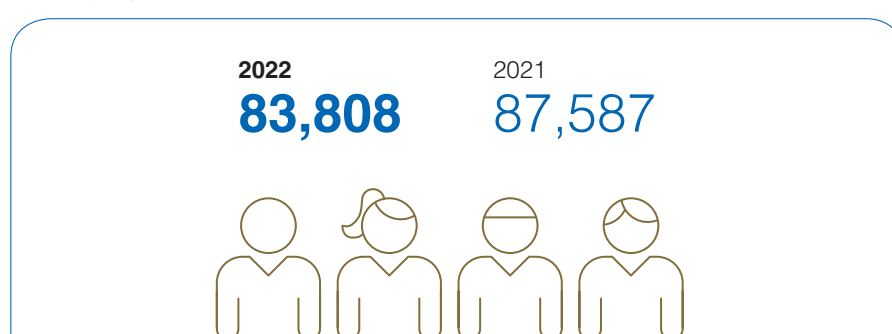


## HUMAN RESOURCES MANAGEMENT

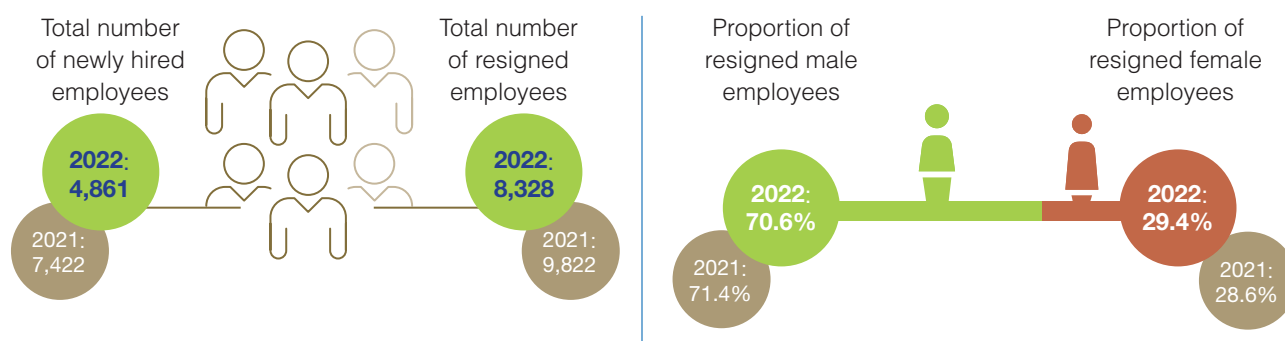
### Employment

The Group had approximately 84,000 employees as at 31 December 2022. We are committed to ensuring equal development opportunities for both genders, and protecting and enhancing the rights and interests of female employees. Our employees are located primarily in the PRC with some of them located in other regions around the world such as Southeast Asia, the Middle East and Africa. Our employees are divided into contract employees, dispatched employees, part-time employees and other employees.

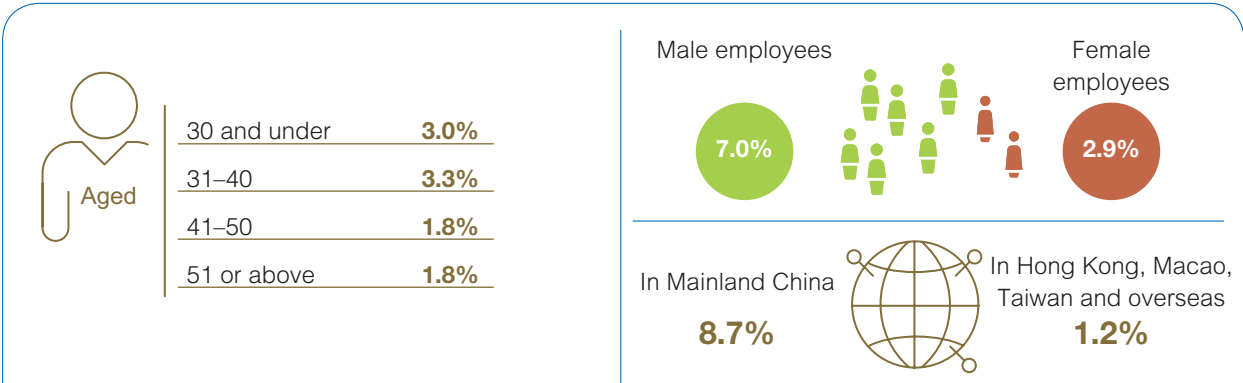
### Total Number of Employees



Indicator	2022	2021
<b>By type (no. of employees)</b>		
Contract employees	80,549	83,871
Dispatched employees	3,009	3,380
Part-time employees	59	140
Others	191	196
<b>By geographical location (%)</b>		
Mainland China	98.7	97.6
Hong Kong, Macao, Taiwan and overseas	1.3	2.4

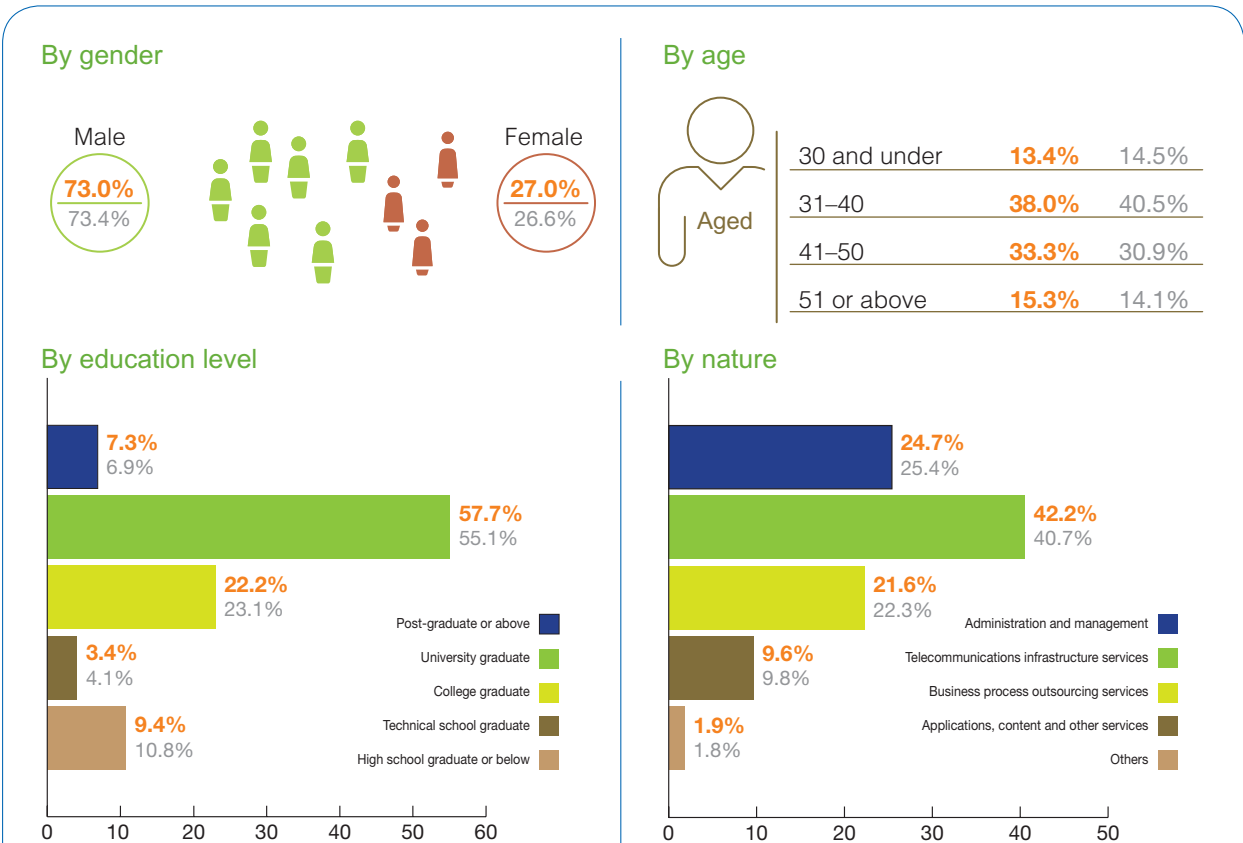


### 2022 Employee Turnover Rate

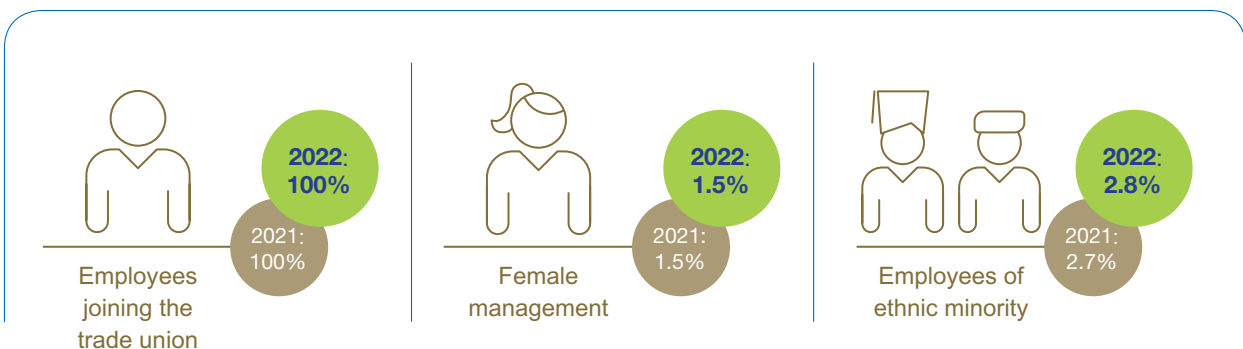


### Employee Structure (Contract + Dispatched Employees)

● 2022 ● 2021



### Contract



### Broadening the Talent Pool

As a state-owned enterprise, the Group undertakes an important social responsibility of stabilizing employment situation and provides a large number of job opportunities in the market every year. In addition, we take into consideration the characteristics of communications infrastructure construction projects, i.e. strong cyclicity with a large demand for temporary labour, and encourage our upstream and downstream partners to conduct flexible recruitment during the installation of communication cables and equipment based on actual business needs. Through which, we created a large number of job opportunities in the market, which plays an important role in building up our own talent pool and addressing the employment needs of fresh college graduates.

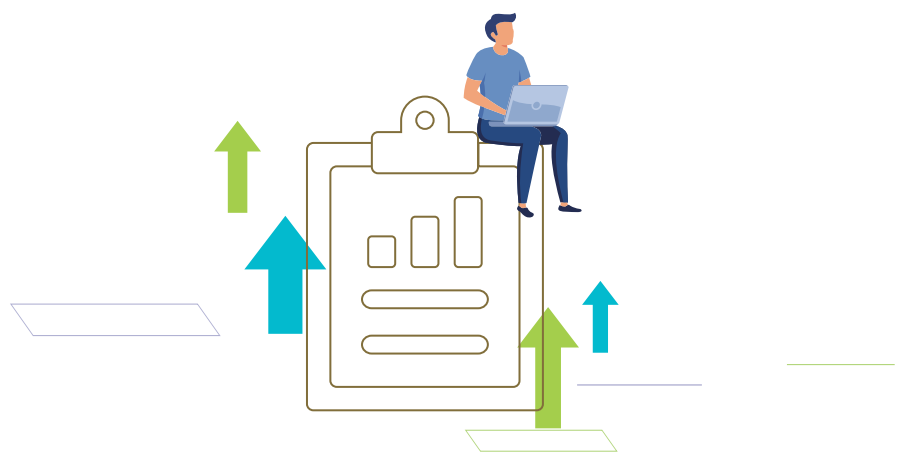
To further improve the market-oriented operational mechanism and deepen the innovation of the human resources system and mechanism, the Group has been pushing forward the reform of the human resources, labour, and allocation systems in 2022. It established an employment mechanism based on position management with contract management as the core, with a focus on key business areas. It has also introduced high-tech, highly skilled, and high-quality talent, maintained control over the total number of employees, optimized the workforce structure, improved the effectiveness of career mobility mechanism, enhanced the overall quality of staff, and boosted labor productivity continuously.

### Remuneration and Performance Management

The Group regards employees as an important resource of the enterprise and attaches significance to the protection of their interests. In accordance with the principle of “performance-oriented, internally equitable and externally competitive”, it optimises the remuneration distribution system which links closely with its enterprise value and individual performance. It formulates and implements the “Guidance on Performance-related Pay for Heads of Professional Companies and Municipal Companies under Provincial Subsidiaries of China Comservice”. It insists on adopting a remuneration system that favours employees with outstanding contributions and those working in crucial and front-line positions of hardship and danger to support first-class talents in delivering first-class performance for first-class remuneration, so that employees who worked more would be paid more.

The Group actively supported the implementation of the position-based bonus incentive scheme for state-owned technology-based enterprises in 47 technology-based enterprises under the Group, which aimed to promote a close linkage between the remuneration of technological talents and their innovation ability and contribution. This allows employees to share the fruits of corporate development and stimulates the vitality of the organization and staff. The Group pays social insurance and housing fund for its employees in strict accordance with relevant national policies. It establishes an enterprise annuity system to protect the basic rights and interests of employees.

We are committed to the career development of our employees and offer dual promotion paths for them: “promotion for management functions” and “promotion for technical expertise.” We implement a system that links our employees’ remuneration and promotion to their work experience, capabilities, and performance, which encourages them to be proactive. Staff promotion follows the principles of fairness, justice, openness and transparency, and fully respects employees’ right to choose, right to know and right of supervision. In addition, the Group provides the Provincial Company Leaders’ Performance Evaluation Indicator System and Scoring Measures every year to ensure the full implementation of the Company’s development objectives and tasks for the year. By closely coordinating the budget, evaluation, and resource allocation, the Group gives full play to the motivating and guiding roles of performance evaluation, motivates business units at all levels to further develop strategic businesses, and promotes the steady improvement of the Company’s value and capability.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In order to deepen the reform of the incentive and restraint mechanism and establish a sound medium and long-term incentive system, the Group launched a new round of share appreciation rights incentive scheme in 2022 to promote the mutual coordination and promotion of shareholders' interests, the Company's interests and the interests of incentive recipients. As a result, the interests of core employees in key positions are closely aligned with the Company's operating performance, which motivates their enthusiasm.

## Welfare and Labour Standards

### Compliance with the Laws in the Use of Labour

The Group has always complied with laws and regulations on dismissal, working hours and anti-discrimination. Our employees are entitled to national holidays. The Group strictly abides by and implements the laws and regulations in relation to labor employment and protection of labor's rights and interests, including the PRC Labor Law, the PRC Labor Contract Law and the PRC Trade Union Law. Pursuant to which, the Group protects the labor rights and interests, democracy and spiritual and cultural rights and interests of its employees.

The Group stands on various labor policies, including but not limited to, gender equality, and equal pay for equal work. It treats employees equally in the process of recruitment and promotion, regardless of their gender, age and race. It protects employee privacy in compliance with laws and implements a paid leave system.

- It strengthens labor employment management in a lawful and standard manner, ensures the entering into labor contracts with contract employees and makes contributions to the social insurance.
- In line with employment standards, it provides standardized labor contracts by category to clarify the rights and obligations of both parties, so that there are rules and laws for the management of labor relations to follow.
- It sets up standards for the dispatching contracts entered into with the labor dispatching units, inspects and supervises the signing of labor contracts between the labor dispatching units and dispatched employees, makes contributions to the social insurance and protects the rights and interests of the dispatched employees.

The Company strictly implements the relevant requirements of the Provisions on the Prohibition of Using Child Labour. It specifies the age requirements for applicants in accordance with the recruitment management measures, prohibits the use of child labour in accordance with the law and prevents the use of forced labour. There were no incidents of child labor and forced labor in 2022.

### Safeguarding Democratic Rights and Interests

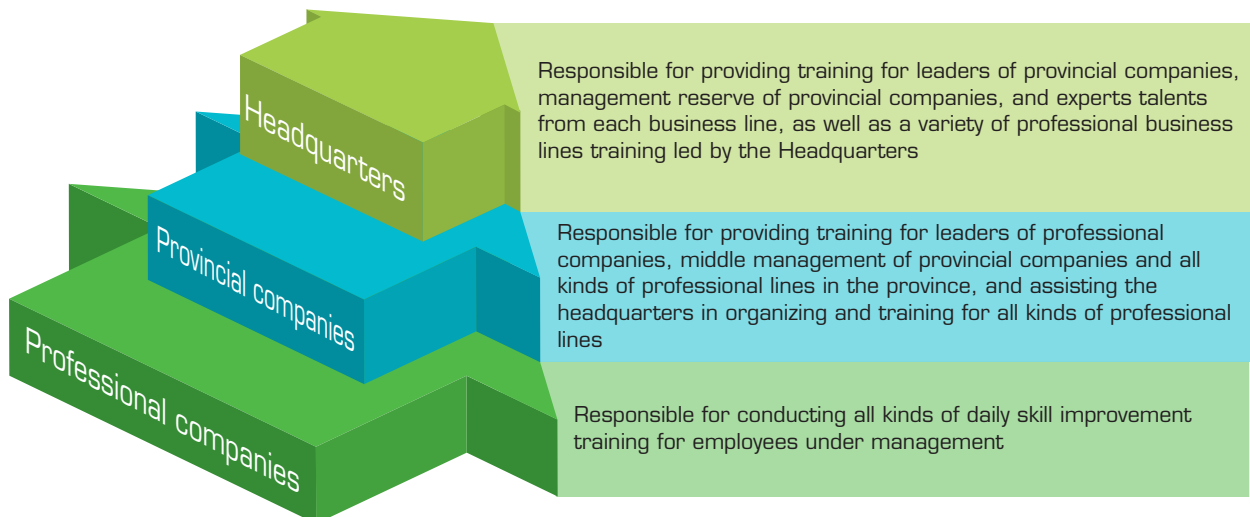
The Group continuously improves the organizational structure of the labor union, clarifies the division of responsibilities, and strives to leverage the role and value of the labor union in promoting business development. We also continuously expand democratic management channels, improve democratic management systems, adopt diversified methods to ensure staff representatives participate in enterprise democratic management, encourage employees to provide suggestions and fully guarantee their rights of information, participation, expression, and supervision. We continuously enhance the level and ability of enterprise democratic management, safeguard democratic rights and interests, and promote the healthy development of the Company.

### Safeguarding the Rights and Interests of Female Employees

The Group is highly concerned about and values the care for female employees and strengthens the protection of their legal rights and interests, enhances female employees' qualities and contributions, offers support of rights protection, strictly implements the protection of female employees during the "four periods" (menstruation, pregnancy, childbirth and breastfeeding), and cares and comforts "single mothers" and menopausal female employees. At the same time, enterprises at all levels are urged to protect the legal rights and interests of female employees and widely collect reasonable suggestions from female employees.

## Development and Training

The Group attaches great importance to staff training. Currently, it has established a three-tier training system covering the headquarters, provincial companies and professional companies. By fully leveraging the resource advantage of the training centers under the Company, it strives to build a hierarchical, classified, synergistic and efficient training system to promote the building of a learning-oriented organization.



In 2022, the Group formulated and issued the “China Comservice 2022 Training Work Plan”. It made synergistic and efficient use of resources from the colleges and training centers under the Company, led by the key tasks of promoting high-quality development of the Company, and concentrated on the key tasks for the year. With a focus on building up three teams, namely leading cadres, expert talents and key employees at the base level, it coordinated the training camps for improvement of various management and professional capacities, and continuously optimized the training management system, course development system and online training system, so as to provide talent and capability support for the innovation and transformation of the Company.





**Leadership development training:** In the context of the main tracks and new challenges of the Group in the new era, and towards the requirements of high-quality development of the Company, we are committed to promoting the awareness enhancement, knowledge re-construction and mindset re-creation of the management reserve in each provincial company, so as to build a double-engine management reserve team of “Entrepreneurial Leaders” and “Technical Talents”.

**Professional line training:** Focus on creating a high-quality talent ecology, with the goals of expanding perspectives and enhancing capabilities, and take various training camps and action learning as the vehicle to train for practice, combine training with practice, and devote efforts to cultivate a team of professional backbone talents on each line.

**Demonstration and rotation course at the primary level:** We pay attention to the capability enhancement and development aspirations of the core backbone employees at the frontline, and organize various comprehensive ability and professional skills training courses for frontline employees on 5G key technologies and industry applications, project management, marketing, etc., so as to build a frontline employee team with core competitiveness and cohesion.



### **Training camp for elite managers of general contracting projects**

In order to timely adapt to the market demands under the new norm, the Group focused on offering training to project managers with potential and planned to nurture a team of around 300 high-calibre managers for general contracting projects to support and lead the development of the general contracting business. The training camp covered three main types of general contracting projects, namely 5G, IDC and DICT projects. Project managers received different training on professional practices based on their fields, so that they were precisely trained and empowered with a combination of general knowledge and specialist expertise.

### **Training for directors and supervisors of subsidiaries**

In 2022, the Group organized training for directors and supervisors of its subsidiaries to educate them on the relevant contents of the Company Law, the responsibilities, rights and obligations of directors and supervisors, the operational practices of the board of directors and the relevant working system. The training aimed to help directors and supervisors to carry out their work properly, reasonably and effectively.

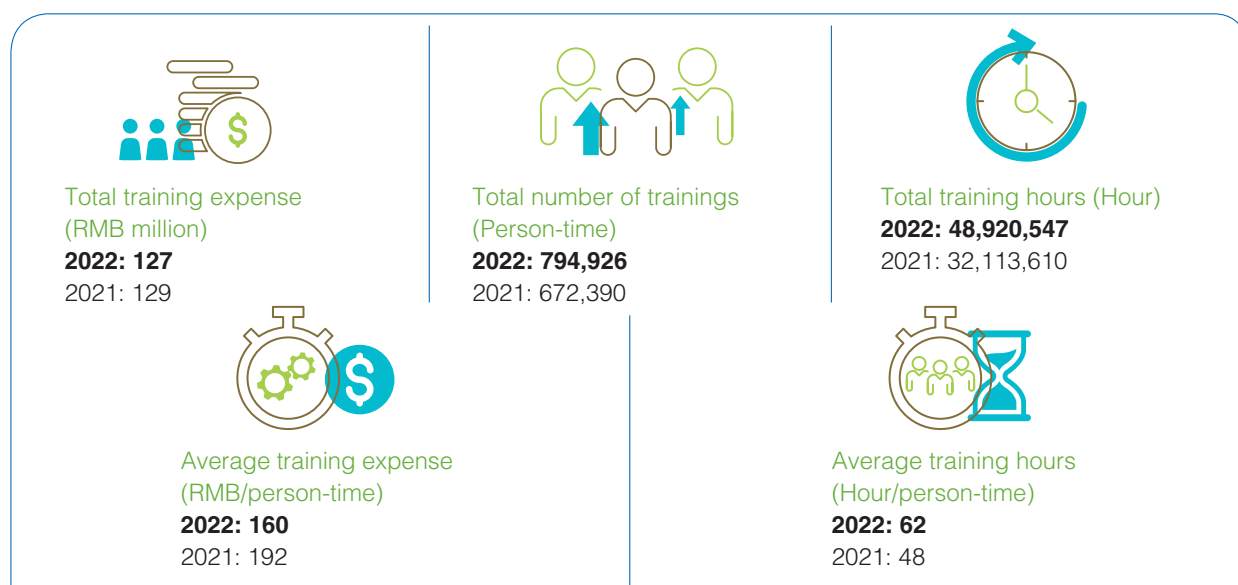
### **Training course for reserve heads of subdivision of accounting units**

We organized “China Comservice Subdivision Lectures” for all leaders of level 2 and level 3 subdivision of accounting units. These lectures aimed to enhance the strategic thinking and operation and management ability of these heads, and to build a team of leaders of subdivision of accounting units who “know strategy, can lead teams, are good at operation and can manage accounts”.

### **Training course for service capability (bidding capability) improvement in the operator market**

The course is designed for employees who are engaged in the bidding and tendering processes for all levels of operator customer business lines. Combining community management and online “live + recorded” teaching, the course covered bidding laws and regulations, demand analysis of purchasers, important skills and key points in bidding document preparation. Its aims are to enhance the theoretical and professional technical skills of relevant personnel, refine their skills in preparing tender documents, solve various problems in the process of tender preparation, and ensure that each tender can meet the needs of customers, thereby improving the winning rate and comprehensively enhancing the service capability for the operator market.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Types of Training	Unit	2022	2021
Production safety training	No. of trainings	6,057	6,179
	Person-time	216,922	205,979
Anti-corruption training and activities	No. of trainings	1,886	2,081
	Person-time	59,348	63,089
Operation management training	No. of trainings	2,980	3,486
	Person-time	70,191	62,237
Technical expertise training	No. of trainings	13,207	42,529
	Person-time	262,166	189,352
Other training	No. of trainings	6,069	8,047
	Person-time	186,299	151,733

**Training by Position/Gender**

Proportion of senior management receiving training	Ratio	2.6%	2.3%
Proportion of middle management receiving training	Ratio	35.8%	29.6%
Proportion of general employees receiving training	Ratio	61.6%	68.1%
Proportion of male employees receiving training	Ratio	72.1%	72.6%
Proportion of female employees receiving training	Ratio	27.9%	27.4%

**Average Training Hours by Position/Gender**

		2022	2021
Average training hours received by senior management	Hour/person-time	93	84
Average training hours received by middle management	Hour/person-time	39	77
Average training hours received by general employees	Hour/person-time	72	34
Average training hours received by male employees	Hour/person-time	59	46
Average training hours received by female employees	Hour/person-time	69	51