

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HUMAN RESOURCES MANAGEMENT



Employment

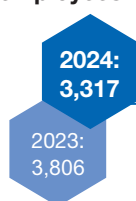
The Group had approximately 77,000 employees as at 31 December 2024. We are committed to ensuring equal development opportunities for both genders, and protecting and enhancing the rights and interests of female employees. Our employees are located primarily in the PRC with some of them located in other 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

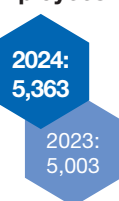

2024
76,686
2023
80,372

Indicator	2024	2023
By type		
Contract employees	74,910	77,998
Dispatched employees	1,613	2,161
Part-time employees	5	38
Others	158	175
By region		
Mainland China	97.1%	96.6%
Hong Kong, Macao, Taiwan and overseas	2.9%	3.4%

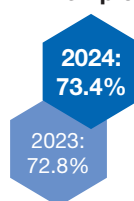
Total number of newly hired employees



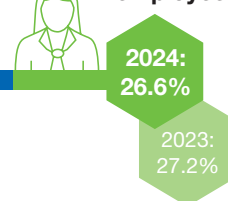
Total number of resigned employees



Proportion of resigned male employees

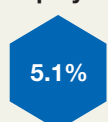


Proportion of resigned female employees



2024 Employee Turnover Rate

Male employees



Female employees



Age



aged 30 and under	2.1%
aged 31-40	3.0%
aged 41-50	1.4%
aged 51 and above	0.5%

In mainland China

6.9%



In Hong Kong, Macao, Taiwan and overseas

0.1%

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Employee Structure (Contract + Dispatched Employees)

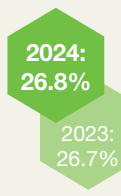
2024 2023

By Gender

Male employees



Female employees



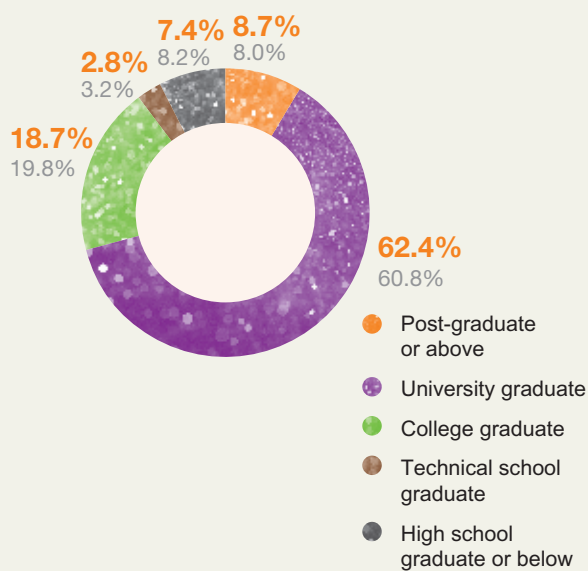
By Age



aged 30 and under	11.3%	12.6%
aged 31–40	33.8%	35.9%
aged 41–50	37.7%	35.3%
aged 51 and above	17.2%	16.2%

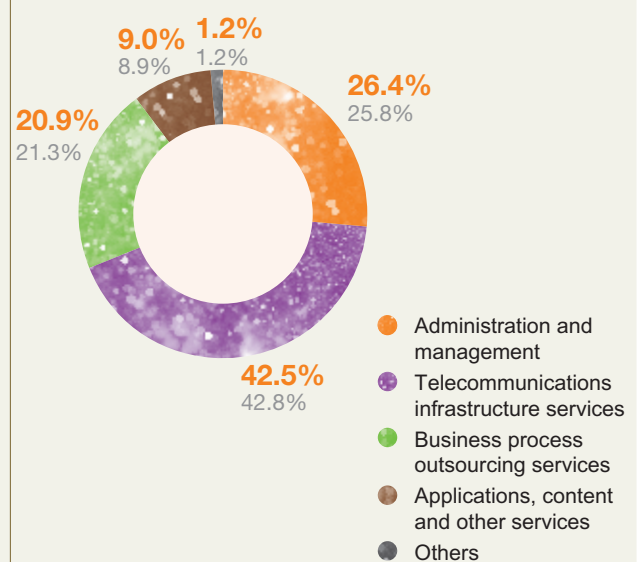
By Education Level

2024 2023



By Nature

2024 2023

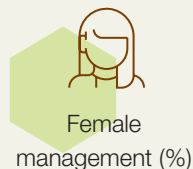


Contract Employees

2024 2023



100
100



1.4
1.4



3.3
4.2

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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 communications cables and equipment based on actual business needs. Through which, we create 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 2024. 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 Appraisal 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.

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.



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The Group actively supported the implementation of the position-based bonus incentive scheme for state-owned technology-based enterprises in 49 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.

In order to deepen the reform of the incentive and restraint mechanism and establish a sound medium and long-term incentive system, the Group has implemented share appreciation rights incentive scheme to drive 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.

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, appraisal, and resource allocation, the Group gives full play to 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.

The Group's headquarters publishes employee performance appraisal methods based on different appraisal indicators each year and conducts annual performance appraisals for employees at all levels to give full play to the value-orientation and strategic execution of the performance management system, promoting the employees to enhance their efficiency, and mobilize their motivation and creativity.



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Labor Standards and Welfare

Compliance with the Laws in the Use of Labor

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. In addition, we have taken the initiative to take measures to promote a higher level of human rights protection and labor rights protection in accordance with the fundamental conventions of the International Labour Organization, the 10 principles of the United Nations Global Compact, the Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of Persons with Disabilities.

- 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.

Diversity and Equal Opportunities

The Group provides multi-channel and diversified recruitment methods to bring in various types of outstanding talents. The Group adheres to the employment policies of gender equality and equal pay for equal work, provides equal employment opportunities in the recruitment and promotion of employees, does not discriminate against workers on the basis of their ethnicity, race, gender, age, geographic location, marital and child-bearing status, and physical conditions, and offers posts suitable for disabled persons with regard to their personal characteristics. The Group also protects the privacy of employees in accordance with the law, and implements a system of paid leave for employees.



Prohibition of Using Child Labor

The Group strictly implements the relevant requirements of the Provisions on the Prohibition of Using Child Labor, strictly manages the staff recruitment process, specifies the age requirements for candidates and prohibits the use of child labor and prevents the use of forced labor in accordance with the law. There were no incidents of child labor and forced labor in 2024.

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Safeguarding Democratic Rights and Interests

The Group respects and supports the freedom of employees to join labor unions and other organisations in accordance with the law, 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 standard and capability of enterprise democratic management, safeguard democratic rights and interests, and promote the healthy development of the Company. Meanwhile, in order to further promote the institutionalisation and standardisation of the employee representative meeting, give full play to the role of the employee representative meeting in developing harmonious labor relations and safeguarding the democratic rights of the employees. The Group formulated the Provisional Rules for the Administration of the Employee Representative Meeting of the Provincial Companies of China Comservice in accordance with the Company Law of the PRC, the Trade Union Law of the PRC, the Labor Contract Law of the PRC, and the Regulations on Workers' Congress of Industrial Enterprises Owned by the Whole People and other laws and regulations.

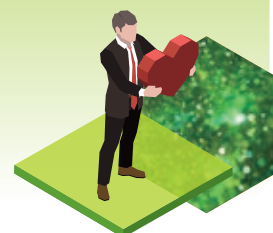
Safeguarding the Rights and Interests of Female Employees

The Group attaches great importance to the care of female employees, endeavors to build a platform for female employees to grow and excel, strengthens the protection of the legal rights and interests of female employees, strictly implements the protection of female employees during the “four periods” (menstruation, pregnancy, maternity and breastfeeding), and cares and supports female employees who are “single mothers” or have difficulties in their families. At the same time, enterprises at all levels are urged to protect the legal rights and interests of female employees, and to strengthen humanistic care and psychological counselling for female employees.

The Group formulated and published the Guiding Opinions on Further Strengthening the Work of Female Employees in China Comservice, and implemented the PRC Law on the Protection of Women's Rights and Interests, the Outline of Women's Development in China (2021–2030), the Special Provisions on the Labor Protection of Female Employees, the Regulations on the Work of Female Workers' Committee in the Trade Unions and other laws and regulations. It also safeguarded the collective interests of female employees, improved the mechanisms for the education and motivation of female employees, the system for cultivation and selection of female leaders and managers, and improved the mechanisms for labor protection, occupational health, social security, as well as the assistance and relief for female employees. Furthermore, the Group launched the “N+1” care and concern activities for female employees in phases, such as signing a collective contract for female employees, adding a special health check-up for female employees, purchasing an additional insurance policy for female employees, organizing a special health seminar for female employees, forming a team for female employees' cultural and sports activities, setting up a forum for emotional exchange among female employees, and setting up a system of care and concern for the whole working cycle of female employees, so as to realize, protect and develop the fundamental interests of the majority of female employees to the greatest extent.

Welfare System

The Group's welfare system includes corporate annuity, supplementary medical care, holiday benefits, various allowances, health check-ups, staff cafeteria, staff dormitories, paid annual leave, comfortable office environment, reasonable work rhythm, rich online learning, diversified cultural and recreational activities and so forth.



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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.



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In 2024, the Group formulated and issued the “China Comservice 2024 Training Work Plan”. It made synergistic and efficient use of resources from the colleges and training centers under the Company, led by the key mission 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.

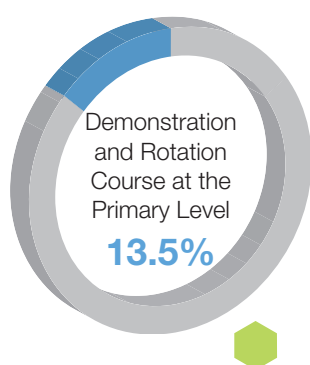
In order to meet the online learning needs of employees, the Group has opened up a channel for all employees to participate in training and learning at online university, which provides online courses, live lectures, interactive seminars and other diversified learning pathways to provide new employees with comprehensive career enlightenment and help them quickly integrate into the work environment. The Group provides professional and technical personnel and managers with cutting-edge professional knowledge and management concepts, helping them to continuously improve their professional skills and management capabilities to cope with the complex and changing market challenges.



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, the Group is committed to promoting the awareness enhancement, knowledge reconstruction 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”.



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 carrier to train for practice, combine training with practice, and devote efforts to cultivate a team of professional backbone talents on each line.



The Group pays 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 key technologies and industry applications, project management, marketing, etc., so as to build a frontline employee team with core competitiveness and cohesion.

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Training Course for Young and Middle-aged Cadres of China Comservice

The Group held the “Training Course for Young and Middle-aged Cadres of China Comservice”. Industry senior experts were invited. Through courses such as industry research, U-shaped thinking, and assessment interpretation, combined with activities such as unled group interviews, leadership assessment, and TED talks, the industry insight ability and strategic analysis ability of the trainees were comprehensively enhanced. The self-awareness was continuously strengthened to continuously provide solid talents and intellectual support for the high-quality development of China’s communications service industry.



China Comservice Financial Elite Training Camp

The training camp for financial elites of China Comservice was successfully started, with 55 financial elites participating. This training camp focused on the theme of “promoting development, improving ability and preventing risks”, centering on the business development and key tasks of the enterprise. Through various ways such as theoretical teaching, themed seminars, case discussions, review lectures, cross-criticisms, lectures and evaluation, the training camp finally delivered 11 subject results and lecture videos.





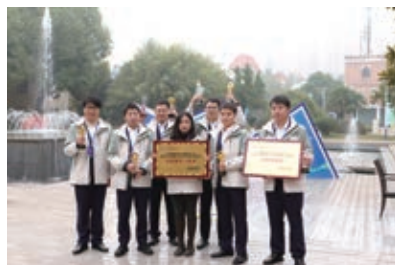
“Innovator Pioneer” Product Training Camp and CCS Senior Technical Expert Training Course

The Group held the “Innovator Pioneer” Product Training Camp and CCS Senior Technical Expert Training Course, which was attended by more than 750 people from the Group’s headquarters, its provincial companies and professional companies both online and offline. The training course centered on the four principles of combination of competition and training, full empowerment of full-stack production, research and marketing team, full coverage of products, and high-intensity learning and exchange, and delivered “end-to-end” standardized management system for the whole life cycle from product planning, design and R&D to sales promotion.



The Sixth “CCS Craftsman” Cup Data Center Green and Low-carbon Integrated Construction and Maintenance Skills Competition

The Group held the Sixth “CCS Craftsman” Cup Data Center Green and Low-Carbon Integrated Construction and Maintenance Skills Competition, with the theme of “Scientific and Technological Innovation, Green and Low-Carbon”, to steadily improve China Comservice service capability in the green and low-carbon field based on the promotion and inheritance of the craftsmanship spirit.



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Total Training Expense

(RMB million)

**2024: 172**

2023: 171

Total Number of Trainings

(Person-time)

**2024: 734,418**

2023: 692,353

Total Training Hours

(Hour)

**2024: 15,363,445**

2023: 14,338,150

Per Capita Training Expense

(RMB/person)

**2024: 2,247**

2023: 2,122

Per Capita Training Expense

(RMB/person-time)

**2024: 235**

2023: 246

Per Capita Training Hours

(Hour/person)

**2024: 200**

2023: 179

Per Capita Training Hours

(Hour/person-time)

**2024: 21**

2023: 21

Indicator	Unit	2024	2023
Types of Training			
Production safety training	No. of trainings	5,224	4,702
	Person-time	192,770	199,901
Anti-corruption and integrity promotion training and activities	No. of trainings	1,965	1,426
	Person-time	65,316	46,322
Operation management training	No. of trainings	2,814	2,256
	Person-time	52,725	42,587
Technical expertise training	No. of trainings	10,565	13,261
	Person-time	251,281	232,598
Other training	No. of trainings	4,961	5,730
	Person-time	172,326	170,945
Training by Position/Gender			
Senior management	Ratio	2.2%	2.2%
Middle management	Ratio	36.2%	36.2%
General employees	Ratio	61.6%	61.6%
Male employees	Ratio	70.5%	73.9%
Female employees	Ratio	29.5%	26.1%
Average Training Hours by Position/Gender			
Senior management	Hour/person-time	55	56
Middle management	Hour/person-time	24	25
General employees	Hour/person-time	18	16
Male employees	Hour/person-time	20	20
Female employees	Hour/person-time	22	24