

OPERATION MANAGEMENT



Health and Safety

The Group has always upheld a high sense of responsibility, strictly and voluntarily complied with relevant national laws and regulations. It firmly implements laws and regulations such as the PRC Labor Law, the PRC Work Safety Law, the PRC Fire Protection Law, and the Administrative Regulations on the Work Safety of Construction Projects. In addition, it comprehensively aligns with industry-related regulatory requirements such as the Provisions on the Administration of Work Safety in Telecommunication Construction Projects, the Management Rules for Labor Protection Supplies of Employers, and implements compliant operation in every business process.

The Group fully implements the overall philosophy of national safety and persists in the principle of coordinating two major principles of high-quality development and high-level safety. Through the full implementation of the system of responsibility for production safety for all employees, strengthening the standardization of production safety, consistently improving the management system of production safety, continuously carrying out production safety education and training, and establishing the dual prevention mechanism of tiered risk management and control as well as the investigation and management of hidden dangers, the regular production safety supervision and inspection and the periodic emergency rescue drills, etc., the Group ensured the effective implementation of production safety by promoting all work in an orderly manner in accordance with the law.

Meanwhile, the Group has continuously adjusted and optimized its approach in managing subcontractors, strengthened the safety management of business outsourcing and subcontracting units in an all-round way, and strictly controlled the key aspects such as enterprise qualification review, personnel information collection, entry approval of safety conditions, safety education and training, on-site behavior supervision, management of non-compliant behavior, and dynamic judgement of entry and exit, so as to firmly safeguard the bottom line of safety development, and steadily push forward the transformation of the enterprise's safety governance mode into a preprevention mode, prevent and curb the occurrence of major safety production accidents, ensure the health and safety of employees, and proactively create a safe environment conducive to the development of the enterprise.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Safety Management System

The Group's Production Safety Committee is a production safety management body, with the President of the Company 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

In order to ensure the safe production of communications construction projects, according to the requirements of relevant laws and regulations such as the PRC Work Safety Law and the Administrative Regulations on the Work Safety of Construction Projects, the principal responsible persons, project responsible persons and dedicated safety production management personnel, etc. of all communications construction enterprises under the Group have passed the assessment of safety production knowledge and management ability organized by the local information and communications administration, and 100% of them are certified to work.

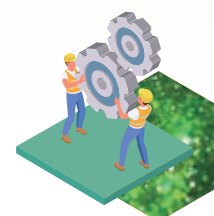
The Group attaches importance to and makes every effort to safeguard the funding for production safety, and requires all its subsidiaries to allocate special production safety funds in accordance with the regulations for, among others, improving working conditions, improving safety facilities, updating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

In 2024, the Group formulated and fully implemented the "Three-Year Action Implementation Plan for Fundamental Improvement of Work Safety". Throughout the year, a total of 1,305 production safety inspections were carried out. A total of 21,938 hidden dangers were identified, and all of them have been rectified, with a rectification completion rate of 100%. The Group organized public lectures by the primary responsible persons for production safety, covering 32,451 people. It carried out 2,538 education and training sessions on internal and external typical accident cases, with a cumulative coverage of 101,330 person-times. The Group also carried out the Accident Shocking Warning Day activities, which covered as many as 87,839 person-times.

Occupational Health, Safety Production and Environment Management

Based on the strategic goal of continuously building the general contracting capability in recent years, the Group formulated the Guidelines for the Management of General Contracting Projects of China Communications Services Corporation Limited, in which it made specific requirements for occupational health, safety production and environment management (HSE management) of its companies at all levels in undertaking general contracting projects:

1. Clearly define objectives and responsibilities and continuously improve the HSE management system, standardize the occupational health, safety production and environmental management of general contracting projects, so as to minimize the danger to the project construction, the harm to the society and the damage to the environment.
2. According to the project scale, deploy full-time or part-time safety management personnel, who are responsible for the organization and coordination of occupational health, safety production and environmental management under the leadership of the project manager.
3. Carry out occupational health hazard identification and risk assessment, formulate project occupational health management plan, establish occupational health examination system, carry out monitoring and measurement, dynamically identify potential hazard sources and emergencies, and take countermeasures to prevent and reduce injuries.
4. Formulate the Measures for the Administration of Project Safety Production or similar documents, and establish and improve the safety management system; strictly implement the responsibility system for safe production; set up a dedicated safety organization and strengthen the organization and leadership of safety production.
5. Carry out hazard identification and risk assessment, formulate safety management plan, implement safety guarantee measures to ensure safety. Strictly implement the investigation and management system of hidden dangers of production safety accidents, discover and eliminate hidden dangers and accidents in a timely manner, and record the investigation and management of hidden dangers and accidents.
6. Carry out safety production education and training regularly, and project managers, safety management personnel, special operations personnel, etc. shall hold certificates according to regulations.
7. According to the relevant regulations of the PRC, industry, local governments and enterprises, establish necessary safety records to prove the effectiveness of safety management, including safety management ledger, safety meeting minutes, rectification notice, safety production inspection records, purchase and distribution records of labor protection accessories and other original records, etc.
8. Implement the safety disclosure system, and disclose the hazard sources and the preventive measures, safety operation requirements, safety matters that should be paid attention to in cross-operation of various specialties level-by-level before construction, with signatures obtained up to the level of the workers (including suppliers and subcontractors).
9. According to the approved environmental impact assessment documents of construction projects, prepare the project environmental protection plan, identify important environmental factors, formulate environmental management target indicators and management schemes, and effectively control and manage important environmental factors such as construction dust, noise pollution, sewage discharge, solid waste discharge and fire on the construction site.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Dual Prevention Working Mechanism

According to the relevant requirements of the PRC Work Safety Law and on the basis of the Regulations on Tiered Management and Control of Safety Risks of China Communications Services Corporation Limited, the Group formulated the Regulations on Investigation and Management of Potential Safety Hazards of China Communications Services Corporation Limited, and established a dual prevention working mechanism for enterprise safety production.

The Group divides the safety risk level into four tiers: major risk, greater risk, general risk and low risk. It also stipulates that all kinds of risks should be managed and controlled from five aspects: engineering and technical measures, management measures, training and education measures, individual protection measures and emergency response measures. The Group conducts list-based management around the tiered risk management and control contents under 33 specific scenarios, such as construction operations, production and business premises and special equipment.

In 2024, the Group carried out the three-year action for fundamental improvement of production safety in an orderly manner in light of the actual situation. It promoted China Comservice to deepen three key tasks, namely tackling hidden dangers, strengthening the foundation, and enhancing efficiency. It firmly established the concept of safety and coordinated the promotion of eight special tackling tasks, five tasks for infrastructure construction, and five tasks for capability enhancement. The Group organized provincial-level companies to carry out hidden danger investigation and rectification work involving all employees in five scenarios, including office buildings, engineering construction, maintenance services and customer service centers, warehouses, and other business premises. The rectification completion rate of major hidden dangers reached 100%.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

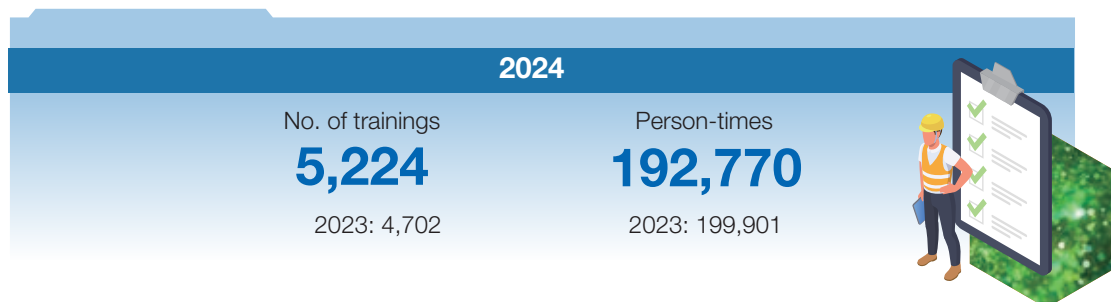
Building a Culture of Safety

Conducting Education and Training on Production Safety

The Group insists on carrying out production safety education and training for all employees by different categories, so as to enhance the safety awareness of all employees. In 2024, the Group organized all employees to study the Administrative Measures for the China Comservice Production Safety Management, invited internal and external safety production experts to train safety production management personnel and project managers at all levels on the specialized subdivisions of construction operation safety, and organized a series of publicity and education activities such as "Safety Production Month", "Fire Safety Month" and "Telecom Fire Safety Publicity Month".



Production Safety Training



The Group published the Guide for Safe Construction of Information and Communications Engineering" (ISBN 978-7-115-61752-1), summarizing the excellent experience in production safety in the field of communications construction, and promoted the dissemination of the experience in production safety in the field of communications construction to the front line through the provision of training to all subcontractors at each level.



The Group published the Guide for Information and Intelligent Terminal Installation and Maintenance Safety (ISBN 978-7-115-65390-1), which summarized the basic knowledge of production safety, the key processes of safety management and theoretical knowledge of installation and maintenance work.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

**Hunan Company Held the 2024 Production Safety Emergency Drill**

The Hunan company, a subsidiary of the Group, centered around the theme of “Everyone Emphasizes Safety, Everyone Can Respond to Emergencies — Keep the Lifeline Clear”. With hands-on drills of emergency evacuation, the use of gas masks, and the firefighting of oil pan fires and electric vehicle fires as the core segments, it organized production safety emergency drills, distributed safety publicity materials, and carried out activities such as random questions competition for safety knowledge and firefighting knowledge.

**2024 Production Safety (Firefighting Skills) Labor Competition of Guangdong Company**

In order to further create a production safety atmosphere of “Everyone Emphasizes Safety, Everyone Can Respond to Emergencies”, enhance employees’ safety awareness, and improve the company’s emergency response and handling capabilities in terms of fire safety, the Guangdong company, a subsidiary of the Group, held the 2024 Production Safety (Firefighting Skills) Labor Competition. A total of 120 participants from 15 representative teams of its subordinate professional companies took part in the competition. The hands-on operation items consisted of five segments, including the 50-meter relay fire extinguishing, earthquake escape and rescue, crossing the fire line, stretcher making, and fire hose splicing.

**2024 “Jian’an Cup” Information and Communications Construction Industry Safety Competition**

The Group actively organized its subsidiaries to participate in the “Jian’an Cup” Information and Communications Construction Industry Safety Competition in 2024. After a fierce competition, the subsidiaries, employees and works of China Comservice won excellent results: 1 enterprise won the second prize of the team award, 2 enterprises won the third prize of the team award, 5 enterprises won the excellent organization award, 1 employee won the first prize of the individual award, 4 employees won the second prize of the individual award, 8 employees won the third prize of the individual award. In addition, 5 entries received the best safety operation video award, 9 entries received the excellent safety operation video award, 1 case was selected as the Best Safety Management Case, 6 cases were selected as the Excellent Safety Management Case.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Valuing Expert Talents

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

Safeguarding the Occupational Health of Employees

The Group always values the occupational health management of its employees, strictly complies with the Law of the PRC on the Prevention and Control of Occupational Diseases and other relevant laws and regulations, and responds to the requirements of the Healthy China Initiative (2019-2030). It 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 2024, more than 110 subsidiaries of the Group have obtained the international OHSAS 18001 certification, ISO 45001 certification or relevant domestic certifications, etc.

Continuous Improvement of Production Safety Mechanisms

In 2024, the Group revised and issued three production safety management measures, namely, the Work Safety Management Measures of China Comservice, the Implementation Rules for the Assessment and Accountability of Work Safety Accidents of China Comservice (Trial), and the Work Guidelines for the Assessment of Responsibilities in Preventing Work Safety Accidents of China Comservice (Trial). These measures further improved the enterprise's safe production responsibility system, clearly defined the production safety responsibilities of key position personnel such as technician in-charge and building wardens, supplemented and refined the specific production safety requirements of business departments and functional departments, and established a production safety evaluation and assessment mechanism.

The Group issued the Notice on Regular Work Safety Interview and the Notice on Regular Special Inspections of Work Safety Performance, further improving the long-lasting working mechanisms such as interviews and safety work reports.

The Group organized experts to compile the Several Measures for Further Strengthening Work Safety Management, fully implementing the regulatory responsibilities of each functional department. The Group improved specific work measures in terms of safety performance assessment, accident liability investigation and accountability, construction process control and management, and incentives for expert talents, etc., and endeavored to enhance China Comservice's production safety management.

The Group established and implemented an accident reporting system and conducted quarterly surveys. In 2024, no major production safety liability accidents occurred in the Group. In the past three years (including the reporting year), there were no work-related injuries and deaths, or serious injuries to employees due to work responsibilities¹, and there were no lost workdays due to work-related injuries.

¹ 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

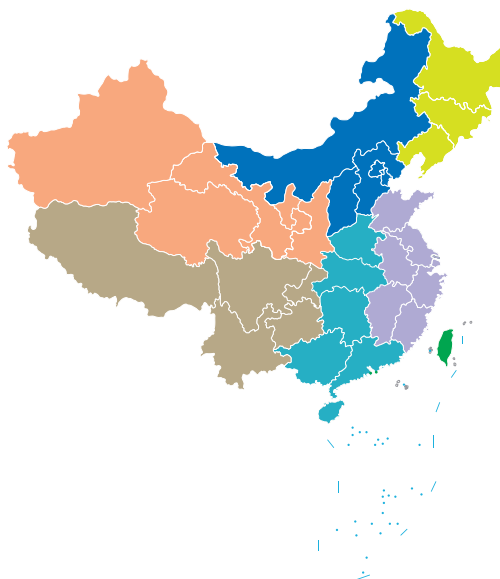
Supply Chain Management

The Group deeply integrates ESG into supply chain management and works with suppliers to implement ESG principles in business contracts and practices. We actively guide suppliers to practice the concept of green development and attach great importance to the protection of labor rights and interests within the supply chain, covering aspects such as the prohibition of child labor and forced labor, the protection of labor rights and interests, ensuring occupational health and safety, emphasizing environmental protection, protecting information security and privacy, adhering to business ethics, and managing sanctions, etc. We have established a comprehensive supplier management system with strict standards and processes from supplier entry, audit, selection, evaluation to withdrawal, and introduced a fair, just and transparent supplier selection mechanism.

In compliance with relevant laws and regulations of the PRC, such as the PRC Civil Code, the Bidding Law of the PRC, the Regulation on the Implementation of the Bidding Law of the PRC, the Measures for the Administration of Bidding for Communications Engineering Construction Projects, the Management Measures for the Determination, Investigation and Handling of Breaches of the Laws on Contract Issuing and Contracting of Construction Projects, the Administrative Measures for General Contracting of Housing Construction and Municipal Infrastructure Projects, and the Opinions of the General Office of the State Council on Promoting the Sustainable and Healthy Development of the Construction Industry, 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	Number of service suppliers	Number of goods suppliers
● Northeast region	241	118
● Northwest region	1,452	833
● Mid-South region	2,147	1,891
● Southwest region	1,114	1,562
● Northern China region	937	915
● Eastern China region	3,846	4,200
● Hong Kong, Macao and Taiwan	1	0
● Overseas	94	1
Total	9,832	9,520

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.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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.

Supply Chain Management Model



Organizational System

- Adapting to the Company's organizational structure and establishing the system of "three-level procurement and two-level centralized procurement"
- Leveraging the Group's subsidiary, China Comservice Supply Chain Co., Ltd., to implement centralized procurement
- Establishing "headquarters + 21 provincial companies" centralized procurement center



Scope & Plan

- Headquarters-level centralized procurement, provincial-level centralized procurement, professional company procurement
- Classifying procurement types based on business development model, professional nature and other factors



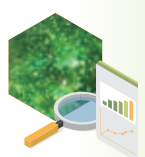
Procurement Method

- 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



Contract & Price

- 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



Supervision

- 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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Targeting the principal business activities and key issues of supply chain management, the Group formulated relevant procurement supply chain management systems such as the China Communications Services Corporation Limited Procurement Management Measures (Self-use Category), China Communications Services Corporation Limited Procurement Management Measures (Contracting Business Services Category), China Communications Services Corporation Limited Centralized Procurement Management Measures and China Communications Services Corporation Limited Procurement Supplier Management Measures to ensure the achievement of procurement objectives, enhance the enterprise's ability to acquire and integrate external resources, and improve the efficiency and service standard of the supply chain operation, thus fostering a green cooperation ecosystem of "integrity, efficiency, quality, stability and reliability".

- **Supplier Database Management**

The unified information system is used to achieve hierarchical management of the supplier database. After the completion of procurement activities, the procurement execution department will submit an application for entry into the database, and the procurement centralized management department will conduct an audit. For suppliers who are no longer cooperating after the expiration of the cooperation period, should exit according to requirements and together with those included in the negative list, they will be removed from the supplier database.

- **Supplier Post-evaluation**

The post-evaluation is divided into regular post-evaluation, annual post-evaluation and overall post-evaluation, and the post-evaluation results are aggregated by using a unified information system to ensure that the comprehensive performance of suppliers is reflected objectively. The post-evaluation results of suppliers are used as an important reference basis for all phases of procurement and cooperation.

- **Supplier Rating, Rewards and Penalty**

Suppliers are rated and rewarded or penalized according to their post-evaluation and contribution level to determine their strategic value to the Company. Through rating, an effective competition mechanism of "survival of the fittest" is realized to aggregate high-quality suppliers. There are four ratings: A (preferred), B (eligible), C (reserve) and D (eliminated). In 2024, a total of 11,276 suppliers were rated.

- **Supplier Negative List**

Specify the management standards of the suppliers' negative list at different levels, and prohibit cooperation within the corresponding scope if there are any behaviors listed in the negative list, and ensure the implementation through the unified information system.

Integrity Efficiency Quality Stability 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 to the public through "China Comservice Procurement and Tendering Portal" (<https://szyc.chinaccs.cn/>).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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.



Pre-job Training

- Daily safety and technical briefings for construction operations
- Unified drills



Working with Certificates

- Climbing, electricity-related and other high-risk work scenarios require the appropriate certificates



Purchase of Insurance

- No insurance, no entry
- Work-related injury insurance, with additional commercial insurance for construction business



Labor Protection

- Pay the production safety fee in full and ensure the usage
- Central purchase of labor protective equipment with reliable quality



Safety Supervision

- Complete on-site supervision by project manager
- High frequency of safety inspection

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, practiced the concept of green procurement, and taken into account the requirements of environmental protection at the beginning of raising the procurement needs, committing to work with the upstream and downstream of the supply chain to reduce the damage and impact on the environment.



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, and a comprehensive evaluation of suppliers' performance in energy management system construction, green emission reduction actions, carbon emission information disclosure, and other aspects is also conducted.



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.



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.



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.



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-mail, to promote the whole procurement process to be accessed online and minimize carbon emissions from paper use and personnel travel.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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. During the year, the Group conducted an inspection and verified the supplier enterprises, and included 473 relevant enterprises into the negative list of suppliers at the headquarters level in order to prevent the occurrence of integrity risks.

The Company's Commitment of Integrity and Self-discipline includes commitments to abide by relevant national laws and regulations, abide by various regulations on work integrity, abide by company rules and regulations, ensure objective and fair performance of duties without favoritism and malpractice, and eliminate all kinds of unhealthy practices and corruption, among which special agreements are made for abiding by professional ethics:



- Do not accept gifts, gratuities, securities or any other benefits from bidders or other interested parties.
- Do not ask for any benefits such as money or materials from bidders or other interested parties in any form.
- Do not have expenses, which should be paid by individuals, reimbursed by bidders or other interested parties.
- Do not participate in entertainment, banquets, travel and other activities organized by bidders or other interested parties.
- Do not ask bidders or other interested parties to provide convenience for personal business or family-run enterprises.
- Strictly abide by other regulations related to work integrity.

Labor Rights Protection by Suppliers

The Group pays great attention to the protection of the rights and interests of the labor of 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. We urge service suppliers to strictly abide by the PRC Labor Contract Law and other laws and regulations. According to the China Communications Services Corporation Limited Procurement Management Measures (Contracting Business Services Category), suppliers must submit the list of personnel participating in the project, personnel social insurance and labor contracts, technical management personnel professional titles, education and special operation qualification certificates, employer liability insurance or accident insurance materials for verifying their basic protection of labor rights and interests.

Service suppliers are urged to strictly abide by the Regulations on Ensuring Wage Payment to Migrant Workers and other laws and regulations. The Group specifically opens a channel for whistleblowing and complaints regarding defaulted migrant workers' wages, ensuring that it is accessible, and actively coordinates the handling of relevant clues received, regularly organizes personnel to conduct spot checks on suppliers' payment of wages of migrant workers. The Group could include suppliers who deliberately defaulted on migrant workers' wages or caused mass events in the negative list of suppliers according to the China Communications Services Corporation Limited Procurement Supplier Management Measures. During this year, no supplier of the Group was included in the negative list due to salary dispute incidents.

For subcontractors that cause mass incidents due to violations of laws and regulations such as child labor, working hours overtime, or infringement of labor rights, the Group includes them in the negative list and prohibits procurement in accordance with the China Communications Services Corporation Limited Procurement Supplier Management Measures. There was no use of child labor or forced labor during the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Supplier Training

For major suppliers that provide construction and other services, the Group requires its affiliated companies at all levels to incorporate the training and education of their suppliers' employees into the Company's overall coordination and planning.

During the year, the Group conducted a themed training course on production safety management for the installation and maintenance of China Communications Services, which explicitly covered the personnel of outsourcing (subcontracting) units. All levels of the company's installation and maintenance business management and frontline employees (including employees of outsourcing and subcontracting) were required to learn the basics of production safety, the "three principles of non-violation"* and the "four principles of non-injury"** of production safety, the introduction and wearing standards of protective gears, the safety of electric vehicles, the safety and first aid of fall from height and electric shock, and the first aid of cardiopulmonary resuscitation, and to complete the tests.



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.

In 2024, the Group issued the Notice on the Requirements for Strengthening Customer Service Quality Management and the Notice on the Establishment of a Special Team for Supervision of Customer Service Quality Management of China Comservice to further strengthen the management of customer service quality, standardize and improve the three-tier supervision and management system of customer service quality, improve the channels for customers' complaints and feedback, and promote the enhancement of service awareness of its subsidiaries at all levels to improve management standard and service quality, enhance customer satisfaction, shape the company's good image, build a service quality "moat" and construct a service golden signboard.

In order to improve the management and supervision system of overseas customer service quality of China Comservice and establish a complaint and feedback channel and processing mechanism of customer service quality, the Group has issued the Notice on the Establishment of Overseas Customer Service Quality Complaint and Feedback Mailbox, which is exclusively for the purpose of receiving and processing the opinions, suggestions and complaints on the service and quality of operation contracts by overseas customers.

* Three principles of non-violation: commands with non-violation, operations with non-violation, and labor discipline with non-violation
 ** Four principles of non-injury: non-injury on yourself, non-injury on others, non-injury by others, and non-injury by protecting others

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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 initiation, 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.

Measures to Ensure Quality of Service



1. Determine the departments and persons 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. One-time quality acceptance pass target
5. Use of digitalized control tools
6. Data archiving/experience accumulation/continuous improvement

Awards

This year, the Group consistently enhanced its project management capabilities and customer service quality for construction projects. Subsidiaries of the Group participated in the 2024 Information and Communications Engineering Construction Project Quality Evaluation, organized by the Communication Engineering Construction Branch of the China Association of Communication Enterprises (CACE).

Type	Rating	Number of Awards	Proportion
 Quality Evaluation of Information and Communications Engineering Construction Projects	 	7 29	100% 93%
 Quality Evaluation of Green Design Achievements in Information and Communications	 	15 22	50% 45%
 Quality Evaluation of Exemplary Cases in Green and Low-Carbon Design for Information and Communications	 	6 9	60% 25%

Responding to Customer Complaints/Customer Satisfaction Management

Adhering to the “customer-centric” development philosophy, the Group pays great attention to customer perception, establishing a three-tier customer service quality management and supervision system, and each provincial company has set up a dedicated team for customer service quality management supervision. Catering to the characteristics of government and enterprise customers, we establish service departments targeting different customer groups and apply “Smart Marketing System”, to build direct and efficient communication channels with customers, and timely follow up on customer needs through customer visits, technical exchanges, delivery implementation, maintenance services, after-sales follow-up, satisfaction surveys, and other methods in pre-sales, during-sales, and after-sales stages. The Group’s subsidiaries have actively conducted satisfaction surveys this year to listen to customer feedback.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2024, the Group opened up a complaint channel, added a feedback channel of “customer service and quality” in the “report area” of the Company’s website, configured special mailboxes for complaints and feedback on the quality of customer service in each province, incorporated the complaint channel into the text of contracts or attachments, and comprehensively disclosed the channel to customers. The Group set up a response mechanism for customer complaints, and formulated different response processes for serious complaints and general complaints. The Group implemented closed-loop management of customer complaints handling, recorded the handling process in written form and filed it. The Group organized service quality meetings from time to time, collected and handled customers’ service opinions and suggestions, carried out service quality analysis, actively explored the deep-level causes of customer complaints, formulated specific rectification measures, and formed an effective enhancement mechanism.

In 2024, customers were generally satisfied with the quality of the Group’s services and there were no material complaints or disputes. The Group is in 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 continuously strengthens its trademark management, standardizes the use of registered trademarks, focuses on brand protection while promoting its brands and enhancing its own brand value, and carries out intellectual property research on the Company’s emerging businesses.

The Group has formulated the Measures for the Management of Research and Development Projects of the Headquarters of China Comservice, which stipulate the contents of research and development results, the responsibilities of the management department, the registration and archiving of results, the protection and confidentiality of results, and the application and promotion of results, so as to promote the improvement of the management of technological results and accelerate the promotion and application of technological results. The Group issued the Notice on Further Strengthening the Management of Cooperative R&D and Intellectual Property Rights Compliance and carried out many publicity programs to establish a long-term mechanism to ensure that the intellectual property rights protection work is legal and compliant. 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.

The Group emphasizes the protection of intellectual property rights in the process of product research and development, and has applied corresponding patents or software copyrights.

2024

The Group obtained **619** new authorized patents,
1,096 new patents accepted,
1,387 new software copyrights.



Information Security and Privacy Safeguards/Cybersecurity

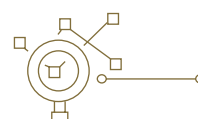
The Group attaches great importance to the protection of information, privacy and data security of the Company, its employees and customers, and strictly complies with the laws and regulations such as the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, and 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. More than 50 companies under the Group have ISO27001 information security management system certification, 17 companies have information security service qualifications, 11 companies have GB/T 22080-2016 information security management system requirements, and the relevant employees hold qualification certificates such as CISP, CISSP, CISA and CISP-DSG.

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 of the Company. 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.

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 2024, a total of seven training sessions on network and information security were organized by the Group for relevant management and technical personnel, including policy interpretation, awareness dissemination, skill enhancement, situation analysis and warning education, with a total of over 36,000 person-times' participation. 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. We organized internal network and data security skills competitions and actively participated in external competitions, and received the silver award in the points competition and the gold award in the instructor competition of the "Shuxin Cup" Data Security Competition to improve security protection capabilities through competitions.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Building a Strong Line of Defense for Network and Information Security

The Group actively carries out regular security operations and organizes 7 x 24 hrs round-the-clock security monitoring relying on the cybersecurity operation centre, 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-rounded 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 2024, 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.

The Group issued the Notice on Carrying out the Study and Publicity of Data Security Law and Personal Information Protection Law, which requires the strengthening of the systematic study and publicity of the PRC Data Security Law, the PRC Personal Information Protection Law and the PRC Cybersecurity Law, ensuring that all employees fully understand and master it in depth, clarifying the bottom line, not touching the red line, and effectively regulating data and information processing activities.

Cybersecurity Capabilities

The Group actively responds to the national strategy of building China into a cyberpower. In recent years, we have strategically focused on network and information security, continuously increasing our research and development investments. 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 network and information security solutions and comprehensive products and services for national key information infrastructure industry clients and undertake the construction of several national major network and information security projects. Having participated in compiling the national and industrial standards, white papers and monographs for network and information security, the Group was accredited the ministerial-level "Pilot Demonstration of Cybersecurity Technology Application". Its own core products and services have been selected in the "China Cybersecurity Industry Panorama" published by "AQNIU", a think tank in the cybersecurity industry, for many times. The brand influence of "CCS Cyber Security" is gradually increasing.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

 <p>Cyberspace Surveying and Mapping Platform</p>	<p>Based on the actual combat perspective of network attack and defense, a one-stop correlation analysis system of internal and external network integration mapping is constructed to realize the closed-loop governance of “internal network assets + Internet exposed assets” integration, high precision and full coverage, which helps the national key industries to identify high-risk attack surfaces, create holographic maps of cyberspace and realize wall chart operations of safe assets.</p>
 <p>Intelligent Security Operation Platform</p>	<p>Facing the actual needs of complex operation of national key information infrastructure operating units, it provides in-depth analysis of security threats and automatic response capability of security arrangement, realizes the closed loop of the whole process of security risk detection, monitoring, disposal and early warning, and helping national key information infrastructure operating units to improve safety operation efficiency.</p>
 <p>Data Security Monitoring Platform</p>	<p>We provide data security supervision 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.</p>
 <p>Cloud Cryptographic Service Platform</p>	<p>It integrates cryptographic services, application access management, situational awareness and unified monitoring, calls the underlying cryptographic software and hardware resources and services, and provides cryptographic services distributed on demand and flexibly expanded for government cloud applications to ensure the authenticity, confidentiality, integrity and non-repudiation of government cloud applications.</p>
 <p>Training Simulation Exercise Platform</p>	<p>It realizes the integration of real network training, simulation research and offensive and defensive competitive capability, meets the needs of scenario-based and customized training simulation drills in national key information infrastructure, helping security services and offensive and defensive teams to quickly improve their technical and combat capabilities in maintenance and operation and actual combat confrontation.</p>
 <p>Comservice Crowdsource Testing and Security Vulnerability Management Platform</p>	<p>By aggregating information security experts through Internet crowdsourcing, and based on an intelligent control model with in-depth integration of “artificial + automation”, we provide operators, government and enterprise customers and venture-startup teams 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.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Selected as a Typical Case of Cybersecurity Technology Application at the Ministerial Level

The “Video Surveillance Intelligent Application System” jointly developed by the Group’s subsidiaries, including Guangdong company, Tisson Regaltec Communications Technologies Co., Ltd. and Guangdong Electronic Certification Authority Co., Ltd. has been successfully selected as one of the “Typical Cases of Cybersecurity Technology Application in 2024” assessed and announced by the General Offices of thirteen ministries including the Ministry of Industry and Information Technology and others.

The Group is the first enterprise in China to put forward an innovative comprehensive solution of “based on localized foundation + security gateway + video security + large model visual application”, creating a video data element security circulation system from the bottom to the application, effectively solving the problem of hidden security hazards in urban governance, and promoting the efficient convergence, safe sharing and artificial intelligence application of multi-sectoral video surveillance resources in the city.



Contribution to Cybersecurity Talent Cultivation and Evaluation

As one of the core units in the construction of domestic security standard system, the Group participated in the research, discussion and compilation of the White Paper on Practical Capability of Cybersecurity Talents-Security Testing and Evaluation.

The white paper focuses on the theme of “security testing and evaluation” for the first time, combines theory and practice, and puts forward a set of three-dimensional comprehensive evaluation method for security testing and evaluation of talent’s capability (GPE method), including the three aspects of General Ability, Professional Ability and Evaluation Level, providing a feasible solution for the cultivation and evaluation of security testing and assessment talents in the construction of Digital China, and bridging the gap in the research on the current situation of cybersecurity talent assessment in China.



Strategic Cooperation in the Field of Cybersecurity

The Group’s subsidiary Guangdong company, Guangdong E-commerce Company signed a strategic cooperation agreement with Guang Dong Medicine Exchange Co. Ltd. to jointly establish the “Health Digital Intelligence Laboratory”. After the signing of the strategic agreement, the three parties will work hand in hand on the construction of the Health Digital Intelligence Laboratory, jointly explore the application scenarios and modes of data in the health industry, develop software products related to the health industry, promote the laboratory’s R&D results and technological advances, and continue to promote industrial upgrading.



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. The Group is committed to business integrity, opposes unfair competition and eliminates corrupt practices in business activities, including but not limited to bribery, extortion, fraud and money laundering.

The Group attaches great importance to strengthening integrity and discipline education. It studies and formulates documents such as the Notice of China Comservice on Further Strengthening Integrity Education and Discipline Education, and guides and supervises management and employees at all levels to improve their awareness of integrity and red line by holding warning education conferences, reporting typical cases, conducting integrity propaganda, reminding in daily conversations and publicizing through new media platforms. In 2024, the Group held a total of 633 warning education conferences, reported a total of 3,665 typical cases through various channels, and intensified deterrence and fostered a strict atmosphere at every level. Carrying out integrity propaganda, all levels of enterprises launched discipline propaganda a total of 2,276 times, continued to build a strong ideological line of defence of integrity and self-discipline. Promoting the culture of integrity, the Group has been actively building a brand of integrity culture through the self-produced “Discipline Defined by Cases, Long-lasting Alarm Bell” warning case collection, “Insatiable Greed in Transactions” warning education film, as well as the integrity culture educational short video, infographics, etc. The Group released “Welcome National Day, Celebrate Mid-Autumn Festival”, “Integrity Atmosphere during Double Festivals” and other integrity propaganda short videos and integrity infographics on “China Comservice Hongyun” official Wechat account, with a total of 21 pieces. The Group established integrity culture corner and columns in the digital intelligent supervision system and published 903 pieces of short videos, photography, calligraphy and painting works and other types of educational materials, which formed “source of fresh water” of integrity culture educational materials, and created a regular and long-term effect, solid cultivation of integrity culture missionary mechanism.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Formulating the Code of Conduct and Ethics for Employees

The Group has formulated non-compliance management regulations covering all employees, including 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 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. These codes and guidelines provide guiding principles for all employees of the Group to act with integrity, impartiality and honesty, and clarify the provisions for the handling of and punishment in the event of violations, including honest practice standards, network information security and confidentiality management, attendance management, meeting standards, daily office and etiquette standards.

The Code of Conduct and Ethics is available in Chinese and English and uploaded to the Company’s website (www.chinaccs.com.hk) for staff reference at any time.

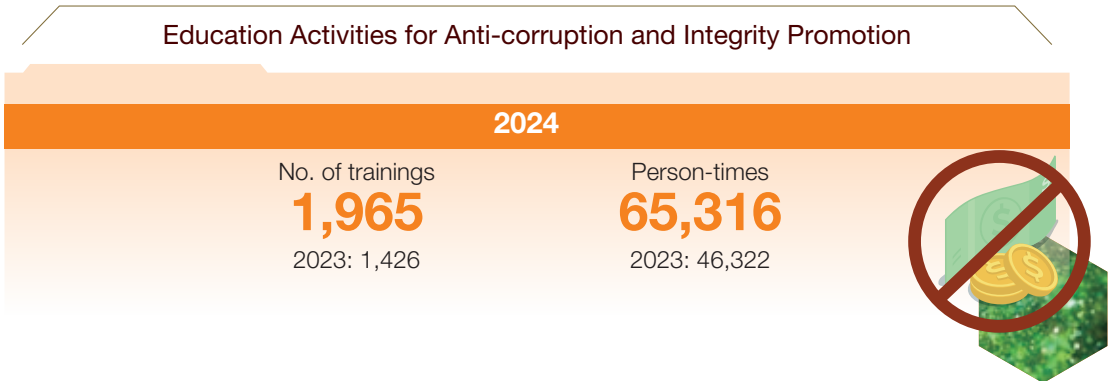
Improving the Supervision System

The Group continues to establish and improve the supervision system in order to strengthen the restriction and supervision to the 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. In 2024, 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, supervised specialized agencies to conduct 6,108 active interviews, and conducted 3,802 on-site supervisions and inspections at major festivals and nodes. The Group integrated all kinds of supervision efforts from human resources, audit, risk management, business and finance, etc. and established 4 major supervision systems and 8 collaborative mechanisms, optimizing a synergistic and efficient enterprise general supervision system, and promoting the integration of all kinds of supervision in a concerted effort.

Whistleblowing

The Group has established a whistleblowing mechanism, and continuously strengthened the management of problem clues through complain letters and visits, and enhanced the development of integrity culture. We strictly implemented regulations such as the Working Rules for Handling Reports and Complaints by Discipline Inspection and Supervision Agencies, handling compliants and accusations according to regulations, discipline, and law, strictly implementing confidentiality requirements to effectively protect the rights of those making accusations. The complaint acceptance process is regulated. When the Group’s internal employees and business partners identify corruption and bribery of our staff, they can report by real-name or anonymously through the post office box (Beijing, 100033 mailbox 33 bin), or by telephone or by visiting in person. The information of the whistleblower will be kept strictly confidential. The Group strictly implements the Working Rules of Discipline Inspection and Supervision Agencies for Handling Reports and Complaints, handles reports and complaints in accordance with regulations, disciplines and laws, strictly implements the confidentiality requirements, and effectively protect the rights of the whistleblowers.

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group attaches great importance to the development of an anti-corruption system, always maintains a highhanded 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.



Organizational System Construction

Leverage the role of the anti-corruption coordination team. Hold regular coordination team meetings, formulate an annual monitoring plan checklist to promote and optimize the organic integration of auditing, human resources, finance, business and other kinds of supervision, and actively build a synergistic and efficient supervision system.

Continue to promote the in-depth development on the supervision of the grassroots, establish a team of honest supervisors at the grassroots level, and open up the “last mile” of grassroots supervision.



Work Style Construction

Formulate relevant implementation measures to further strengthen work style construction, and persevere in alleviating and reducing the burdens on the grassroots. Extraordinarily promote the special rectification of unhealthy work styles and corruption issues around the masses, resolved 145 issues that the masses are “urgently concerned about, have difficulty to solve, worry about, and eagerly hope for”, and enhance the sense of gain, happiness, and security of grassroots employees.



Warning Education Enhancement

By conducting warning education meetings level by level, we compiled a collection of cautionary cases titled “Discipline Defined by Cases, Long-lasting Alarm Bell” and produced specialized warning education films. We deeply engaged in integrity warning education, ensuring employees respect and fear rules and maintain bottom lines, effectively building a strong mindset of integrity and self-discipline. Besides, we strengthened the development of family virtues and education, fully leveraging the role of families in consistently promoting integrity and calculating the “integrity account” to aid in fostering integrity.