core, realizing the visibility, control and management of the whole life cycle of vulnerabilities.

Anti-corruption

Strengthening Integrity Construction

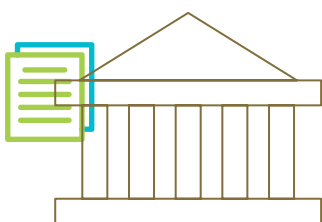
The Group always strictly abides by the PRC Criminal Law, the PRC Oversight Law, the Law of PRC Administrative Discipline for Public Officials, the PRC Company Law, the PRC Anti-Money Laundering Law, the PRC Anti-Unfair Competition Law, the Regulation on the Integrity of State-owned Enterprise Officials and other laws and regulations, and complies with social morality, business ethics and industry rules, and has formulated the Code of Conduct and Ethics for Employees, the Code of Conduct and Ethics for Senior Management and the Code of Professional Conduct for Employees to supervise senior management and employees to comply with them consciously. These codes and guidelines set out the Group's regular initiatives in key areas, including anti-corruption, fraud, conflict of interest, anti-discrimination, anti-competition and confidentiality, which form the basis for the Group to deliver its products and services in a responsible manner. The Code of Conduct and Ethics and the Code of Conduct Guidelines provide guiding principles for all employees of the Group to act with integrity, impartiality and honesty.

The Group safeguards the rights and interests of shareholders, creditors, customers and partners, fulfills contracts in good faith and includes the "Anti-Corruption Agreement" as a major annex to contracts when entered into contracts with suppliers. It abides by its business credentials, opposes improper competition and eliminates corrupt practices in business activities, including but not limited to bribery, extortion, fraud and money laundering.

The Group attaches importance to strengthening integrity and discipline education, and actively guides and supervises the management and employees at all levels to enhance their awareness of integrity and red lines through various means such as holding warning education conferences, informing of typical cases, conducting integrity propaganda, daily conversations and reminders and new media platforms propaganda. During the year, the Group held a total of 254 warning education conferences, and actively conducted integrity publicity activities to continuously build up the ideological defense line of integrity and self-discipline.

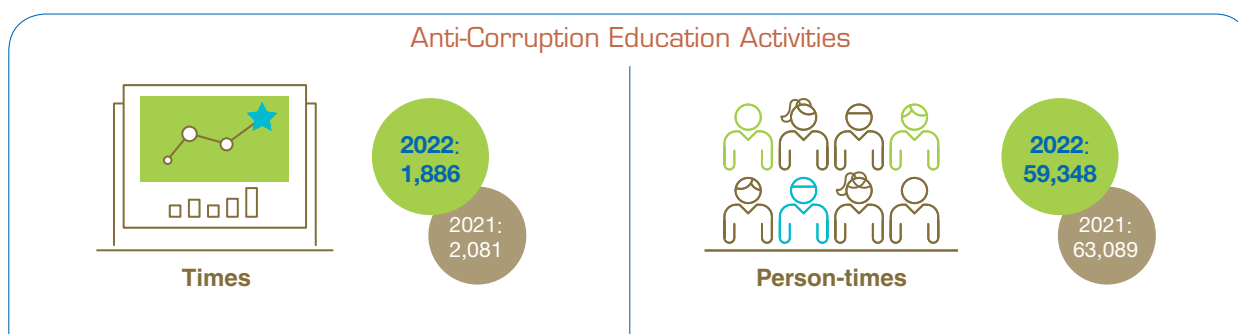
Improving the Supervision System

The Group continues to establish and improve the supervision system in order to strengthen the restriction and supervision to exercises of power. Focusing on key areas and key sections, the Group carries out targeted special governance and supervision, optimizes relevant system processes, improves risk prevention and control capabilities, and resolutely prevents major risks. The Group focused on strengthening supervision and inspection over important nodes, strictly and genuinely reinforced the conversation reminders for and daily supervision on management and personnel in key positions at all levels, and conducted 6,734 on-site supervisions and inspections at major festivals and nodes. The Group integrates all kinds of supervision efforts such as human resources, audit, risk management, industry and finance, actively builds a synergistic and efficient general supervision system, promotes the integration of all kinds of supervision in a concerted effort.






The Group has continuously strengthened the management of letter and visits and problem clues and the development of integrity culture. It has established a whistle-blowing mechanism to standardize the acceptance procedure. When the Group's internal employees and business partners identify corruption and bribery of the Group's personnel, they can report by real-name or anonymously through the post office box (Beijing, 100033 mailbox 33 bin), or by telephone or by visiting the Group in person. The information of the whistleblower will be kept strictly confidential. The Group will investigate the report according to the regulations, disciplines and laws, timely beware of the existing problems and solve them, so as to continuously create positive atmosphere of good integrity.

During the year, the Group provided training to directors and employees on anti-corruption.



The Group attaches great importance to the development of an anti-corruption system, always maintains a high-handed anti-corruption stance at all times, enforces discipline and accountability seriously with "zero tolerance" for violations of laws, regulations and disciplines, and deals with them seriously in accordance with the requirements of laws and regulations to maintain the normal operation order of the Group. During the reporting period, there were no concluded litigation cases regarding corrupt practices brought against the Group or its employees.

 <p>Organizational system construction</p>	<p>Leverage the role of the anti-corruption coordination team. Hold regular coordination team meetings, promote the organic integration of audit supervision, accounting supervision and other kinds of supervision, and actively build a synergistic and efficient supervision system.</p> <p>Improve the primary-level supervision system, and formulate guidelines for the list of 13 supervision items in 4 categories; Use digital means to realize cross-domain data communication and timely alert, and weave densely the primary-level supervision network.</p>
 <p>Work style construction</p>	<p>Insisting on the performance-oriented principle and selecting the best from the best, the Group organized and carried out the selection of "Dare to Take Charge, Good at Acting" pacesetters and advanced individuals in anti-corruption work and awarded 15 pacesetters and 32 advanced individuals who adhered to the principles and made outstanding contributions in various types of supervision were commended.</p>
 <p>Warning and education enhancement</p>	<p>Promote the integrity education via warning and education meetings, integrity promotion, daily education and reminder, and new media platforms publicity, to make employees hold discipline in awe, keep the vigilance and hold the baseline, thus building a solid integrity and self-discipline ideological defense line.</p>