

2024

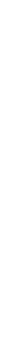
CSCEC International Construction Co., Ltd.
2024 Environmental, Social and
Governance (ESG) Report



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CSCEC INTERNATIONAL



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About This Report

Purpose

This report is the second installment of CSCEC International Environmental, Social, and Governance (ESG) Report, aiming to objectively and fairly present to stakeholders the Company's strategies, practices, and achievements in sustainable development within the scope of this report.

Reference Standards

This report was prepared with reference to the United Nations Sustainable Development Goals (SDGs), the "Sustainability Reporting Standards (GRI Standards)" issued by the Global Sustainability Standards Board (GSSB), the "ISO 26000 International Standard for Social Responsibility", the "Task Force on Climate-related Financial Disclosures (TCFD)", the "Task Force on Nature-related Financial Disclosures (TNFD)", and the "Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies-Sustainability Report (Trial)", the "Reference Indicator System for ESG Disclose Report of State-Owned Enterprises Holding Listed Companies", and the "Special ESG Reporting Reference Index System for Central Enterprise-controlled Listed Companies (CASS-ESG 6.0)", taking into account the four disclosure principles of materiality, quantitative, balance and consistency.

Scope of the Report

The policies, commitments and data provided in this report cover or apply to CSCEC International and its subsidiaries.

This report is an annual report, covering the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "reporting period"). In order to enhance the comparability and forward-looking nature of the report, some of the content has been extended, and content beyond the above scope has been marked separately.

Data Sources

The data and cases are mainly derived from CSCEC International's statistical reports and related documents. Unless otherwise specified, the currency referred to in the report is RMB. CSCEC International promises that this report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

Description

For ease of expression and reading, unless otherwise specified, "CSCEC International", "the Company" and "we" in this report all refer to CSCEC International Construction Co., Ltd.

Access to Report

This report is available in electronic format. Please visit the official website of CSCEC International to obtain the electronic version of the report. The report is available in Simplified Chinese and English versions. In case of any discrepancies between the Chinese and English versions, the Simplified Chinese version shall prevail.



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Message from the Executive Management

<p>In 2024, the world witnessed an accelerated wave of profound transformation unprecedented in a century. The global political and economic landscape underwent significant shifts, while climate change challenges intensified. Against this backdrop, sustainable development has emerged as a global consensus. Amid this complex and evolving global environment, CSCEC International, as a key driver of China State Construction Engineering Corporation's international operations, has resolutely implemented the decisions and deployments of the CPC Central Committee and the Group's Party Leadership. We have adhered to the principle of pursuing progress while maintaining stability, promoted stability through progress and prioritized cultivating new growth drivers while phasing out outdated ones. Actively aligning with the national "Carbon Peaking and Carbon Neutrality Goals" strategy and the "Belt and Road Initiative", and guided by our corporate mission of "Expanding a Happy Living Environment", we have focused on realizing our "Overall Goal", advancing the "Three Key Areas", and enhancing our "Five Core Capabilities". Anchored in high-quality development, driven by innovation, and oriented towards green and low-carbon transformation, we have actively fulfilled our environmental, social, and governance (ESG) responsibilities across our global operations-contributing our wisdom and strength to the joint development of the "Belt and Road Initiative" and to shaping a new development paradigm.</p> <p>Empowered by green practices, we pioneer new low-carbon development through innovation. We have continued to strengthen our environmental governance system, achieved full certification coverage under the ISO 14001 Environmental Management System and with zero major environmental violations recorded throughout the year. The Company actively builds a full-</p>	<p>chain green management system covering planning, design, construction, and operation and maintenance and will continue to drive the green transformation of the construction industry, contributing to the construction of ecological civilization. We have enhanced full life-cycle resource management, achieving 100% installation of water-saving fixtures across construction sites, and achieving recycled steel and concrete utilization rates of 49% and 56%, respectively. Emissions of waste gas, waste water, and general waste were all fully compliant with regulatory requirements. Following the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), we systematically refined our climate response models and ecological impact management mechanisms, which has laid a solid scientific foundation for upgrading our sustainable development strategy and reaffirmed our commitment to painting a beautiful ecological landscape for China.</p> <p>By shouldering responsibility, we foster a harmonious ecosystem for the co-development of enterprise and society. We have deeply embraced the essence of the "Harmony & Cooperation" corporate culture, upholding openness and inclusiveness while celebrating diversity. On our path of internationalization, we have respected and integrated employees' diverse cultural backgrounds, fostered mutual learning and coexistence among cultures through a wide range of intercultural exchange activities. Foreign employees accounted for 18% of our workforce, and women represented 17%-both above the industry average. Employee satisfaction reached 98% for the year. We have established a comprehensive occupational health and safety management system, achieving full coverage of ISO 45001 certification, with a 100% rate in hazard rectification and occupational health checkups. Over the</p>	<p>course of the year, we conducted training sessions for more than 70,000 person-times, actively safeguarding employee well-being. In times of overseas crises, we responded swiftly with evacuation efforts, demonstrating our strong sense of corporate responsibility. We remain committed to building a green, fair, and sustainable value chain ecosystem. We continuously refined our supplier selection, onboarding, and evaluation processes to uphold fairness and integrity across the value chain. At the same time, we have actively fulfilled our responsibilities as a corporate citizen by establishing grievance mechanisms and strengthening community engagement. Through "Harmony & Cooperation" volunteer services and localized overseas development strategies, we have focused on value creation and sharing-working hand in hand with global communities to share development outcomes. Domestically, we have supported rural revitalization by purchasing specialty agricultural products from targeted assistance counties, jointly opening a new chapter of social harmony.</p> <p>With governance as our foundation, we strengthen the cornerstone of high-quality corporate development. We have placed strong emphasis on risk prevention, carefully building a standardized, scientific, and modern governance system. Through a diversified board composition, we ensure comprehensive, scientific and precise decision-making perspectives. By upholding high standards, we have established a new paradigm for compliance management, successfully obtaining ISO 37301 Compliance Management System certification. We have embedded an integrity culture into the fabric of our governance. Through fair and ethical practices, we reinforced the foundation of our corporate reputation. We have established the three lines of defense in risk management, identified and mitigated five core risks, and</p>	<p>resolutely implemented the annual management theme of "Institutional Development Capacity Enhancement". We adhere to the integrated advancement of the "three-in-one" of the legal, compliance, and risk management framework in overseas operations. We use digital security as our shield, continuously enhancing our information security capabilities. Through regular emergency drills and full Level-2 cybersecurity graded protection coverage, we achieved "zero leaks" for information security throughout the year. The Company continues to strengthen information security capacity building, conducts regular emergency testing, and ensured that all business systems completed Level-2 cybersecurity graded protection filing. No information security breaches or customer privacy leaks occurred during the year. We have prioritized innovation-driven development and continuously enhanced our research and development management system. Two of our subsidiaries earned national-level certifications. Our research achievements and technical support have advanced in tandem, empowering the delivery of global projects with technological empowerment while spearheading the industry's low-carbon transformation through breakthroughs in green technologies-leaving an enduring mark of Chinese innovation on the global construction landscape.</p> <p>Looking ahead, CSCEC International will remain committed to the principles of sustainable development, further strengthen ESG management practices, accelerate green and low-carbon transformation, demonstrate corporate responsibility, and reinforce our governance foundation. Working hand in hand with our stakeholders, we aim to create integrated economic, environmental, and social value, contributing to a more sustainable and shared future.</p>
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About CSCEC International

CSCEC International, headquartered in Beijing and Suzhou, is affiliated with China State Construction Engineering Corporation (referred to as "CSCEC" and "the Group"), the world's largest investment and construction conglomerate. CSCEC International is a second-tier subsidiary of CSCEC, primarily focuses on overseas business while developing domestic and international markets in an integrated manner. As a strategic support force for the CSCEC's overseas operations, CSCEC International serves as the Group's core platforms for overseas business incubation, investment, and model upgrading. CSCEC International is the only company within CSCEC authorized to undertake foreign aid and embassy projects, possessing the widest overseas market coverage. Additionally, CSCEC International serves as a crucial talent reservoir and support hub for CSCEC's international operations, tasked with leading other enterprises within the system to "Going Global", continuously expanding markets, developing new businesses, and exploring new models. Through these efforts, CSCEC International drives the transformation and upgrading of CSCEC's overseas operations, achieving high-quality development.

Historical Inheritance

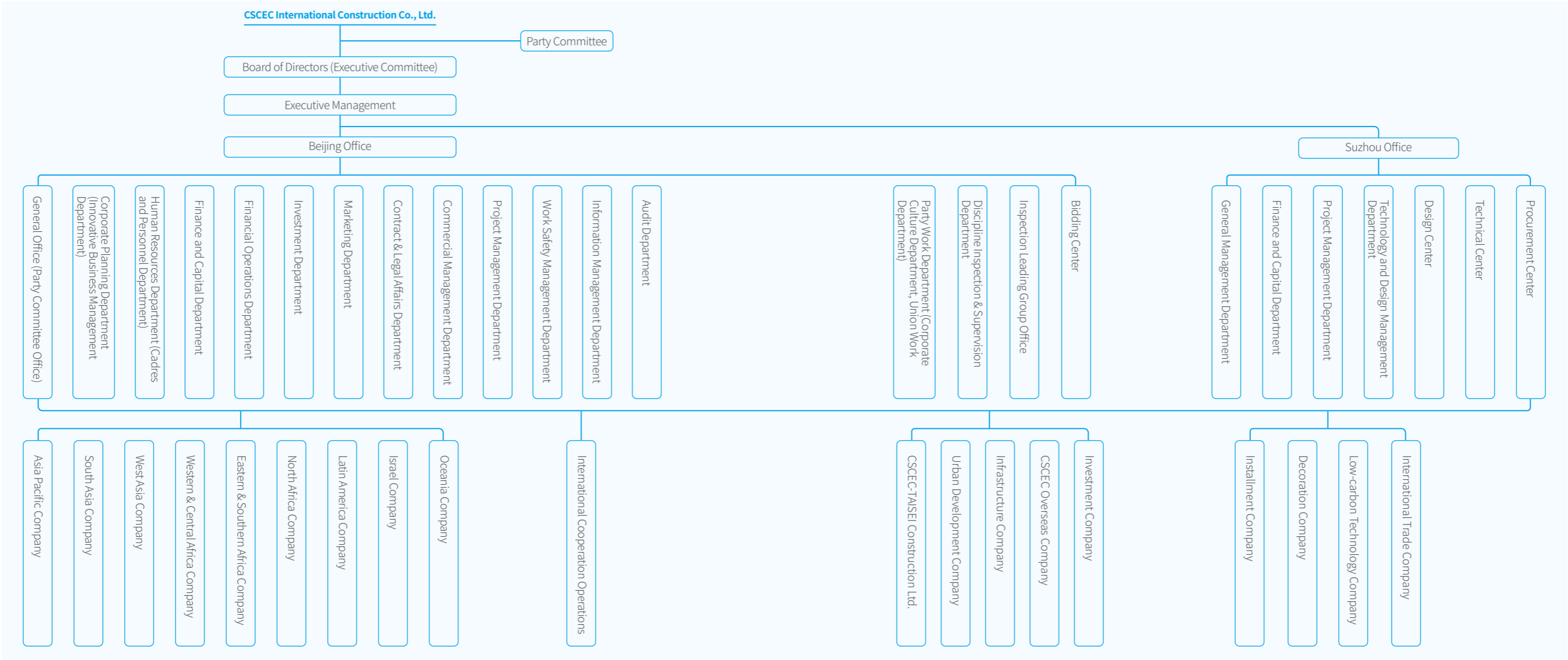
CSCEC International can trace its origins back to the 1950s, initially established from CSCEC to undertake overseas tasks such as economic assistance from China. The Company inherits the overseas operational development genes, glorious traditions, valuable resources, and significant missions of CSCEC. The Company has accumulated a distinctive cultural heritage and rich spiritual resources, nurturing a professional and international talent pool engaged in long-term overseas operations. Leveraging advantages across the entire industry chain, the Company has accumulated clear comparative advantages in international market development, global resource integration, business model innovation, international cooperation, and overseas investment and financing. Always as a pioneer, main force and vanguard of international operations, the Company actively serves the national agenda, participates in high-quality construction of the "Belt and Road", and promotes the building of a community with a shared future for mankind. The Company aligns with and serves the development strategies of host countries, making significant contributions in taxation, employment, public welfare, and broader socio-political responsibilities. The Company's mission is to build a happier and better world, committed to creating greater value for sustainable development of the local society.



Operation Layout

CSCEC International actively promotes an integrated domestic and international development pattern, with operations spanning over 37 countries and regions worldwide. The Company actively promotes a regionalized overseas operation layout, concentrating its resources to develop a "7+2" business structure encompassing Asia Pacific, West Asia, South Asia, North Africa, Western and Central Africa, Eastern and Southern Africa, Latin America, Oceania and Israel. The Company has established 55 overseas offices of various types, striving to cultivate more "Four-Have" overseas entities characterized by stable performance, substantial scale, solid profitability, and reputable brands. To effectively support the expansion of overseas operations, the Company closely aligns with national regional development strategies, actively develops the domestic market to achieve differentiated, regionalized, and branded development, strengthens domestic and international resource support guarantees, establishing an "overseas business reservoir" and fostering a "dual-cycle" development structure integrating domestic and international markets.

Organizational Structure



Business Layout

CSCEC International adheres to driving forces in investment finance and technological research and development, creating a fully integrated industrial chain platform encompassing investment, construction, and operation. The Company fosters an ecosystem of complementary advantages and mutual benefit, with business areas covering residential construction, infrastructure, new businesses, foreign aid projects, and embassy construction overseas. The business scope of CSCEC International is expanding from traditional building, road and bridge construction to encompass emerging sectors such as railways, metros, and industrial facilities. The Company's business model is evolving from traditional Engineering, Procurement, Construction (EPC) to Investment-Construction-Operation (ICO) Integration and Franchising, continuously moving its overseas operations up the international engineering contracting value chain. It has successively undertaken numerous landmark overseas projects in regions including Pakistan, Egypt, Congo (Brazzaville), Sri Lanka, Thailand, Cambodia, and the Philippines, the Company actively contributes Chinese Solutions, Technologies, Speed, and Quality, and earns high recognition from the governments and the public of the host countries.

Overseas Achievements

As CSCEC's overseas business incubation platform, investment platform, and model upgrading platform, CSCEC International thoroughly implements the "Overseas Priority" strategy, accelerates its internationalization pace, actively practices the "Belt and Road Initiative", and upholds the spirit of meticulous work and pioneering innovation. The Company has successfully implemented a number of influential overseas projects, including the "King Salman Knowledge District project of Saudi Arabia", the "Pacific Coast Highway Project in Nicaragua", and the "Kampala Afreximbank African Trade Centre Project, Uganda". These projects have fully demonstrated Chinese Solution, Chinese Technology, Chinese Speed, and Chinese Quality, and won high recognition from the governments and the public of the host countries.

Case The "King Salman Knowledge District project of Saudi Arabia"



Located in the Diriyah region west of Riyadh, the Saudi capital, the "King Salman Knowledge District project of Saudi Arabia" is a major project funded by the Saudi government's "Vision 2030" to further enhance Riyadh's education, culture, and tourism. The project, covering approximately 340,000 square meters, includes iconic cultural buildings such as King Salman University, the Capella Hotel, the Saudi Royal Museum, the Salman Library, an Institute, and the Cultural Plaza. This project not only strengthens cooperation between China and Saudi Arabia in infrastructure construction but also promotes exchanges and cooperation in various fields, including education and culture, setting a benchmark for mutual benefit and win-win cooperation among the "Belt and Road" countries.

Rendering of King Salman Knowledge District of Saudi Arabia



Case The "Kampala Afreximbank African Trade Centre Project, Uganda"



The "Kampala Afreximbank African Trade Centre Project, Uganda" is located in the central business district of Kampala, Uganda. It covers an area of approximately one hectare and has a total construction area of approximately 51,000 square meters. It includes high-end office space, a commercial trade center, and four-star hotel-style apartments. As one of the first seven African Trade Center projects invested and constructed by the Afreximbank, the project has not only received significant attention from the Ugandan government and the Afreximbank, but upon completion, it is expected to enhance the regional business climate, promote international trade, and positively impact Uganda's economy, society, and livelihoods.

Rendering of the African Trade Center of the Afreximbank in Kampala, Uganda



"Harmony & Cooperation" Culture



CSCEC International is guided by the cultural philosophy of "Harmony & Cooperation" which emphasizes "Harmony" as not only "solidarity" but also "diversity" and "Cooperation" as integration and coexistence. The Company embraces the "Harmony & Cooperation" culture as both an intrinsic value and an external methodology for achieving high-quality development. In the global operations, the Company inherits the CSCEC's overseas genes, adapts to contemporary trends, and aligns with various national strategies. Through a model of win-win cooperation, integration, and sharing, the Company strengthens its global resource integration capabilities, serves local economic and social development, to create a community with a common future and with shared destiny and mutual benefit, and fosters a community with a shared future built on mutual benefit, coexistence, and shared values.

Ratings and Awards

CSCEC International places its corporate mission and social responsibility at the top of its corporate development, and promotes the sustainable development of the overseas construction industry through its ESG pioneering image of environmental friendliness, green buildings, and low-carbon innovation. During the reporting period, the Company's performance in project management, scientific research innovation, cultural heritage, and other aspects has received high recognition from all walks of life. The following are some of the ratings and awards:

Rating Agency	Score
S&P Global Ratings	A-
Moody's Ratings	A3
Fitch Ratings	A-





Awards and Recognitions

"The Landmark Tower in the Central Business District of the New Administrative Capital of Egypt Project" won the **China Steel Structure Gold Award**

"Beijing Economic-Technological Development Area Xinchuang Park Phase I Project" won the **China Steel Structure Gold Award**

Urban Development Company was recognized as **High-Tech Enterprise**

CSCEC-TAISEI Construction Ltd. was awarded the title of **"Home of Chinese Workers"**

CSCEC International "Witnessing a Proof of China-Congo Friendship and Connecting a Bright Future" project won the **2024 Outstanding Case Study in Building an International Image for Chinese Enterprises**

CSCEC International "Tel Aviv Light Rail Green Line (G3-2 section), Israel" won the **CSCEC Worker Pioneer**

The "Su Yan Grain Storage and Processing Project" undertaken by the Urban Development Company received the American Association for Project Management (AAPM) **Excellence in Green Project Management Practice Award**

The "Nest Protection Plan" of CSCEC International Construction Co., Ltd. and "Zero Energy and Zero Carbon" Building Renovation Model of CSCEC-TAISEI Construction Ltd. won the **Top Ten ESG Cases of Xinhua Credit Jinlan Cup**

The "Precision Medicine Project" and "Toyota Fuel Cell Project" undertaken by CSCEC-TAISEI Construction Ltd. won the **Beijing Construction (Great Wall) Quality Structural High-quality Project Award**

The "China-aided Cambodia Friendship Medical Building Project" won the **China Construction's 2024 High-quality Project Award**

Case Study on "Prestressed Procurement Supply Chain Management for International EPC Projects" of North Africa Company won the China Construction Enterprise Management Association **2023 Engineering Construction Industry Supply Chain Innovation and Application Achievement**

CSCEC-TAISEI Construction Ltd. was awarded the Energy Conservation and **Emission Reduction Science and Technology Progress Award**

The "Zambia Pension Commercial Complex Project" won the **China Construction's 2024 High-quality Project Award**

CSCEC-TAISEI Construction Ltd. was recognized as **Beijing Foreign-Invested R&D Center**

The "Carbon Emission Platform" of CSCEC International Construction Co., Ltd. and "Zero Energy and Zero Carbon" building renovation model of CSCEC-TAISEI Construction Ltd. won the **Outstanding Climate-friendly Enterprise Projects of Xinhua Credit Pearl Cup**

Topic I

The Path of Overseas Development

In 2025, the CSCEC International Headquarters Building-CSCEC Future Tower-was officially completed and put into operation as the Company's global headquarters. Within the building, the exhibition hall titled Crossing Mountains and Oceans, the Way Has No Horizons-showcasing CSCEC's Overseas Development Journey-was inaugurated, comprehensively showcasing CSCEC's journey of overseas expansion, international deepening, and responsibility fulfillment.

CSCEC Future Tower



The overseas business of CSCEC originated from China's foreign aid efforts after the founding of the People's Republic of China, grew with the country's reform and opening-up, and expanded as China moved closer to the global stage. Throughout this magnificent development process, we have composed a stirring and powerful symphony of progress and continual breakthroughs.

"Crossing Mountains and Oceans, the Way Has No Horizons"-The Overseas Development Journey of CSCEC Exhibition Hall



Venturing Abroad through Hard Work and Perseverance (1950-1977)

The origins of CSCEC's overseas business can be traced back to the 1950s, when the Ministry of Construction Engineering (the predecessor of the Ministry of Housing and Urban-Rural Development) undertook foreign aid efforts. Driven by lofty aspirations and an indomitable spirit, CSCEC pioneers overcame hardships, forged ahead with determination, and successfully completed the foreign aid missions entrusted by the nation, delivering landmark projects that have become enduring symbols of friendship between China and other nations.

During this period, by undertaking foreign aid projects overseas, CSCEC not only made significant contributions to strengthening the friendship between the New China and developing countries and expanding China's foreign relations, but also accumulated valuable experience in overseas construction and service delivery. This laid a solid foundation for the next stage of going global to engage in international project contracting and labor cooperation.

Ulaanbaatar Department Store in Mongolia



Palais du Peuple, Guinea



Friendship Hall, Sudan



Palais du Peuple, Zaire



Palais du Peuple, Congo



Stade Kamanyola, Zaire



Forging Ahead with Determination and Perseverance (1978-2012)

In December 1978, China embarked on its reform and opening-up journey. CSCEC took the lead in venturing overseas to engage in international project contracting and labor cooperation. Entering the 21st century, CSCEC closely followed the national "Going Global" strategy. Despite challenges, our overseas business continued to expand, accelerating the globalization of Chinese construction.

From the beginning of the Reform and Opening-up period until 2012, this era marked a phase of leapfrog development for CSCEC's overseas operations, evolving from labor export to engineering, procurement, construction (EPC), and further to design-and-build contracting. The Company quickly established its role as an international contractor. Though our overseas operations weathered storms and challenges, our confidence and determination in expanding international business only grew stronger, along with our growing international competitiveness.

▲ The National Road No. 1 of the Republic of the Congo



▲ Cairo International Convention & Exhibition Center, Egypt



▲ Sheraton Club des Pins Resort, Algeria



▲ Houari Boumediene Airport, Algeria



▲ African Union Conference Center and Office Complex, Ethiopia



▲ Alexander Hamilton Bridge, United States



Advancing through Innovation and Coexistence under "Harmony & Cooperation" Culture (Since 2013)

In September and October 2013, Chinese President Xi Jinping proposed the major initiatives of building the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". CSCEC actively responded to the national call, fully participating in the joint advancement of the "Belt and Road Initiative". We successfully delivered numerous landmark projects of high standards, sustainability, and livelihood improvement, becoming a pioneer among Chinese enterprises participating in the "Belt and Road Initiative" and a leading force in taking "Chinese Construction" global.

Evolving from labor export to EPC, to design-and-build contracting, and now to a full life-cycle service provider in the construction industry, CSCEC has risen to the ranks of world-class enterprises, embodying the historic journey of China's construction industry going global.

Only by staying true to our original aspiration, keeping our mission firmly in mind, and striving tirelessly can CSCEC ensure the lasting vitality of its overseas operations. As we march forward on the new journey to accelerate the establishment of a world-class enterprise, CSCEC will forge ahead with even greater strength and determination, assume the role of a pioneer in the high-quality development of the "Belt and Road Initiative", and stride confidently on the path of internationalization in the new era, continuing to write new chapters in building a better world.

▲ The CBD of New Administrative Capital of Egypt



▲ PKM Project, Pakistan



▲ The Exchange 106, Kuala Lumpur, Malaysia



▲ Shindagha Corniche Viaduct, Dubai, United Arab Emirates



▲ Temburong Bridge, Brunei



▲ Oasis Terraces, Singapore



Topic II

Addressing Climate Change

Climate change is a global challenge, and as a major source of carbon emissions, the construction industry carries a vital responsibility for energy conservation and carbon reduction. CSCEC International fully recognizes the urgency of climate action, incorporates climate action into its core development strategy, and actively responds to the national "Carbon Peaking and Carbon Neutrality Goals" and the industry's green transition requirements.

Governance

The Company has established a systematic ESG management framework and a dedicated climate governance task force. The Board of Directors, as the highest governing body, provides comprehensive oversight of climate-related strategies and risk management. At the board level, climate-related work is reviewed and decided on at least once a year. The Company established a Carbon Peaking and Carbon Neutrality Working Group, chaired by the Chairman and supported by other members of executive management as deputy chairs. The group also includes heads of the Corporate Planning Department, Project Management Department, Technology and Design Management Department, Work Safety Management Department, Marketing Department, Financial Operations Department, and Investment Department. Together, they form a cross-departmental information feedback mechanism that dynamically tracks policy, technology, market, and customer developments, ensuring the comprehensive integration of climate risk response across project delivery and corporate management functions. The Technology and Design Management Department of the Company serves as the standing office of the Carbon Peaking and Carbon Neutrality Working Group, responsible for the routine management of "Carbon Peaking and Carbon Neutrality" and climate change response efforts.

The Carbon Peaking and Carbon Neutrality Working Group holds meetings regularly to ensure executive management is informed of and involved in decisions related to the Company's "Carbon Peaking and Carbon Neutrality" and climate change addressing work. In 2024, the Company's Carbon Peaking and Carbon Neutrality Working Group convened two meetings. To ensure members possess adequate expertise on climate-related topics, the Company provides regular capacity-building and training. In 2024, the Working Group participated in three dedicated training sessions to strengthen its capacity in managing climate-related topics, further enhancing the Company's professional capabilities and operational resilience in addressing climate change.

In 2024

The Company's Carbon Peaking and Carbon Neutrality Working Group convened meetings

2sessions

The Company's Carbon Peaking and Carbon Neutrality Working Group participated in training

3sessions

Strategy

CSCEC International actively implements the concept of sustainable development and established a climate strategy framework centered on the philosophy of "Net-Gain, Better Buildings". The Company strives to go beyond the building itself, seeking to achieve synergies across ecological protection, social well-being enhancement, and corporate value creation.

Risk identification

The Company has comprehensively reviewed the climate-related risks and opportunities identified by the TCFD and their relevance to our business. Using scientific climate scenario models and parameters, we identify, assess, and prioritize both climate-related risks and opportunities. Based on the assessment results, we engage internal management and external experts to discuss climate risks and formulate response strategies, with the aim of integrating climate-related considerations into corporate strategic planning and business development.

For physical risk analysis, we referenced the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) and adopted two scenarios: SSP1-2.6 (low emissions) and SSP5-8.5 (high emissions). These cover environmental changes and extreme weather impacts under different future climate pathways, thereby enhancing the scientific robustness and adaptability of risk identification. Focusing on the 27 overseas countries where the Group is authorized or involved in

operations, the Company identified four major types of physical risks, including extreme heat, flooding, drought, and extreme cold. Both quantitative and qualitative analyses were conducted based on the probability of occurrence and the impact severity to determine climate risk levels and provide a basis for formulating regional strategies.

Transition risk analysis was conducted under three scenarios: the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS), and the Net Zero Emissions by 2050 Scenario (NZE). These three policy-oriented scenarios are representative, covering multiple transition pathways including continuation of current policies, nationally determined contributions, and global alignment with the "Paris Agreement" to achieve net zero emissions. By integrating the Company's internal carbon pricing mechanism with transition scenario analysis, we assessed how these risks and opportunities affect corporate operations and the value chain, and conducted quantitative financial analysis.

Risk Analysis

Physical Risks

· Flooding (acute)

Risk Impact Horizon¹

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Flooding threatens construction site and worker safety, causing equipment damage, material loss, or project disruption.
- Heavy rainfall may trigger urban waterlogging and flooding disasters, affecting transportation and supply of materials.

Potential Financial Impact

- Project delays, equipment and material losses, increased site recovery costs.

Countermeasures

- Establish an early warning system for meteorological disasters and enhance emergency response plans for extreme weather events.
- Optimize construction site drainage systems and protective measures to enhance climate resilience.
- Develop flexible construction schedules to minimize disruptions from unforeseen events.

Physical Risks

· Extreme cold (acute)

Risk Impact Horizon

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Severe cold weather may cause construction sites to freeze, reduce building material performance, and disable equipment operations.

Potential Financial Impact

- Project delays, higher costs, reduced efficiency.

Countermeasures

- Establish emergency response and suspension/resumption mechanisms for extreme cold conditions.
- Use antifreeze materials and insulation construction methods for cold-region projects.
- Assess climate risk exposure for projects in severe cold areas to optimize start times and resource allocation.

Physical Risks

· Extreme heat/rising temperatures (acute/chronic)

Risk Impact Horizon

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Persistent high temperatures affect worker health and construction productivity, increasing probability of occurrence of heatstroke and accidents.
- Heat impacts high temperature-sensitive construction processes such as concrete casting and steel structure installation, undermining quality stability.

Potential Financial Impact

- Reduced construction efficiency, increased labor costs, higher equipment maintenance costs.

Countermeasures

- Develop high-temperature construction risk maps and guidelines and integrate them into project risk assessments.
- Implement time management measures for high-temperature operations, including staggered construction.
- Install cooling and ventilation facilities.
- Provide heat protection supplies.

Physical Risks

· Drought/water stress (acute/chronic)

Risk Impact Horizon

Short-term	Medium-term	Long-term
	✓	✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Reduced precipitation or limited water allocation results in insufficient water for construction.

Potential Financial Impact

- Lower construction efficiency, risk of work stoppages, increased water costs.

Countermeasures

- Monitor and manage construction water use to ensure efficient resource utilization.
- Adopt water-saving construction processes and equipment, minimizing unnecessary consumption of water resources.
- Deploy rainwater collection and reclaimed water recycling systems to improve water circulation efficiency.

¹ Impact Horizon (short-term: 2025-2030, medium-term: 2030-2040, long-term: 2040-2050).



Transition Risks

Policy and legal risks

Risk Impact Horizon

Short-term	Medium-term	Long-term
✓		✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Governments introduce stricter standards for green building materials and environmentally friendly construction practices.
- National/regional carbon emissions policies become more stringent.

Potential Financial Impact

- Higher construction costs, increased compliance expenses, and greater bidding pressure.

Countermeasures

- Closely monitor evolving green building policies and establish a mechanism for tracking climate-related regulations.
- Advance the implementation of green construction standards and adopt compliant materials and processes.

Transition Risks

Technology risks

Risk Impact Horizon

Short-term	Medium-term	Long-term
	✓	✓

Scope of Impact

Operation

Potential Risk Description

- Rapid advancements in green and low-carbon construction technologies may render traditional construction processes obsolete.

Potential Financial Impact

- Increased investment in technology upgrades, reduced ability to secure projects.

Countermeasures

- Increase investment in low-carbon technology research and development.
- Build partnerships with suppliers of green building materials and energy-saving technologies.

Transition Risks

Market risks

Risk Impact Horizon

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operation

Potential Risk Description

- Growing customer demand for low-carbon construction projects and declining interest in traditional high-emission construction.
- Green construction becomes a competitive advantage in bidding, with market share concentrating among enterprises with low-carbon competitiveness.

Potential Financial Impact

- Declining market share, weaker ability to secure projects, and higher financing costs.

Countermeasures

- Advance a full-process green construction system, enhance certification of green construction capabilities, and build up a portfolio of case studies.
- Establish collaboration mechanisms with green building material suppliers.
- Engage with financial institutions to leverage green financing tools.

Transition Risks

Reputational risks

Risk Impact Horizon

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Potential Risk Description

- Heightened public perception of the Company as high-energy-consuming and high-polluting.
- ESG ratings and carbon performance become focal points of public opinion and media scrutiny.

Potential Financial Impact

- Customer attrition, decline in brand value, negative impact on financing and partnerships.

Countermeasures

- Provide climate-friendly construction solutions.
- Strengthen ESG information disclosure systems, improve collection and reporting of environmental data for projects.
- Proactively disclose green construction case studies and highlight their social and environmental value.



Opportunity Analysis

Marketing

Opportunity Type²

Short-term

Medium-term

Long-term

✓

✓

✓

Potential Opportunity Description

• Acceleration of the green construction market driven by the implementation of green building policies.

• Expansion of green financing channels in the market.

Potential Financial Impact

• Revenue growth.

• Expanded market share.

• Reduced financing costs.

Countermeasures

• Proactively develop low-carbon and green construction capabilities in advance.

• Highlight green technologies and carbon performance in bidding documents.

• Actively collaborate with international financial institutions to secure green project financing and preferential loans.

Scope of Impact

Operations and value chain

Products and Services

Opportunity Type

Short-term

Medium-term

Long-term

✓

✓

✓

Potential Opportunity Description

• Growing value of green construction, enabling enterprises to expand service chains through green construction, carbon management, and centralized procurement of green materials.

Potential Financial Impact

• Growth of high value-added service revenue.

• Revenue growth.

• Expanded market share.

Countermeasures

• Prioritize participation in green infrastructure bidding projects.

• Advance certification under green building standards.

• Develop modular products for green construction.

Scope of Impact

Operations and value chain

² Impact Horizon (short-term: 2025-2030, medium-term: 2030-2040, long-term: 2040-2050).

Resource Efficiency

Opportunity Type

Short-term

Medium-term

Long-term

✓

✓

✓

Potential Opportunity Description

• Use of BIM and modular construction to improve construction and recycling of building materials to improve material utilization rate and construction efficiency.

Potential Financial Impact

• Reduced project energy consumption and material procurement costs.

• Improved project profit margins.

Countermeasures

• Establish intelligent monitoring systems for energy and material use to achieve process visualization and control.

• Strengthen recycling of general waste in construction processes.

Scope of Impact

Operation

Energy Sources

Opportunity Type

Short-term

Medium-term

Long-term

✓

✓

✓

Potential Opportunity Description

• Adopting distributed solar generation at construction sites to replace diesel generators and other high-carbon energy sources, thereby improving energy self-sufficiency.

Potential Financial Impact

• Reduced energy procurement costs.

Countermeasures

• Explore deployment of integrated photovoltaic and energy storage systems in suitable projects.

• Collaborate with green electricity suppliers to procure green electricity for projects.

Scope of Impact

Operation

Resilience

Opportunity Type

Short-term	Medium-term	Long-term
✓	✓	✓

Scope of Impact

Operations and value chain

Potential Opportunity Description

- Rising demand for projects that are more resilient to extreme environments such as high temperature and floods in response to climate change uncertainties.

Potential Financial Impact

- Improved project stability and customer satisfaction.

Countermeasures

- Integrate climate risk considerations into construction planning and management, while strengthening emergency response mechanisms.
- Develop climate-adaptive construction technologies and promote resilient infrastructure.



Metrics and Targets

In 2024, the Company actively carried out a carbon inventory covering 114 construction projects and 33 office sites in both domestic and overseas operations. During the reporting period, the Company's Scope 1 emissions were 150,141 tCO₂e, Scope 2 emissions were 181,711 tCO₂e, and Scope 3 emissions were 1,331,665 tCO₂e. The Company's total greenhouse gas emissions continued a steady downward trend, with both Scope 1 and Scope 3 emissions related to purchased building materials declining compared with 2023.

CSCEC International is committed to achieving substantial progress in business transformation and low-carbon development by 2030, and to achieving a comprehensive structural transition by 2060, transforming production methods to become green and low-carbon, and playing a leading role for the construction industry in the carbon neutrality value chain. To ensure the steady realization of this long-term target, we have also set a series of actionable short- and mid-term phased targets to continuously advance the implementation and outcomes of our decarbonization pathway.

By 2030

Prefabricated buildings will account for no less than

40%

All buildings we invest in and construct will use green building materials.

Compared with 2020, the on-site material wastage rate will be reduced by

20%

Construction waste at project sites will not exceed

250 tonnes per 10,000 m²

Construction waste at prefabricated project sites will not exceed

150 tonnes per 10,000 m²

Resource utilization rate of construction waste will reach

60%

Impact, Risk, and Opportunity Management

CSCEC International has systematically incorporated climate-related risks into its overall risk management system. Leveraging the Group's "Three Lines of Defense" framework, we have established a layered, clearly defined, and highly efficient climate risk management framework. During the reporting period, the Company engaged professional consulting institutions to conduct multi-departmental research. By collecting project-level carbon emissions data and financial information, and combining these with external factors such as climate change trends, policy and standard requirements, carbon pricing mechanisms, and technology trends in the countries and regions where the Company is authorized by the Group to operate, we conducted in-depth analyses of climate risks in the countries and regions where the Company is authorized to operate, as well as their potential financial impacts. By comprehensively considering factors such as potential changes in carbon pricing, cost advantages of low-carbon technologies, and the scale of the green construction market, we discussed, identified, and assessed climate-related risks and opportunities and their potential impacts on financial dimensions such as operating costs and revenues.

Risk Identification	<ul style="list-style-type: none">• Based on the TCFD framework, we dynamically identified and tracked information on physical risks such as flooding, extreme heat, extreme cold, and drought, as well as transition risks including policy, technology, market, and reputation risks, taking into account the characteristics of projects.
Risk Assessment	<ul style="list-style-type: none">• We adopted a standardized methodology combining quantitative and qualitative assessments, classifying risks according to probability, impact severity, and persistence of loss.
Risk Monitoring	<ul style="list-style-type: none">• We developed an indicator system covering core data such as carbon emissions, extreme weather, and construction interruptions. Through the carbon emissions management platform, we achieved automated monitoring of key projects.
Risk Treatment	<ul style="list-style-type: none">• Business and functional departments formulated and implemented differentiated response measures, coordinated and advanced by the Carbon Peaking and Carbon Neutrality Office. The office also tracked and reviewed the effectiveness of these measures to ensure closed-loop management of risk control.

ESG Management System and Methods

CSCEC International has established a comprehensive ESG governance framework, fully integrating the principles of sustainable development into its operations, management, and development strategy. Leveraging its business strengths and expertise, the Company is continuously enhancing its ESG performance through innovative green technologies and deepening localized operations, driving high-quality, sustainable development of its businesses both domestically and internationally.

ESG Management Policy

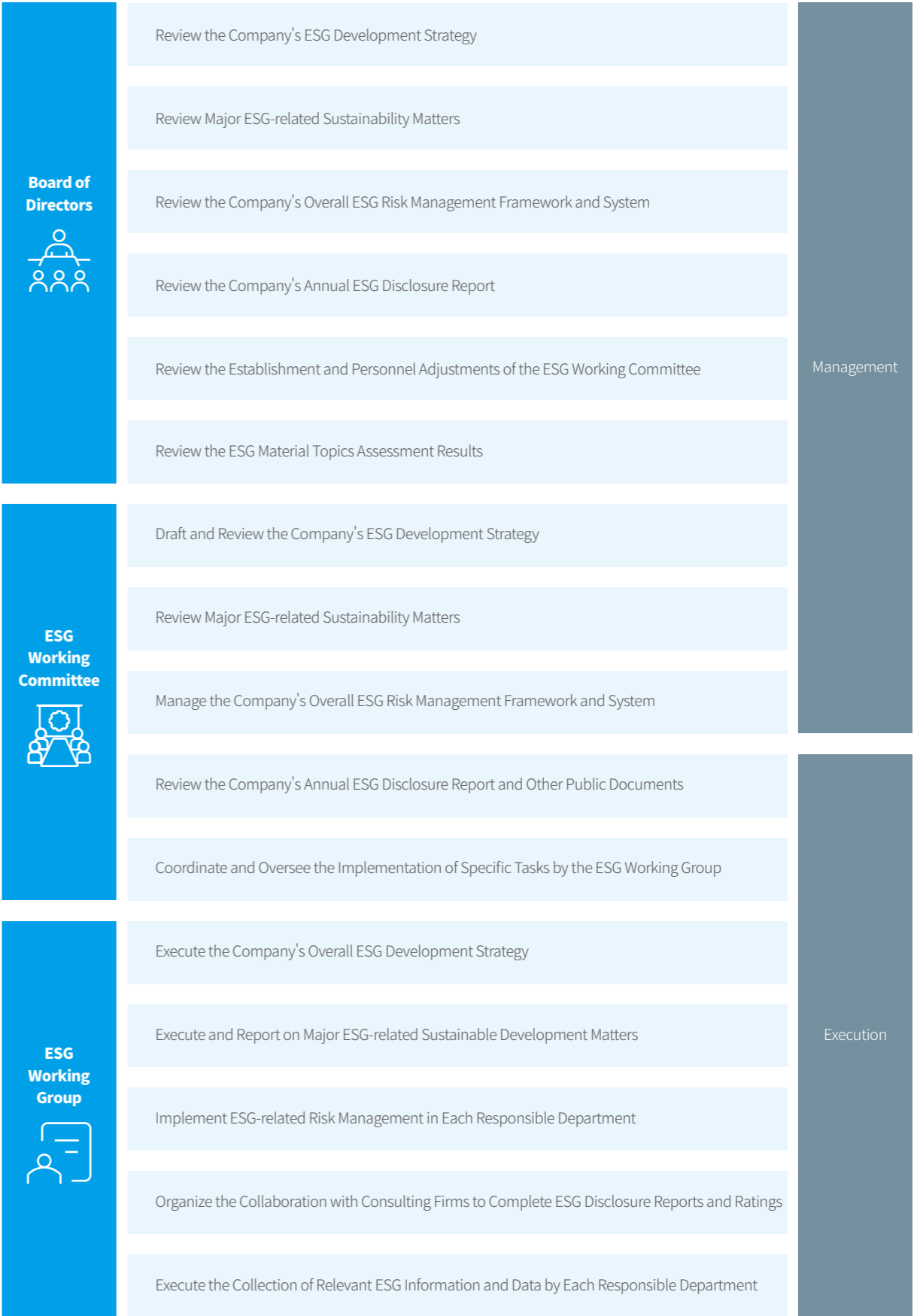
Based on its strategic development plan and actual business needs, CSCEC International strictly adheres to the CSCEC Environment, Society and Corporate Governance Work Plan and continuously optimizes its ESG management strategy through mechanisms such as regular evaluation of ESG progress, systematic identification of sustainability risks and opportunities, and continuous strengthening of internal and external stakeholder communication. At the same time, the Company closely tracks global ESG developments and regulatory trends and changes in the macroeconomic environment, promptly adjusting management policies to ensure that ESG concepts are effectively integrated into all aspects of corporate decision-making, promoting sustainable development transformation across the entire value chain of the construction industry and achieving a synergistic enhancement of the Company's commercial and social value.

ESG Management Framework

CSCEC International continues to improve its ESG governance system, establishing a three-tier management structure consisting of the Board of Directors, the ESG Working Committee, and the ESG Working Group.

The Board of Directors, as the highest decision-making authority, is fully responsible for formulating and overseeing the ESG strategic direction. The ESG Working Committee is designated as the primary management body, regularly assessing material ESG topics, dynamically adjusting management strategies, and ensuring the alignment of ESG planning with the Company's overall development strategy through an annual strategic review mechanism. At the implementation level, a cross-departmental working group composed of functional departments at headquarters and core management teams at subordinate units promotes the effective implementation of ESG measures through a collaborative mechanism, forming a comprehensive governance closed loop.

The Company closely ties the compensation of directors and senior management to ESG performance indicators, considering integrating topics such as safety, environment, social responsibility, governance, and compliance into executive incentive and compensation plans. Based on annual ESG assessments, rewards and penalties are implemented to ensure effective implementation of ESG key objectives and initiatives. In the future, the Company will also assess operational performance targets for management team members and apply the results to compensation outcomes. During the reporting period, the Company's ESG Working Committee actively held meetings to coordinate and promote sustainable development and ESG work.



ESG Management Practices

2025

2024

2023

2022

2021

2017

- Published the CSCEC Thailand Talent Special Sustainability Report
- Published the second installment of CSCEC International Environmental, Social, and Governance (ESG) Report
- Published the CSCEC Innovative Construction Technology Services Egypt Sustainability Report

- Published Inaugural CSCEC International Environmental, Social, and Governance (ESG) Report
- Published the CSCEC Thailand Sustainability Report
- Identified and managed climate change-related risks and opportunities with reference to TCFD.
- Established a nature-related identification and assessment mechanism aligned with the TNFD framework to systematically identify and manage nature-related risks and opportunities.
- Established a three-tier ESG management structure of CSCEC International, consisting of the Board of Directors, the ESG Working Committee, and the ESG Working Group, to ensure effective implementation of ESG measures and establish a closed-loop governance mechanism covering the entire value chain.

- Published the CSCEC Egypt Sustainability Report (2021-2022).
- Published the CSCEC Egypt Sustainability Report (2022-2023).


- Published the CSCEC Maldives Sustainability Report
- Published the CSCEC Congo (Brazzaville) Sustainability Report
- Published the CSCEC Zambia Sustainability Report
- Published the CSCEC Egypt Sustainability Report (2020-2021)

- Published the CSCEC Sri Lanka Sustainability Report
- Published the CSCEC Egypt Sustainability Report (2019-2020)

- Published the CSCEC Congo (Brazzaville) No.1 National Highway Project Sustainability Report

Stakeholder Communication

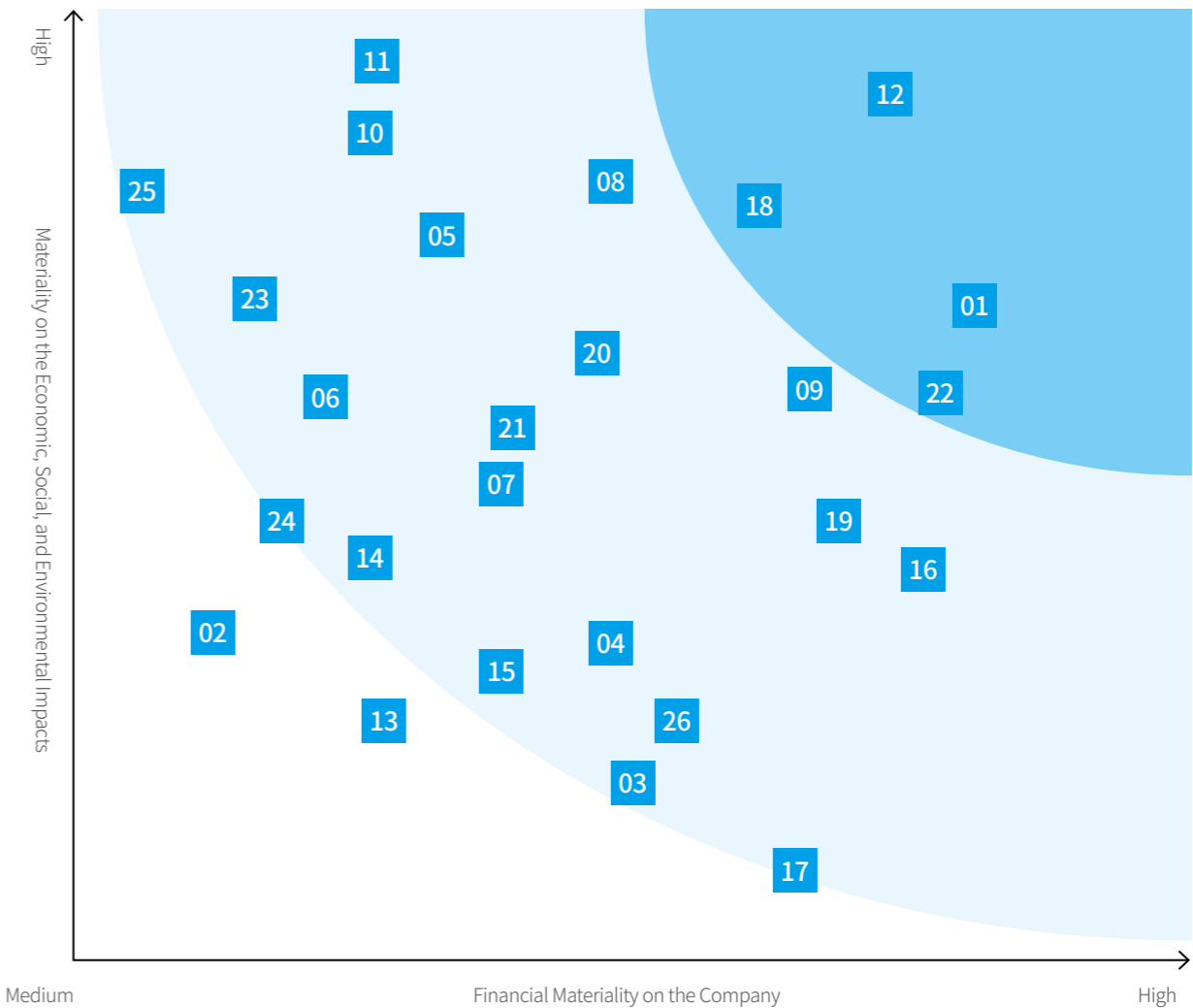
CSCEC International actively identifies major stakeholders that have influence on the Company and establishes a regular communication mechanism to ensure that the Company actively responds to stakeholders' ESG-related concerns and expectations.

Stakeholders	Content		Communication and Response
Employee 	Employee Compliance Employee Benefits Occupational Health and Safety	Vocational Training and Development	Meetings and Training Employee Satisfaction Survey Intranet
Business Partner 	Occupational Health and Safety Management Supply Chain Management Equal Treatment of Small and Medium-Sized Enterprises	Due Diligence Risk Management	Contractor Training Supplier Conference
Government and Regulatory 	Anti-Commercial Bribery and Corruption Corporate Governance Compliance Management Addressing Climate Change Waste Utilization and Circular Economy	Emission Management Air Pollutant Prevention and Control Employment Compliance Occupational Health and Safety	Work Meeting Business Communication Site Inspection Annual Disclosure and Working Report
Community and NGO 	Water Resources Management Environmental Management Biodiversity Conservation	Community Relations and Development Rural Revitalization and Social Contribution	Community Engagement Voluntary Activities Environmental Protection Collaboration
Customer 	Project Construction Quality Waste Utilization and Circular Economy Energy Utilization Green Engineering Design	Anti-Unfair Competition Risk Management Technology Innovation Data Security and Customer Privacy Protection	Customer Satisfaction Survey Customer Relationship Management Customer Visit
Media 	Anti-Commercial Bribery and Corruption Anti-Unfair Competition		Media Interview Information Disclosure Platform

Material Topics Assessment

CSCEC International conducts financial and impact materiality analysis of sustainability topics based on the specific circumstances of the construction industry. The results of this analysis are incorporated into the Company's business strategy formulation and decision-making processes to ensure the active implementation of sustainable development concepts in its operations.

In 2024, through communication with internal and external stakeholders, the Company identified 26 topics and developed a materiality matrix. The identified materiality topics are disclosed in detail in subsequent sections of this report, effectively addressing stakeholder concerns and expectations.



Material Topics List					
Environmental Topics		Social Topics		Governance Topics	
01	Addressing Climate Change	10	Employee Compliance	19	Corporate Governance
02	Water Resources Management	11	Employee Benefits	20	Compliance Management
03	Energy Utilization	12	Occupational Health and Safety	21	Risk Management
04	Waste Utilization and Circular Economy	13	Vocational Training and Development	22	Technology Innovation
05	Emission Management	14	Community Relations and Development	23	Data Security and Customer Privacy Protection
06	Air Pollutant Prevention and Control	15	Rural Revitalization and Social Contribution	24	Due Diligence
07	Biodiversity Conservation	16	Supply Chain Management	25	Anti-Commercial Bribery and Corruption
08	Environmental Management	17	Equal Treatment of Small and Medium-Sized Enterprises	26	Anti-Unfair Competition
09	Green Engineering	18	Project Construction Quality		

Green Construction in Harmony with Nature

Response to SDGs:



- ✓ ISO 14001 Environmental Management System certification coverage rate: **100%**
- ✓ Water-saving device installation rate in residential and office areas: **100%**
- ✓ Recycled steel usage rate: **49%** Recycled concrete usage rate: **56%**
- ✓ Nature-related issue identification and assessment conducted against the TNFD framework

Foundation for Environmental Management

CSCEC International has established a scientific and comprehensive environmental management system, systematically promoting ecological and environmental protection. The Company continuously optimizes its environmental management mechanism and enhances its environmental performance and responsibility fulfillment capabilities, effectively translating the green development concepts into concrete practices for building an ecological civilization, thereby ensuring that environmental protection efforts yield tangible results.

Environmental Management System

CSCEC International has established a comprehensive environmental governance system. An environmental protection leadership group led by the Company's chairman, coordinates and makes decisions on the Company's ecological and environmental protection management. The Work Safety Management Department serves as the permanent office of the leadership group, responsible for organizing, implementing, and supervising daily environmental protection work.



System Development

By strictly adhering to the "Environmental Protection Law of the People's Republic of China" and other laws and regulations, the Company has established and improved internal environmental management systems, including the CSCEC International Ecological and Environmental Protection Management Regulations and the CSCEC International Corporate Management Standards (Environmental Management Volume), to standardize environmental management practices. In 2024, the Company revised the Environmental Management Manual and continuously optimized its environmental management process system.

Optimizing Management Systems

The Company continues to advance external certification of its environmental management system to strengthen CSCEC International's environmental management capabilities from an international professional perspective. CSCEC International and all of its operating regions achieved ISO 14001 Environmental Management System certification and successfully passed the annual review during the reporting period, achieving a 100% coverage rate.

Performance Evaluation

The Company has included performance targets related to environmental management in the performance evaluations of all executive management levels, continuously improving the effective operation of the environmental management system. For significant environmental issues identified during inspections or major environmental incidents occurred, the Company will hold the responsible managers and units accountable, with penalties including economic fines and administrative sanctions.

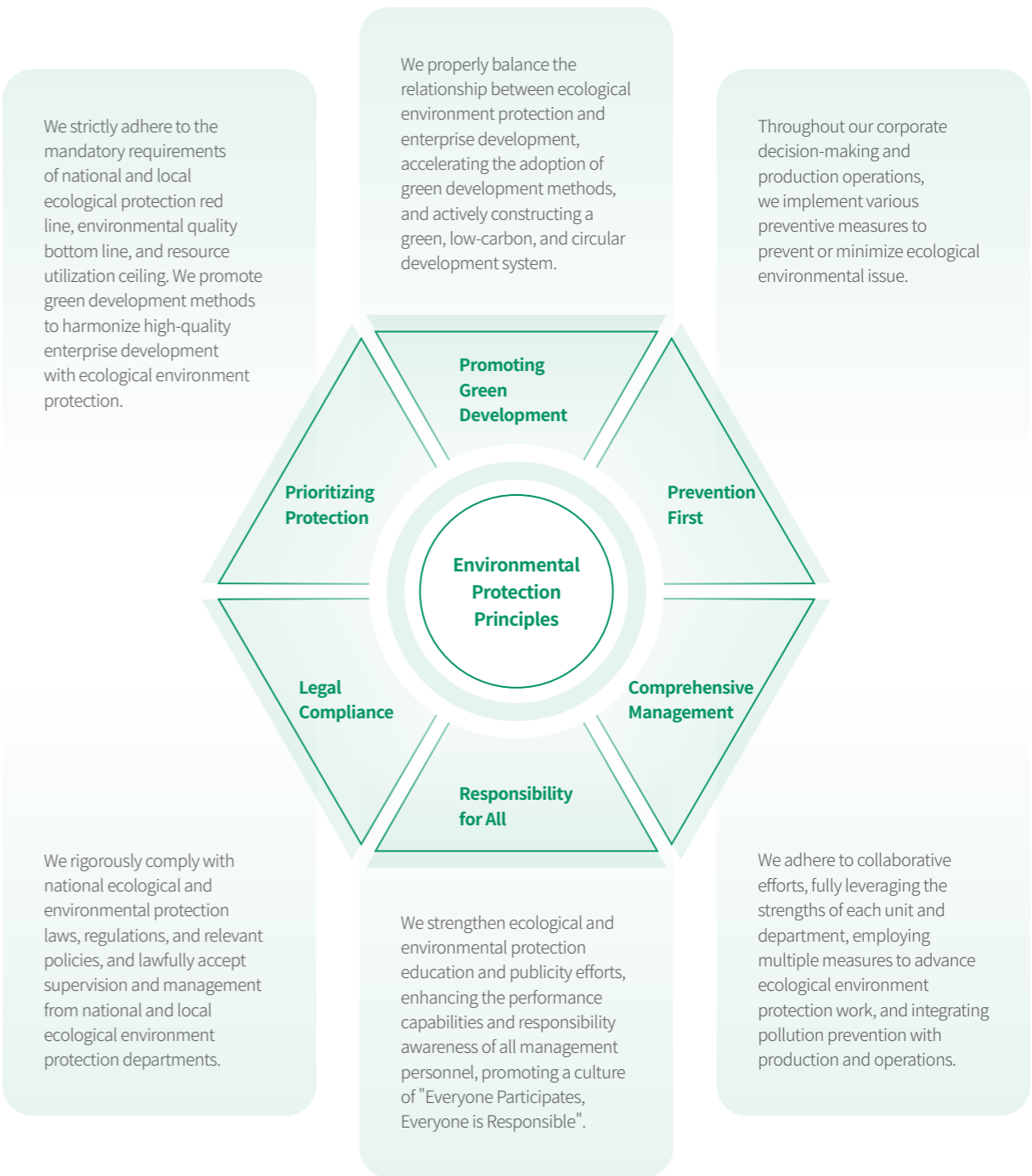
Accountability

The Company has signed the Letter of Commitment on Environmental Protection with its subsidiaries, clearly defining the environmental management targets of zero unexpected environmental events and zero environmental public opinion incidents, ensuring environmental responsibilities are implemented at all levels. During the reporting period, CSCEC International and its subsidiaries did not experience any significant environmental pollution incidents, nor did they receive any penalties or fines due to environmental issues. As of the end of the reporting period, there were no outstanding environmental fines from previous years.

Environmental Protection Commitment

CSCEC International has fully integrated the concept of green development into its corporate culture. It has issued the CSCEC International Environmental Protection Commitment, established energy and resource usage standards, and vigorously promoted the application of energy-saving technologies and environmentally friendly materials. To maintain a forward-looking management system, the Company continues to optimize and upgrade its environmental protection system and strictly implements the

CSCEC International Ecological and Environmental Protection Responsibility List to achieve systematic and standardized environmental management practices. At the implementation level, the Company focuses on pollution prevention, waste reduction, and efficient resource utilization, practicing corporate social responsibility through a "Green Construction" model and continuously enhancing its brand and image.



Environmental Risk Management

CSCEC International strictly adheres to the requirements of the "Law of People's Republic of China on Environmental Impact Appraisal" and other laws and regulations, integrating environmental risk management throughout the entire investment, construction, and operation cycle. The Company focuses on controlling factors such as air pollution, water pollution, soil pollution, noise pollution, solid waste, the use of toxic and hazardous chemicals, and damage to mountains, rivers, lakes, fields, forests, grasslands, and deserts, in order to prevent systemic risks to the ecological environment.

During the reporting period, CSCEC International conducted the identification and evaluation of environmental factors four times, published four copies of the Major Environmental Factor and Risk

Identification List, and strengthened the prevention and control of major risks and compliant management. The Company carried out ecological and environmental protection in the Yangtze River and Yellow River basins, identification and mitigation of major ecological and environmental risk hazards, and special investigations on the illegal disposal of construction waste, further strengthening the prevention and control of major ecological and environmental risks. Based on the results of the reviews and corrective actions, the Company comprehensively summarized the identified environmental risks and ecological and environmental evaluation results, and published the 2024 CSCEC International Ecological and Environmental Protection Compliance Report.

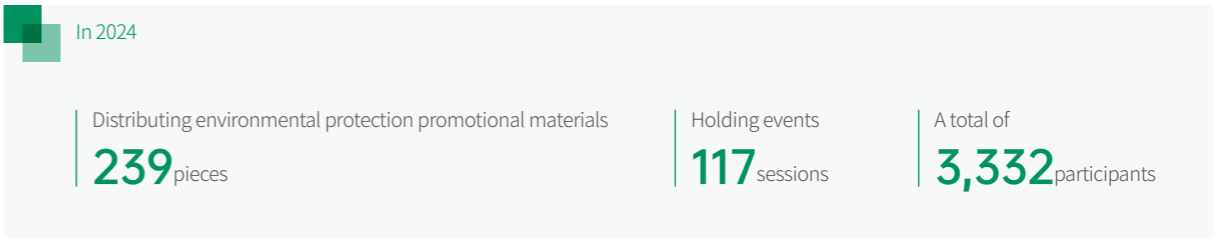
Risk-based Supervision Model		
Unit	Management Requirements	Frequency
Headquarters	At all levels, comprehensive inspections and management of significant environmental pollution risks in ongoing projects are conducted. This primarily includes risks related to air pollution, water pollution, soil pollution, solid waste, hazardous waste, and other environmental risks associated with production and operational activities. Efforts are focused on improving the foundational management of ecological environmental protection by addressing identified issues.	Semiannual
Secondary Institutions		Quarterly
Project Department		Monthly

Risk Identification Regulation							
Identification Methods	The identification of environmental factors adopts a combination of questionnaire method, production process analysis method, on-site observation method, expert consultation method and other methods.						
Identify Elements	<table><tr><td>State</td><td>Normal, Abnormal, Emergency</td></tr><tr><td>Tense</td><td>Past, Present, Future</td></tr><tr><td>Type</td><td>Emissions to the atmosphere, Emissions to water bodies, Noise emissions, Emissions of solid waste, Resource and energy consumption, Land pollution, and other Social and Environmental issues.</td></tr></table>	State	Normal, Abnormal, Emergency	Tense	Past, Present, Future	Type	Emissions to the atmosphere, Emissions to water bodies, Noise emissions, Emissions of solid waste, Resource and energy consumption, Land pollution, and other Social and Environmental issues.
State	Normal, Abnormal, Emergency						
Tense	Past, Present, Future						
Type	Emissions to the atmosphere, Emissions to water bodies, Noise emissions, Emissions of solid waste, Resource and energy consumption, Land pollution, and other Social and Environmental issues.						
Identify key points	<ul style="list-style-type: none">Factors that affect compliance with environmental laws and regulations should be listed as important environmental factors.For those that are of strong community concern or have obvious hazards must be listed as important environmental factors.For those that cannot be directly determined to require evaluation, determine the important environmental factors based on the evaluation results.						
Evaluation criteria	<p>Five-Dimension Risk Assessment Approach:</p> <table><tr><td>Compliance with laws and regulations</td><td>Occurrence frequency</td><td>Sphere of influence</td><td>Influence level</td><td>Community attention</td></tr></table> <p>Set different risk treatment levels and different response methods for different risk scores.</p>	Compliance with laws and regulations	Occurrence frequency	Sphere of influence	Influence level	Community attention	
Compliance with laws and regulations	Occurrence frequency	Sphere of influence	Influence level	Community attention			

Environmental Protection Training


CSCEC International has built a comprehensive environmental protection publicity and education system, strengthening the environmental awareness of all employees through multi-level training and publicity activities. The Company regularly conducts four environmental protection-themed training sessions, covering topics such as ESG development, environmental protection laws, ecological and environmental administrative penalties, and environmental management manuals. In 2024, CSCEC International actively carried out the "World Environment Day" publicity activities, distributing 239 pieces of environmental protection promotional materials, holding 117 events, with a total of 3,332 participants. The Company also published 51 articles in mainstream and new media, summarized five highlights from the events, and identified two typical cases and individuals in ecological environmental protection.

The Company actively organizes secondary institutions to carry out National Ecology Day, National Energy Efficiency Promotion Week, National Low Carbon Day, and other themed activities. Using promotional boards, electronic slogans, and online platforms, the Company conducts energy consumption reduction, water resource conservation, waste management, and waste reduction training and awareness campaigns, cultivating a strong environmental protection culture. Through a systematic training and publicity mechanism, the Company effectively improves employees' ability to fulfill environmental protection duties, providing a solid guarantee for green development.



Case



Carrying out General Waste Recycling Campaign to Cultivate Employees' Awareness of Reuse



The West Asia Company actively carried out a waste recycling campaign, conducting publicity and training on site clearing after work completion to raise awareness about waste treatment and reuse among on-site operators. On-site operators were trained to promptly collect, classify, treat, or

reuse leftover or waste materials after work. This campaign has enhanced employees' awareness of recycling and effectively transformed the related concepts into employees' conscious actions.

Waste Recycling Training



Adherence to Green Principles

CSCEC International has always adhered to the green development concept, deeply integrating environmental protection principles into all stages of architectural development, construction operations, and daily office. In the field of green building, the Company actively promotes international standards such as LEED and WELL, creating low-carbon demonstration projects. In the field of green construction, the Company innovatively applies environmentally friendly technologies to achieve energy conservation and emission reduction during construction. In the field of green office process, the Company proactively promotes paperless operations and resource recycling. By building a full-chain green management system covering planning, design, construction, and maintenance, CSCEC International will continue to drive the green transformation of the construction industry, contributing to the construction of ecological civilization.

Green Building

CSCEC International integrates the green development concepts throughout the entire process of building development, focusing on advancing green construction technologies such as energy-efficient technologies, water recycling systems, and renewable energy applications. The Company strives to build full-cycle service capabilities for "Carbon Peaking and Carbon Neutrality Goals" and innovates low-carbon environmental protection design concepts.

Through technological upgrades and management optimization, it continuously leads the green transformation of the industry. During the reporting period, the "Xiaowayao Village XWY-12 Plot Project" and the "Beijing Economic-Technological Development Area Xinchuang Park Phase I Project" passed the process evaluation for green construction level of engineering projects, as assessed by the China Construction Enterprises Association.

Case "Zero Energy and Zero Carbon" Transformation



CSCEC-TAISEI innovatively renovated a building into an energy storage experimental building, creating a pioneering "Zero Energy and Zero Carbon" demonstration project, which won the "Xinhua Credit Jinlan Cup" ESG Excellence Award and the "Xinhua Credit Pearl Cup" Climate-friendly Project Award. The "Zero Energy and Zero Carbon" renovation model developed by CSCEC-TAISEI is applicable to both low-carbon energy-efficient designs for new buildings and low-carbon retrofits for existing buildings.

The "Zero Energy and Zero Carbon" renovation model was fully applied in the energy-saving renovation project of the CSCEC-TAISEI Energy Storage Building. This project uses

proprietary energy management, PV-storage-direct-flexible, and environmental regulation systems to achieve precise carbon control. It utilizes innovative technologies such as daylighting and electrochromic glass for efficient carbon reduction. The solar photovoltaic power generation system BIPV is integrated into the building's external structure, achieving clean, negative carbon by combining photovoltaic power generation with a new energy storage system. The annual power generation is expected to reach 10,000 kWh, enabling the building to be self-sufficient in energy. The project applied 16 proprietary intellectual property rights and filed six new patents, providing an innovative model for the building industry's zero-carbon transformation.

Electrochromic Glass



CSCEC-TAISEI Energy Storage Building



Case Green Building Practice: CSCEC Future Tower



In 2024, the Company actively promoted the green building design for its headquarters office building, the CSCEC Future Tower Project. Focusing on the application of green technologies throughout the entire lifecycle, the project aims to establish a demonstration for green buildings and has achieved Platinum certification under both the LEED and WELL. This project integrates a smart operation and maintenance platform, photovoltaic power generation system, high-efficiency glass curtain wall energy-saving maintenance structure, and high-efficiency energy-saving

motors, among many other green building technologies. It is expected to reduce energy consumption per unit area by 20% compared to traditional buildings, cut carbon emissions by approximately 1,200 tonnes annually, achieve a comprehensive overall building energy-saving rate of 67%, a building body energy-saving rate of 34%, and a renewable energy utilization rate of 35%. It provides a replicable technical pathway for the green transformation of office buildings and has significant social demonstration effects.

CSCEC Future Tower Obtains LEED and WELL Certifications



Overview of Green Building Technologies Used in CSCEC Future Tower



Green Construction

CSCEC International strictly abides by the relevant provisions of the "Technical Guidelines for Green Construction", follows the principles of "People-Oriented, Adapting to Local Conditions, Environmental Protection First, Resource Conservation and Efficient Utilization", and strictly implements the "Five Savings and One Environmental Protection" principles. Through systematic

management and control, the Company deeply embeds the concept of green development into the entire life cycle of engineering projects, covering key links such as early planning, scheme design, construction and completion acceptance, and realizing standardized management of the entire green construction process.

Case Use of Oil Spill Treatment Kits to Practice Green Construction



In the construction of the "NEOM project", CSCEC International equipped oil spill treatment kits to effectively handle the oil stain generated during construction. The Company used professional, mobile mechanical equipment on-site to treat oil stains and conducted training for relevant equipment maintenance personnel, operators, and cleaning staff on how to use the oil spill treatment kits, thereby ensuring that oil stains and contaminated soil could be collected and treated professionally in a timely manner, preventing land pollution and minimizing the environmental impact of the construction process.

Oil Spill Treatment Kit



Case

Innovative Green Construction Practice: Large-scale Dust and Noise Reduction Skylight System



In the construction of its projects, CSCEC International adopted innovative technologies to build a large-scale dust and noise reduction skylight system, using intelligent methods to achieve efficient and environmentally friendly operations. This system can quickly expand or retract the curtain mesh, converting outdoor work into "indoor work",

effectively reducing 80% of airborne dust and significantly lowering noise and light pollution. Additionally, the flexibility of the curtain also accommodates material hoisting needs, improving construction efficiency while achieving low-carbon, intelligent green construction.

▲ Skylight System Used in the "Power Distribution Project of the Former Site of Jiangsu Provincial Judicial Commissioner's Office and Its Surrounding Area"



Green Office

CSCEC International continues to promote green office practices, prioritizing resource conservation and raising employees' awareness of sustainable use, striving to foster a green and low-carbon office environment.

Paperless Office	The office automation system has been implemented, achieving 100% digital processing of official documents and approval workflows. A mobile office system is employed to achieve a paperless approval process for business trips, overtime meals, meeting room reservations.
Paperless Meeting Rooms	Meeting rooms are equipped with electronic screens to minimize paper use and printing waste.
Waste Reduction	In response to the call to stop food waste, the Company launched the "Clean Plate Campaign" and fully discontinued the use of disposable tableware.
Eco-friendly Office Supplies	Office paper is sourced from renewable and eco-friendly materials, and employees are encouraged to recycle paper and print on both sides.
Repair and Reuse	Old items are fully utilized, and new office supplies are purchased sparingly. Employees are encouraged to regularly maintain, clean, and reuse office furniture.

Resource Recycling

CSCEC International regards resource recycling as a key driver for advancing green development and value creation. The Company strengthens resource management by enhancing water resource management, energy efficiency management, and raw material management, actively implementing resource management practices, and continuously promoting the sustainable use of energy, injecting practical momentum into the green transformation of the industry.

Water Resource Management


CSCEC International requires all institutions and projects to strictly adhere to local water resource management regulations, systematically constructing a full-cycle water resource management system throughout planning, construction, and operation. During the project planning phase, the Company has clearly defined water-saving objectives and targets and setting management standards at the source. In terms of technology application, priority is given to adopting water-saving design solutions and process equipment. Concurrently, rainwater collection, waste water recycling, and other circular facilities are constructed on-site, and innovative technologies such as protective film curing technology for concrete are used to reduce moisture loss during concrete curing. At the

regional management level, the Company promotes the 100% installation of water-saving fixtures in living and office areas, improving daily water efficiency through systematic management and monitoring. In terms of awareness cultivation, specialized water resource management training is provided for all employees, systematically enhancing their awareness of water conservation and their ability to improve water resource efficiency.

During the reporting period, the Company set water-saving goals and encouraged project departments to actively implement relevant indicator requirements, striving to establish green-compliant and demonstration construction sites.

Water-saving Target for Green Compliant Construction Sites	Achieve a reduction of 10% or more in unit water consumption compared with the baseline.
Water-saving Target for Green Demonstration Sites	Achieve a reduction of 20% or more in unit water consumption compared with the baseline.

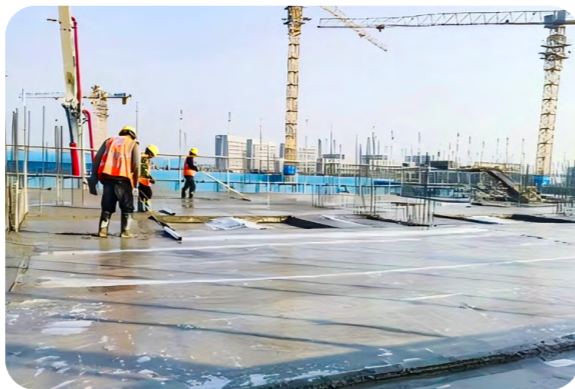
During the reporting period, CSCEC International's living areas used water-saving devices, with a configuration rate of 100%.

 <div>Measures to Improve Water Resource Efficiency</div>	• Reasonable selection of water supply pipeline layout and pipe diameter at the construction site, measures to reduce leakage of pipeline networks and water-use facilities during construction.
	• Take measures to protect groundwater resources at the construction site to limit construction precipitation. Groundwater discharged during foundation pit dewatering should be properly reused.
	• Measure the water usage in office area, living area and production area and keep records.
	• Water-saving appliances should be used in office areas, living areas, and production areas, and obvious water-saving signs should be set up at water sources. Advanced water-saving construction technology should be adopted during construction.
	• During construction, it is advisable to use non-traditional water sources and establish a collection and utilization system for rainwater, recycled water or other available water resources.
	• Systematically collect rainwater for irrigation, construct sedimentation tanks to recycle vehicle wash water, and settle graywater sedimentation for sprinkling and dust reduction.

▲ Sedimentation Tanks and Vehicle Washing Facilities at the "Grand Canal Data Port ESG Innovation Center Project" Site



▲ Protective Film Curing Applied to the Concrete Structure of the "West Campus of Nanjing University"



Energy Management

CSCEC International actively responds to the China's "Carbon Peaking and Carbon Neutrality Goals", promoting green and low-carbon transformation and development. The Company is driven by innovation and, through technological breakthroughs and model innovations, focuses on advancing photovoltaic power generation technology, developing photovoltaic products tailored to local conditions and available resources. The Company is committed to building a full life-cycle green industrial system from planning and design to construction and operation, promoting a transformative upgrade of the energy structure toward cleaner and more efficient systems, setting a new benchmark for green and low-carbon development in the construction industry.

The main types of energy consumption for the Company include diesel, gasoline, and electricity. The Company requires all institutions and projects to strictly comply with local energy consumption limits, setting clear energy-saving requirements and goals in the project planning. Energy-efficient design solutions, building materials, production technologies, processes and equipment are prioritized. The Company focuses on optimizing its energy use mix and explores the research and application of clean energy technologies such as photovoltaic power generation, air-source energy and ground-source heat pump systems. The Company utilizes photovoltaic power generation in temporary

construction projects to reduce electricity consumption during construction. Air energy water heaters are installed in the living areas to decrease electricity consumption. Additionally, the Company collaborated with the construction party to integrate ground source heat pump technology into the building design for more efficient heating. During the reporting period, the Company promoted the implementation of photovoltaic power generation in projects such as the "Water Purification Project", the "West Campus of Nanjing University", and the "CSCEC Future Tower Project", continuing to drive the substitution of renewable energy.

The Company actively promotes intelligent and refined energy management, conducting research on the integration of machine learning and data center energy-carbon management, constructing precise energy-carbon indicator prediction models, and creating a visual control platform, providing a technical paradigm for achieving the "Carbon Peaking and Carbon Neutrality Goals" in the building sector.

During the reporting period, the Company set energy-saving goals and encouraged project departments to actively implement relevant indicator requirements, striving to create green compliant construction sites and green demonstration sites.

Energy-saving Target for Green Compliant Construction Sites

Achieve a reduction of 10% or more in unit energy consumption compared with the baseline.

Energy-saving Target for Green Demonstration Sites

Achieve a reduction of 20% or more in unit energy consumption compared with the baseline.

The Company organized energy-saving training and promotional activities during themed events such as National Low Carbon Day and National Energy Efficiency Promotion Week, strengthening the effectiveness of the promotion through both "online + offline" methods. Online, the Company leveraged WeChat to promote

green construction and low-carbon initiatives. Offline, the Company organized all institutions and project departments to watch energy-saving promotional videos and displayed energy-saving signs and posters, turning energy-saving concepts into conscious daily practices among employees.

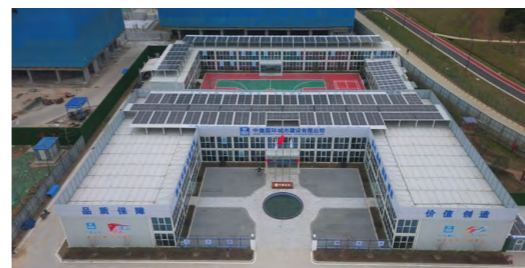
Case Photovoltaic Product Application in Temporary Modular Buildings of the "West Campus of Nanjing University"



During the construction of the "West Campus of Nanjing University", detachable photovoltaic units designed for temporary modular rooftops on construction sites were adopted, including standardized rooftop BAPV systems on temporary facilities, PV-storage-charging integrated systems, prefabricated photovoltaic enclosure systems, and integrated photovoltaic security guardhouse systems, offering advantages such as easy installation and flexible removal. Since the project's photovoltaic system was commissioned, it has generated approximately 400,000 kWh of electricity, equivalent to approximately 161 tonnes of standard coal. The

electricity generated fully meets all office and living electricity demands on site, with the surplus fed into the construction site's power grid to operate some construction machinery. The application of this photovoltaic system has not only reduced electricity costs during the construction phase but also provides backup power, ensuring the normal operation of critical facilities under special circumstances. Furthermore, it helps reduce greenhouse gas emissions from the project and offers a reliable solution for the green transition of energy.

▲ Detachable Photovoltaic Devices on the Rooftop of Temporary Modular Buildings at the Construction Site of the "West Campus of Nanjing University"



Raw Material Management

CSCEC International integrates sustainable development concepts into the use and management of key raw materials such as steel and concrete. The Company has established green procurement standards and actively selects suppliers that have obtained green product certifications and green building material certifications. The Company actively promotes the use of renewable materials,

utilizing recycled and recyclable materials such as concrete and steel to reduce the resource and environmental impact over the entire lifecycle of a building. During the reporting period, the Company's recycled steel usage rate reached 49%, and its recycled concrete usage rate reached 56%.



Compliant Emission Management

CSCEC International regards compliant emission management as a key component of environmental governance. It strictly adheres to domestic environmental protection laws such as the "Law of the People's Republic of China on the Prevention and Control of Air Pollution", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", and the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", as well as applicable international environmental standards. The Company follows the working principle of "Precise Pollution Control, Scientific Pollution Control, and Legal Pollution Control", continuously enhancing emission performance through systematic measures such as institutional refinement, process optimization, strengthening technological innovation, and enhancing employee capabilities. These efforts effectively reduce the environmental impact of operations and provide strong support for achieving China's "Carbon Peaking and Carbon Neutrality Goals" and ecological civilization construction.

Waste Water Treatment

CSCEC International follows a wastewater management approach focused on source reduction, process treatment, discharge control, and resource recycling to address both production and domestic waste water governance. The Company optimizes processes to reduce emissions, introduces intelligent waste water treatment systems, and applies membrane filtration technology

to improve purification efficiency. At the same time, a full-process monitoring mechanism is established to ensure that the quality of discharged water meets standards. Additionally, the Company uses compliant domestic waste water after treatment for ecological wetland replenishment and irrigation, achieving synergy between environmental protection and resource utilization.



Wastewater Treatment and Emission Reduction Measures

- Drainage ditches should be set up around on-site roads and material storage areas.
- Sedimentation tanks should be installed at vehicle wash stations and next to fixed concrete pumps. Wastewater should be recycled after sedimentation.
- Engineering wastewater and laboratory maintenance water should be treated and qualified before being discharged into the municipal sewage pipeline.
- Canteen grease traps, septic tanks, washrooms and showers should comply with national standards.
- The special warehouse should be set for storing oil, chemical solvents and other items at the construction site, and the floor of the warehouse should be treated to prevent leakage.
- Perform anti-leakage treatment on the ground in large template storage areas and other places where non-environmentally friendly release agents are used.



Case Graded Sedimentation Circulation System to Help Projects Achieve Water-saving Goals

CSCEC International sets a graded sedimentation circulation system for water-intensive projects such as tunnels. Construction water is processed and filtered through multi-stage sedimentation tanks inside tunnels and the waste water treatment system outside tunnels, then sent to the

water supply network for recycling or used for sprinkler dust suppression. Such a system can save 10% of the project's water consumption and greatly improve water resource efficiency.

Water Recycling System Used on the Project

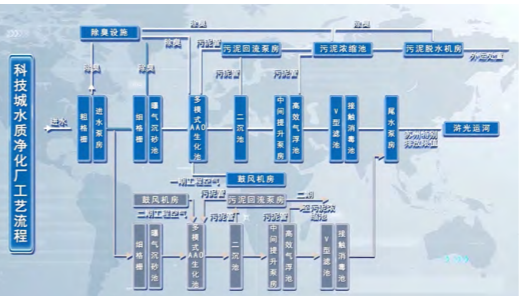


Case Waste Water Treatment Achievements of the "Suzhou Science and Technology Town's Water Purification Project"

The "Suzhou Science and Technology Town Water Purification Project" follows the design concept of "Underground Waste Water Treatment, Above-ground Greening". Utilizing a "semi-underground double-layer covered design", the project encloses the waste water treatment facilities underground while increasing the greening area above ground by 32,000 square meters, transforming the project from a "NIMBY" facility into a "neighborhood-friendly" project.

The project's waste water treatment adopts a mature, stable, and energy-efficient process combining "Pre-treatment + Multi-mode AAO + Secondary Sedimentation Tank + High-efficiency Flotation Tank + V-type Filter + Disinfection". With a daily treatment capacity of 100,000 tonnes, the plant produces deeply purified effluent that meets the highest municipal and provincial discharge standards. The tailwater is reused for landscaping and by surrounding enterprises, with the surplus directed to constructed wetlands for further purification and ecological enhancement.

Waste Water Treatment Process of the "Suzhou Science and Technology Town Water Purification Project"



Actual Site of the "Suzhou Science and Technology Town Water Purification Project"



Waste Gas Emissions

CSCEC International strictly adheres to the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" and relevant regulations and policies in overseas operating areas. The Company enhances comprehensive management efforts to control sources of atmospheric pollution

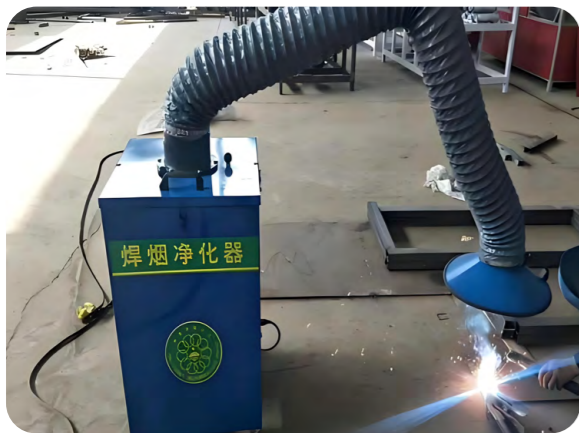
during construction. Each project unit continuously strengthens the control of pollutants such as sulfur dioxide, nitrogen oxides, and volatile organic compounds through process improvement, process control, and end-of-pipe treatment measures, ensuring all emissions comply with regulatory standards.

Systems and Measures to Reduce Waste Gas Emissions



- Burning of oil felts, rubber, plastic products, and other waste materials is strictly prohibited at the construction site.
- Construction vehicles and non-road mobile machinery used at the construction site should comply with the current national and local government exhaust emission standards.
- Special attention needs to be paid to the emission requirements of excavators, loaders, backhoe loaders, forklifts, and other types of machinery, as well as the emission standards of on-site equipment.
- Outdoor construction operations generating volatile organic compound emissions are strictly prohibited at the construction site. If outdoor operations are necessary due to construction process requirements, measures should be taken to reduce exhaust emissions.
- The release of ammonia from flame retardants and concrete additives used in construction complies with current national and industry standards.
- The construction site canteen is equipped with oil fume purification devices and undergoes regular maintenance and upkeep.

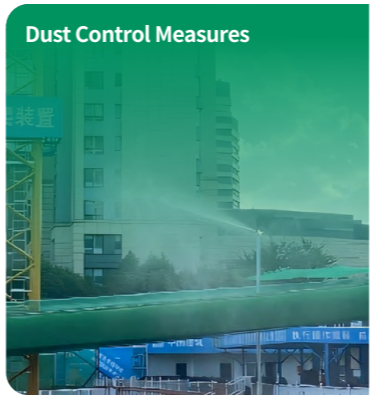
Welding Fume Collection and Purification Devices Used on the Project



CSCEC International strictly controls the noise and dust at the construction site, and strengthens air quality management at construction sites through comprehensive measures such as water spraying, dust collectors, and protective cover. In addition, the Company takes a number of measures to reduce the impact of construction noise on surrounding communities, including prohibiting the use of high-pitched speakers, and reasonably

arranging construction time periods. At the same time, by setting up speed bumps and safety warning signs, the normal living order of residents in the construction area and surrounding areas is further guaranteed. During the reporting period, the Company did not experience any complaints or incidents related to air quality or noise.

Dust Control Measures



- A wheel washing machine should be installed at the project construction site to high-pressure wash tires and chassis of vehicles entering and exiting, effectively controlling the spread of mud and preventing road environmental pollution.
- Deploy sweepers and sprinklers at the construction site, and assign dedicated personnel to sweep and sprinkle water daily to keep the construction site clean. Use mist cannons, high-mast spraying, and fence spraying to reduce and suppress dust in construction sites prone to dust generation, such as earthmoving operations, demolition, and material storage areas.
- All construction materials should be covered completely during storage to prevent environmental contamination.

Dust and Noise Detection System Installed around the Project Construction Site



Waste Management

CSCEC International implements the CSCEC International Ecological and Environmental Protection Management Regulations, which systematically standardizes waste disposal processes, clarify penalties for illegal discharges, and regulate the generation, collection, storage, transportation, utilization, and disposal of construction and hazardous waste. Furthermore, the Company conducts waste management inspections, ensuring compliance

while continuously exploring opportunities to optimize waste management models. The Company continues to strengthen the dynamic tracking and control of hazardous waste and the disclosure of disposal information. It also conducts waste management training for employees and subcontractors, as well as certification exams for relevant management personnel, to continuously improve its waste management practices.

Comprehensive Utilization Measures of Construction Waste



- By using standardized and reusable temporary facilities such as container buildings, prefabricated enclosures, and prefabricated pavements, the turnover rate is increased, effectively reducing construction waste emissions and promoting efficient recycling of resources.
- Enclosed garbage stations should be set up at the construction site. Construction waste should be sorted and promptly removed and processed, with conditions permitting on-site resource utilization.
- All construction waste generated at the construction site is temporarily stored at enclosed waste transfer stations after being sorted for reusable materials. Regularly, vehicles transport construction waste to designated locations for further processing as per departmental regulations.
- The spoil should be discharged at designated locations according to the relevant regulations.
- Upon completion of the project, construction debris generated during construction should be cleared from the site.
- Recyclable and non-recyclable trash bins should be provided in residential and office areas. Qualified entities are entrusted to promptly collect and dispose of waste regularly, ensuring disinfection to prevent the spread of diseases such as mosquitoes and flies.
- Crushed stones and earthworks are used as backfill materials for foundations and roadbeds under specified requirements.
- Waste materials such as leftover paint and coatings listed in the "National Hazardous Waste List" should be centrally stored with prominent signage and handled by specialized agencies.
- Transportation of construction waste at the construction site uses qualified vehicles meeting local standards. Personnel are stationed at vehicle entrances and exits to inspect incoming and outgoing vehicles and maintain effective records.

Case Multiple Measures to Reduce General Construction Waste at the "Grand Canal Data Port ESG Innovation Center Project"



In the construction of the "Grand Canal Data Port ESG Innovation Center Project", the Company used demountable container structures, fencing, and recyclable materials. Resource recycling was also carried out by reusing concrete rubble for temporary roads and site hardening, and by

processing scrap rebars into drainage ditch covers, reducing the generation of general construction waste. Since the implementation of the project, it has reduced general construction waste by more than 25 tonnes.

Detachable and Recyclable Materials Used for Temporary Construction Facilities of the Project



Concrete Rubble Used for Temporary Road and Site Base Hardening of the Project



Case Integrated General Waste Management and Control System for the "Yangshan Digital Valley Project"

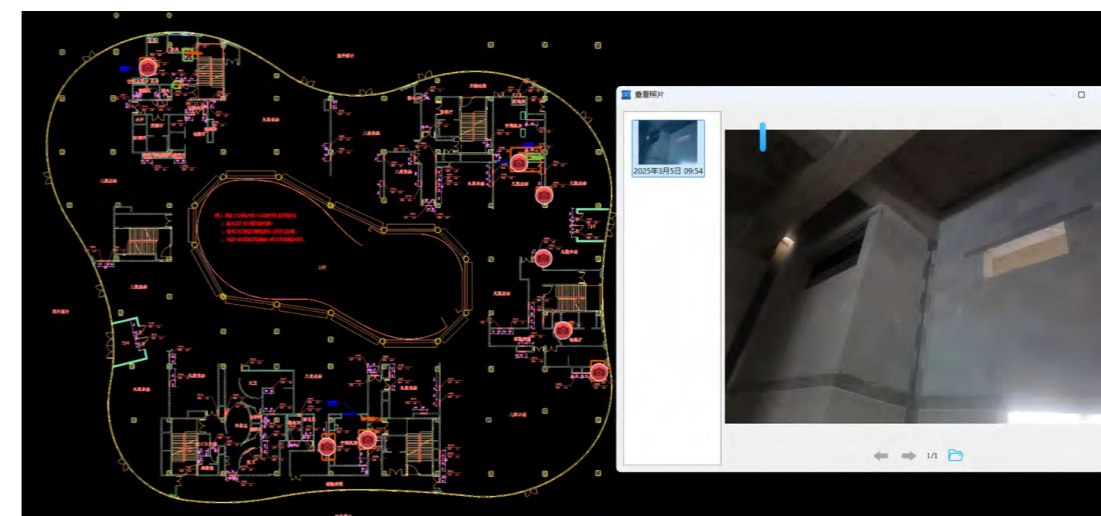


In the construction of the "Yangshan Digital Valley Project", the Company established an integrated general waste management and control system using BIM technology to enhance design and construction collaboration, which features "Precise Hole Reservation + On-site Verification + Recycling", achieving a 40% reduction in construction waste generation at the source.

The management and control system uses BIM technology to create a full-professional 3D model, improving design

progress and reducing errors in the dimensions of reserved openings for electrical and mechanical wall bushings and equipment lifting holes, eliminating the need for post-construction drilling from the design source. On this basis, the project established a three-tier verification mechanism of "BIM model-Construction Drawings-Site Layout", and conducted digital rechecks. A total of 27 misaligned hole positions were corrected, avoiding approximately 15 tonnes of concrete waste generated from rework and achieving effective general waste management and control.

BIM Model and On-site Verification of Hole Locations for the "Yangshan Digital Valley Project"



Sustainable Co-existence with Ecology

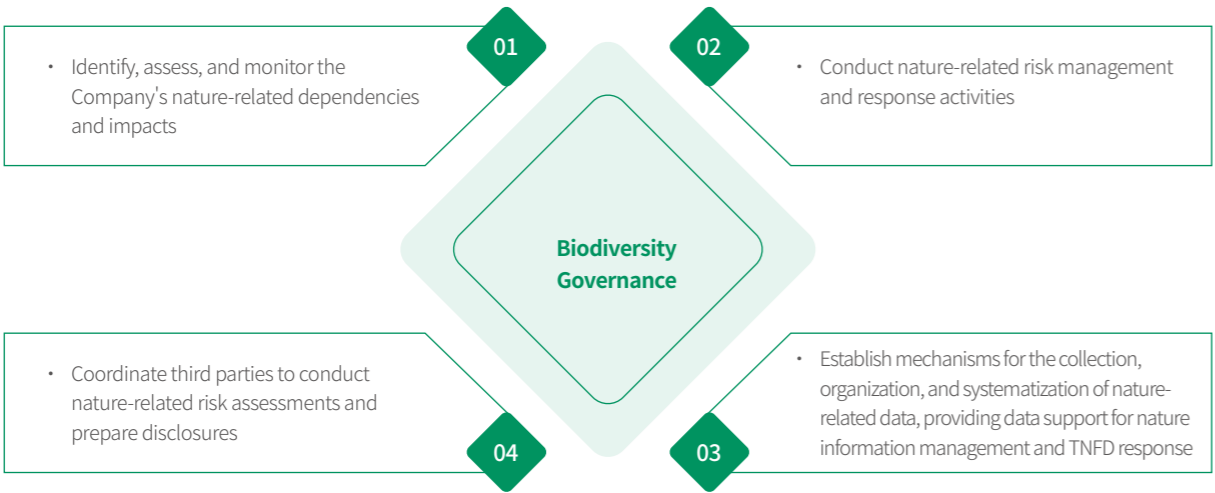
CSCEC International places great emphasis on the construction of ecological civilization, strictly adhering to international convention on biodiversity, national ecological protection policies, and local laws and regulations, striving to establish a full-lifecycle ecological protection management system, fulfilling ecological protection commitments at all stages of project construction and operation, and promoting the coordinated development of construction and ecological protection.

Ecological and Environmental Protection

Governance

CSCEC International places high importance on the diversity, stability and sustainability of ecosystems. It incorporates nature-related issues into its overall sustainability strategy and integrates them into the ESG governance framework of the board of directors, ESG Working Committee, and ESG Working Group from management to execution, forming a clear governance structure to coordinate the advancement of related work. The Company strictly complies with national laws and regulations such as the "Wildlife Protection Law of the People's Republic of China",

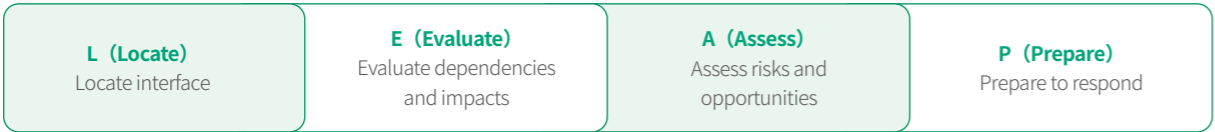
the "Regulations of the People's Republic of China on Nature Reserves", the "Regulations of the People's Republic of China on Wild Plant Protection", and the "Urban and Rural Planning Law of the People's Republic of China", as well as relevant local regulations in project areas. Environmental and land use assessments are conducted throughout the entire project construction and operation process, ensuring the fulfillment of ecological protection responsibilities.



Risk and Impact Management

To systematically identify and manage nature-related risks and opportunities, CSCEC International is gradually constructing a natural issue identification and assessment mechanism in line with the TNFD framework. The Company uses the LEAP method (Locate,

Evaluate, Assess, Prepare), integrating nature-related dependencies and impacts into the corporate decision-making system and promoting the protection of natural capital alongside corporate sustainable development.



Strategy

CSCEC International uses the ENCORE (Explore Natural Capital Opportunities, Risks, and Exposures) tool to comprehensively identify and assess the Company's dependence on and impact on natural capital in its operations. The Company will focus on dependency and impact factors rated as "very high" and "high" in materiality, which are relevant to the construction industry.

Additionally, through a combination of internal business analysis and external expert consultation, the Company will appropriately expand the scope of attention to ensure the comprehensiveness of the dependency and impact assessment.

Identification and Analysis of Nature-related Dependencies

Dependency Type		Business Process	Materiality		
Environmental Assets	Land resources	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
	Water supply (P)	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
	Global climate regulation (R&M)	Station operation and maintenance	High	Moderate <input checked="" type="checkbox"/>	Low
Ecosystem Services	Rainfall pattern regulation (R&M)	Engineering planning and construction	High	Moderate <input checked="" type="checkbox"/>	Low
	Soil and sediment retention (R&M)	Engineering planning and construction	High	Moderate <input checked="" type="checkbox"/>	Low
	Water flow regulation (R&M)	Engineering planning and construction	High	Moderate	Low <input checked="" type="checkbox"/>
	Flood control (R&M)	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
	Storm relief (R&M)	Engineering planning and construction	High	Moderate <input checked="" type="checkbox"/>	Low

Identification and Analysis of Nature-related Impacts

Impact Driver		Business Activity	Materiality		
Pollution	Nuisance (noise and light)	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
	Solid waste	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
	Water pollutants	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
Climate Change	Greenhouse gas emissions	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low
Changes in Freshwater and Marine Use	Freshwater utilization area	Engineering planning and construction	High	Moderate	Low <input checked="" type="checkbox"/>
	Riverbed utilization area	Engineering planning and construction	High	Moderate	Low <input checked="" type="checkbox"/>
Resource Use	Water consumption	Engineering planning and construction	High <input checked="" type="checkbox"/>	Moderate	Low

Based on the analysis of nature-related dependencies and impacts, the Company identifies nature-related risks and opportunities it faces, combining industry development trends and global

environmental changes. The analysis also examines the impact on the Company's business processes, operational models, and finances.


Risk Analysis		
Physical Risk	Impact on Business	Financial Impact
Changes in water supply	Construction relies heavily on freshwater (for mixing concrete, dust suppression, etc.). Disruption or shortage of freshwater supply may lead to construction delays or increased costs.	Increase in operating costs
Land degradation and ecosystem changes	It could lead to non-compliance in project construction or penalties from environmental management authorities.	Increase in operating costs
Transition Risks	Impact on Business	Financial Impact
Policies and laws	Stricter environmental protection regulations in various countries may limit construction processes or material usage.	Increase in operating costs
Reputation	Ecological damage or failure to disclose natural impacts of a project may lead to negative publicity and social opposition.	Decreased revenue
Marketing	If the Company fails to adapt to market demand changes, such as not developing eco-friendly or environment-friendly infrastructure in a timely manner, it may result in decreased competitiveness.	Decreased revenue
Technology	Failure to adopt advanced eco-friendly or environment-friendly technologies may lead to the Company's products and services lagging behind peers in the certain field, reducing overall enterprise competitiveness.	Increased R&D expenses Decreased revenue
Liability	If the Company's activities result in ecological and environmental deterioration, the Company will face accountability, including compensation and legal fees.	Increased operating costs Decreased revenue

Opportunity Analysis		
Commercial Opportunities	Impact on Operations and Value Chain	Financial Impact
Resource efficiency	Through rational planning and land use, the Company optimizes land use efficiency and mitigates the environmental impact associated with land use changes. Additionally, the recycling and reuse of general construction waste reduces the cost of raw material procurement.	Decreased capital expenditures Decreased operating costs
Reputation capital	The Company enhances its ESG reputation through ecological restoration projects	Increase in operating revenue
Products and services	With increasing customer focus on environmental protection and biodiversity, the Company offers products and services that meet green requirements to fulfill customer demand and improve customer experience.	Increase in operating revenue
Marketing	Participation in green building and ecological environment rating systems improves project ratings, enabling access to higher-quality markets and eligibility for government ecological infrastructure projects, such as ecological corridor development.	Increase in operating revenue
Capital flow	Green financing channels provide the Company with lower financing rates and enhance the Company's reputation in sustainable development.	Decreased financing costs

Biodiversity Protection Commitment

CSCEC International has issued the Forest Protection Commitment and the Biodiversity Commitment, promising to implement the concept of "Protecting Beautiful Green Mountains and Clear Waters, Making Gold and Silver Mountains" throughout the construction process, avoid entering ecological redline zones and ecologically fragile areas, minimize the impact of construction on the ecological environment, avoid disturbing wildlife habitats, and prevent soil erosion and deforestation. For projects that cannot avoid entering ecological protection areas, forest protection areas, and green space

protection areas, the construction team will do its utmost to reduce the impact on the ecological environment and promise to actively participate in ecological restoration and related environmental protection efforts. The Company also calls on its value chain partners, including subcontractors and suppliers, to respond to its biodiversity commitments, avoid conducting business activities within ecological protection areas and other areas with important biodiversity values, and work with the Company to safeguard the ecological balance and build a green home.

 The CSCEC Forest Protection Commitment	• We formulate dedicated plans to protect forest areas near construction sites.
	• We minimize the adverse impact of operational activities on forests, promptly report and address forest resource destruction.
	• We raise forest conservation awareness among all stakeholders.
	• We promptly restore damaged forests within the scope of operational activities and take effective measures to prevent soil erosion and land degradation.



The CSCEC Biodiversity Commitment



- We encourage all newly established construction projects to conduct biodiversity assessments of project sites, office areas, and living areas, and develop special plans for protection.
- We reduce the adverse impact of operational activities on biodiversity and ecosystems, and protect endangered species.
- We enhance awareness of biodiversity conservation among all stakeholders.
- We promote ecosystem restoration in categories where operational activities have significant impacts.

Biodiversity Conservation Goals and Planning

In the future, CSCEC International will fully promote its biodiversity conservation strategy, and it plans to set phased biodiversity conservation goals and implementation plans through systematic biodiversity surveys and risk assessments. Depending on project implementation, the Company will carry out work on plant and animal protection, ecological restoration, and other activities, continuously reducing the impact on biodiversity, and making positive contributions to global biodiversity conservation.

Ecological Conservation Actions

CSCEC International incorporates biodiversity conservation into its global infrastructure development, adhering to the mitigation hierarchy-"avoid, minimize, restore, and offset"-to manage and minimize its impact on the ecological environment. During the reporting period, the Company's project teams implemented multiple biodiversity conservation and restoration measures, constantly exploring new models of harmonious coexistence with nature at domestic and international construction sites.

Case The "Nest Protection Action" of the "IKM Road Project" was Selected as One of the "Top 10" ESG Excellence Cases in the Xinhua Credit Jinlan Cup



To minimize the impact on bird habitats along the route, the "IKM Road Project" has been continuously advancing the "Nest Protection Action". By combining scientific approaches with humanistic considerations, the project aims to achieve "Construction Without Disturbing Nests, Development Without Abandoning Greenery". The project team deployed an ecological monitoring system employing drones, automatic cameras, and infrared sensors for 24/7 dynamic monitoring of bird nesting areas along the road. This allows for timely adjustments to construction schedules and noise control during peak construction periods, avoiding disruption to birds during their breeding season. The team also hired environmental scientists to develop a scientific

plan for relocating nests in areas where construction was unavoidable. By the end of the reporting period, the team had successfully guided five species of birds and 20 nesting groups to new nesting areas, with a relocation success rate exceeding 85%.

Additionally, during the road design phase, animal passages were planned, and dozens of box culverts, pipe culverts, and other ecological corridors were set up to reduce the destruction of ecological connectivity by the road. Monitoring showed that wild boars, roan antelope, ostriches, and other animals safely passed through these passages, effectively ensuring the ecological migration path.

Bird Nest Protection Boxes Set by the "IKM Road Project" Team



Case Ecological Protection and Biodiversity Conservation Measures of the "National Road No. 1 of the Republic of the Congo Project"



The National Road No. 1 of the Republic of the Congo is a key livelihood project connecting the country's second-largest city, Pointe-Noire, with the capital, Brazzaville. The route spans 536 kilometers, with certain sections passing through the primary forest of the Congo Mayombe. The project department attached great importance to local wildlife protection and water and soil conservation, strictly adhering to both national conventions and the Company's environmental protection systems, and comprehensively implemented environmental protection and biodiversity conservation throughout the project's execution.

The design team optimized the original route plan, accurately defined the boundary redlines, and minimized tree felling while maintaining slope stability, thereby maximizing the protection of the primary forest. These efforts effectively reduced the deforested area by 35,000 square meters and restored approximately 7,000 square meters of vegetation. A reasonable rainwater management system was also designed to control and guide water flow, incorporating features such as evaporation ponds and check dams to regulate the velocity and volume of rainwater. This helped protect approximately 10,000 square meters of soil from erosion. Collected and stored rainwater was used to irrigate local crops, increasing

cassava yield by an average of 150 kilograms per acre.

For routine maintenance, the team applied vetiver grass stabilization along sandy road sections, slopes, and areas next to ditches to prevent soil erosion. It also regularly checked and maintained drainage systems, slope protection structures, and vegetation to ensure the long-term effectiveness of anti-erosion measures. The team actively introduced advanced maintenance technologies and equipment to reduce material consumption during major road repairs. To protect natural ecosystems, the construction team avoided construction during the breeding season of wildlife and regularly cleaned the road underpasses used as corridors for wild animals, ensuring the protection of natural ecosystems and biodiversity in the construction areas.

The environmental and ecological protection measures implemented on the project were highly praised by the Ministry of Environment and Sustainable Development of Congo and received support and recognition from local residents. The project team will continue to promote these measures, working towards promoting long-term harmonious coexistence between the project and the primary forest.

Vetiver Grass Slope Protection Set by the Project Team



Intelligent Monitoring System Installed by the Project Team



Case The "China-Thailand High-Speed Rail Project" Actively Participated in Multiple Ecological and Environmental Protection Initiatives, Promoting Local Ecological Restoration



The "China-Thailand High-Speed Rail Project" team integrates the concept of sustainable development throughout the entire project construction process, and actively organizes and participates in various ecological and environmental protection activities, fulfilling their commitment to local ecological protection through concrete actions and promoting harmonious coexistence between the project and nature. In the "China-Thailand High-Speed Rail Project (4-3)", Chinese and Thai volunteers were organized for a public welfare mangrove planting initiative, which significantly contributed to the restoration of the nearshore marine ecosystem. Additionally, a fish stocking activity was conducted near a bridgehead in the project area, releasing thousands of healthy juvenile fish into the river, effectively contributing to the restoration of the aquatic ecosystem.

Mangrove Planting Public Welfare Activity



Responsible Commitment in Step with Betterment

Response to SDGs:



- ✓ Percentage of female employees: **17%**, Percentage of foreign employees: **18%**, Percentage of minority employees: **28%**
- ✓ Employee satisfaction: **97.92%**
- ✓ Employee training coverage rate: **100%**
- ✓ ISO 45001 Occupational Health and Safety Management System certification coverage: **100%**
- ✓ Supplier Code of Conduct signing rate: **100%**
- ✓ Customer satisfaction: **99%**
- ✓ ISO 9001 Quality Management System certification coverage: **100%**
- ✓ Total volunteer activity hours: **6,040** hours

Talent Co-prosperity and Win-win

CSCEC International always places employee development at a strategic level, building a foundation of trust through rights and interests protection, creating fertile ground for growth through diversity and inclusion, empowering employees to unlock their potential through training, and conveying humanistic care through compensation and benefits, ensuring that every employee grows and develops together with the Company.

Employee Rights and Diversity

Rights Protection

CSCEC International strictly complies with the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", and relevant local laws and regulations in the regions where it operates. The Company has introduced policies such as the CSCEC International Staff Recruitment Management Measures and the CSCEC International Employee Code of Conduct and Rewards and Punishments Measures to ensure that every employee has equal opportunities in the recruitment process. The Company signs legally binding labor contracts with employees to safeguard their rights and interests. As of the end of 2024, the social insurance coverage rate for employees of CSCEC International was

100%. In addition, the Company has implemented a rigorous onboarding review procedure to prevent child or forced labor across all overseas operations.

Following international standards such as the "Universal Declaration of Human Rights" and the "Declaration on the Protection of Human Rights", the Company has defined the basic principles of employee management, working environment, and welfare benefits, and improved human rights management processes to ensure that the human rights of all employees and stakeholders are fully respected and protected.

CSCEC International insists on treating all employees equally, ensuring equal career development opportunities for all employees, and guarantees fairness in recruitment, employment, training, promotion, and compensation. The Company is committed to fostering a respectful and dignified workplace environment for all employees and maintains a zero-tolerance attitude towards any form of discrimination or harassment. It continuously raises employee awareness of anti-discrimination and anti-harassment by incorporating related mandatory courses into various training programs, including annual induction for new graduate hires and routine recruitment management orientations.

The Company has established accessible channels for reporting human rights-related incidents, establishing dedicated reporting channels, including hotline and email. Upon receiving a report,

it immediately initiates an investigation and commits to strictly protecting the confidentiality of whistleblowers. During the reporting period, no complaints regarding child labor, forced labor, human trafficking, discrimination, or harassment were received from any of CSCEC International's operational regions.

The Company strictly adheres to labor regulations, ensuring the legitimate rights and interests of employees. All employees are currently members of labor unions, achieving full (100%) labor union membership. The Company has fully implemented a collective negotiation system, with full coverage (100%) of collective labor contracts signed with employee representatives. During the reporting period, the labor union of CSCEC-TAISEI was awarded the title of "Home of Chinese Workers".



Reporting Hotline

010-86496083

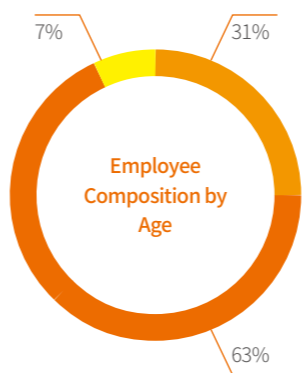


Reporting Email

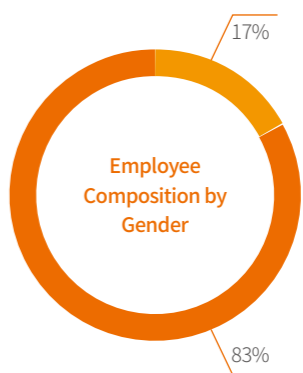
hr_csci@cscec.com

Diversity

As of the end of 2024, CSCEC International had 1,714 employees, of which 17% were female, 18% were foreign employees, 28% were minority employees, and there are eight employees with disabilities.



- Percentage of Employees Over 50
- Percentage of Employees Under 30
- Percentage of Employees Aged 30-50



- Percentage of Female Employees
- Percentage of Male Employees

Employee Communication

CSCEC International has established a comprehensive employee communication mechanism, ensuring that employee concerns are expressed through diverse channels. In daily management, employees can directly raise workplace or personal concerns to the human resources department and receive timely responses and solutions. The Company also adheres to democratic management, holding regular employee representative conferences. In 2024, the Company held its Fourth Employee Representative Conference of the 1st Session, reviewing and approving reports on proposal implementation and collection, labor union work, work safety, employee training, and social security contributions.

The Company regularly conducts employee engagement and satisfaction surveys. Through interviews and questionnaires, it deeply understands employees' feedback on work environment, management style, job content, and compensation and benefits, identifying and addressing employee concerns in a timely manner. In 2024, the Company conducted a comprehensive employee satisfaction survey covering four dimensions of work atmosphere, work environment, job content, and overall satisfaction. A total of 1,251 valid questionnaires were collected, with 97.92% of employees expressing satisfaction with their overall work experience.

CSCEC International Human Rights Commitment

CSCEC International has established a three-tiered ESG governance structure covering the governance level, executive management level, and execution level, ensuring that human rights protection principles are embedded across every level of the Company. At the same time, the Company strictly adheres to the "Universal Declaration of Human Rights", the "Labor Law of the People's Republic of China", and other relevant laws and regulations to protect employees' legitimate rights and interests.

- We adhere to the principle of fair employment, prohibiting discrimination against any employee or job applicant based on gender, age, race, religion, or other identities, and strictly forbid all forms of forced labor.
- We respect employees' freedom of association and their rights to organize and join labor unions, employee representative conferences, and other employee organizations in accordance with local laws and regulations, and we protect employees from retaliation, intimidation, or harassment for exercising these rights.
- We provide a safe working environment, conduct regular health and safety training, and ensure the physical well-being and safety of our employees.
- We encourage open communication between employees and management, establish effective labor-management consultation mechanisms, and respect and respond to employees' reasonable demands.
- We focus on disadvantaged groups in recruitment and promotion, striving to eliminate workplace inequalities.
- We require suppliers to comply with relevant human rights standards and ensure that human rights are respected throughout the supply chain through supply chain management.
- We have established a fair and effective complaint mechanism to promptly investigate and address human rights issues raised by employees.
- We continuously improve human rights protection measures, regularly publish social responsibility reports, and openly share the Company's progress and achievements in human rights protection, accepting public oversight.

Employee Satisfaction Survey Methods and Contents

Interview

The interviews are conducted by the Human Resources Department in the form of one-on-one or group discussions to gain an in-depth understanding of employees' personal feelings, opinions, and suggestions. The interview results are used to identify key issues and potential risk points faced by employees, providing a basis for formulating improvement measures.

Questionnaire

The survey collects data through a standardized questionnaire, covering core drivers such as career development, diversity and inclusion, work tasks, life balance, and learning and development. Through statistical analysis, it helps companies understand the overall trend and distribution of employee satisfaction.

CSCEC International, with its core corporate culture of "Harmony & Cooperation", upholds the principles of openness and inclusiveness. It promotes multicultural fusion through diverse cross-cultural communication activities, including language training programs, talent competitions, and traditional

festival celebrations. These initiatives effectively build bridges of understanding among employees of different nationalities and cultural backgrounds, fostering consensus through respect for differences and creating value through cultural exchange.

The 3rd "Harmony & Cooperation" Foreign Language Talent Competition-China-Thailand Employee Choir Performance



Latin America Company Dragon Boat Festival Activity



North Africa Company Participates in CSCEC International's 3rd Global Fun Run



Talent Attraction and Cultivation

Employee Recruitment

CSCEC International adopts diverse recruitment channels to attract top talent, injecting vitality into the Company's high-quality development. In 2024, the Company launched the "Builders of the World" campus recruitment campaign, recruiting for five major categories of positions including housing construction, infrastructure, and smart management. Recruitment seminars were held in over 20 cities across the country to actively attract young graduates. Furthermore, the company conducts continuous social recruitment through open and competitive selection processes to attract professionals with global expertise. At the same time, the Company uses the standardized internal talent evaluation criteria to carry out internal recruitment and job transfers, ensuring that every employee can maximize their potential in the most suitable position.

Poster for the 2025 "Builders of the World" Campus Recruitment Campaign by CSCEC International



Employee Training

CSCEC International has built a comprehensive platform to empower employees' career growth. Combining offline programs with online learning platforms, the Company designs specialized training for employees, offering systematic courses and practical opportunities to comprehensively improve

employees' competencies and capabilities, better adapting them to international engineering environments. The Company also relies on an online analytics platform to manage the full training cycle and measure performance outcomes, ensuring that the effectiveness of professional training is fully realized.

Employee Training Direction

Theoretical and Cognitive Training

Leadership and execution capabilities

Guide employees to grasp the political situation, economic trends and industry trends, focus on core responsibilities and business priorities, develop a deep understanding of scientific principles, and encourage the exploration of innovative thinking and methods.

Professional Skills Training

Comprehensive Professional Capability

Closely combined with the requirements of entity and integrated transformation and development, the Company focus on cultivating employees' multidisciplinary capabilities in engineering, marketing, finance, negotiation, and contract management.

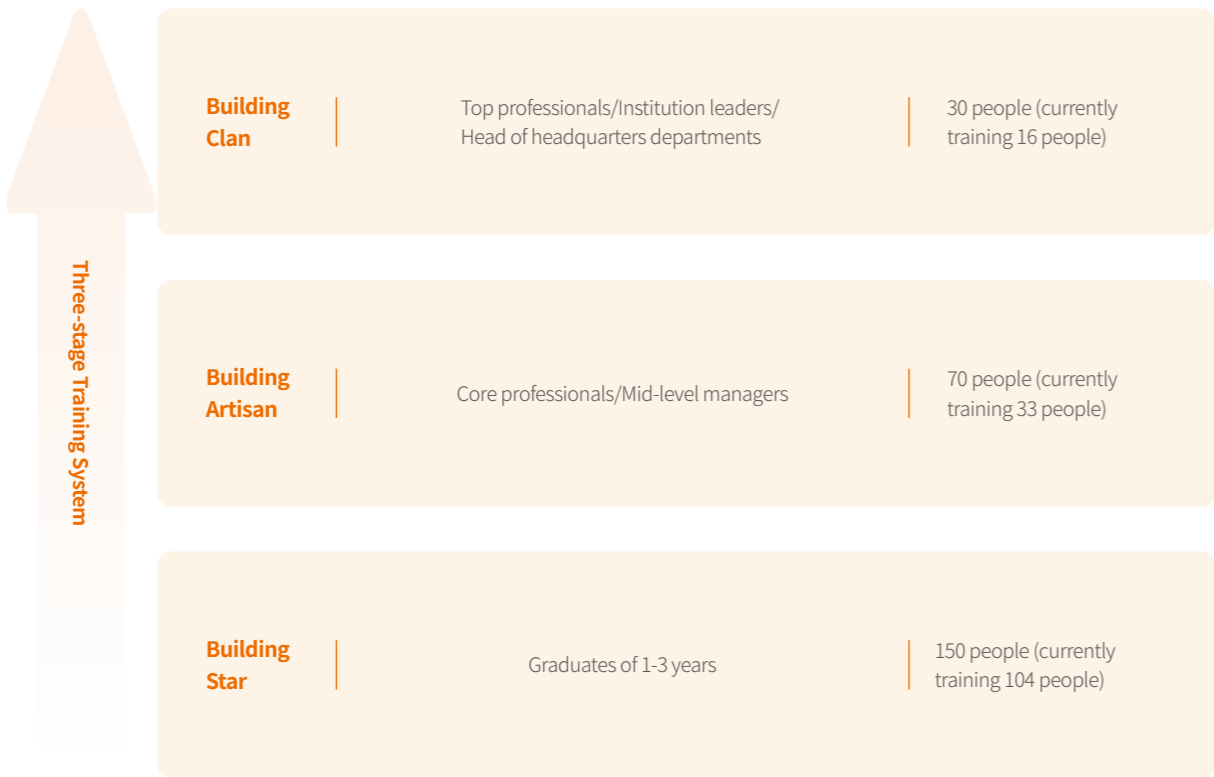
International Vision Training

Global Vision and Strategic Awareness

Guide employees to deeply understand the development trend of international engineering under the new situation.

Based on the diverse needs of managers throughout their career lifecycle, the Company has established a three-tier training framework—"Building Stars", "Building Artisan" and "Building Clan". This system comprehensively enhances the theoretical knowledge and professional competence of young managers. In line with the

Company's strategic needs, this system continuously cultivates talent for the Company's evolving development stages through diverse training and practical activities, including education and training, job rotations, mentoring, and research projects.



Case

"Mentorship" Model Helps Train Talent for "China-Thailand High-Speed Rail Project"



The "China-Thailand High-Speed Rail Project" has implemented a "Mentorship" talent training mechanism, effectively promoting the capacity improvement of local employees and cross-cultural integration. On the China-Thailand High-Speed Rail Project, Thai national employee Siriyot and the project's production manager Gao Liang have established an effective mentorship exchange model. Gao Liang carefully mapped out Siriyot's development path, guiding him to familiarize himself with the work environment

on the construction site and learn key project management points and professional construction knowledge. Under Gao Liang's guidance, Siriyot has become proficient in efficiently completing various work reports and accurately managing key processes such as material acceptance and construction sequences. He has achieved comprehensive progress from basic skills to integrated management, providing a replicable talent development model for "Belt and Road" infrastructure construction projects.

In response to the characteristics of the Company's international operations, it has launched a bilingual office platform and conducted in-depth research on the labor markets and employment policies of key countries. The Company has compiled localization management manuals, significantly enhancing the local management capabilities of staff in

overseas institutions. Through initiatives such as "one-on-one" mentorship and exchange programs that bring foreign employees to China, it has established two-way cross-cultural communication mechanisms, effectively fostering cultural integration and fostering stronger employee engagement.

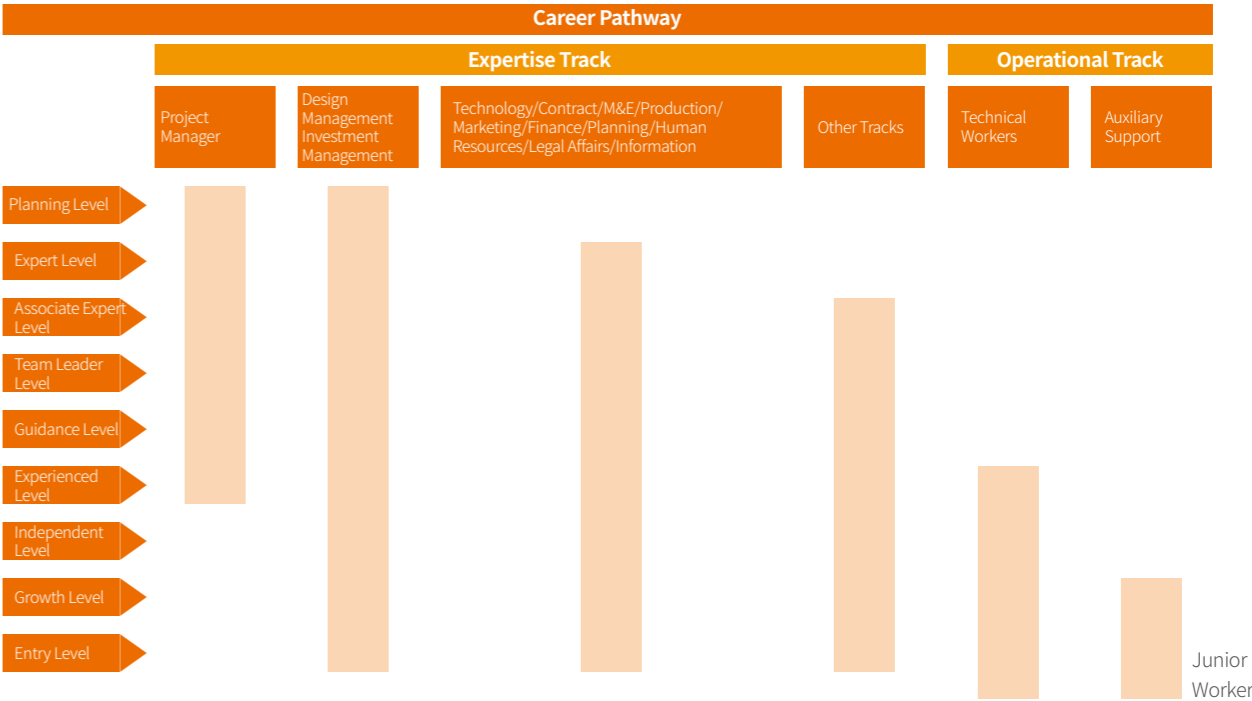
Career Development

CSCEC International places great importance on the overall development of employees. Through a comprehensive training system and transparent career growth plans, the Company supports each employee's long-term professional growth, ensuring that every employee can thrive in a role that best fits their strengths and grow together with the Company.

The Company actively promotes the construction of a "Physical, Integrated, and Localized" talent system, comprehensively enhancing talent assurance capabilities. The Company is dedicated to developing a global talent cultivation and management system, continuously improving employees' global competence, and constantly improving the mechanisms for recruiting and managing foreign talent and strengthening the reserve of high-end localized professionals. Additionally, the Company is committed to creating a "Global Home" culture that promotes coordinated development across domestic and overseas operations. Through humanistic care, the Company addresses the practical needs of expatriate

employees and effectively motivates them to engage in overseas work with enthusiasm and creativity.

The Company adheres to the principle of "Internal and External Competition, Internal Priority", promoting smooth internal talent mobility. The Company has developed the Plan for Joint Venture Team Establishment and Talent Support Evaluation & Incentives for Overseas Key Projects, organizing internal competitions to quickly respond to talent needs in overseas institutions. In terms of cultivating international talent, the Company continuously enhances the overseas readiness of domestic employees, including their foundational overseas business capabilities and foreign language skills. It regularly conducts training sessions such as foundational overseas business capability enhancement programs, business English courses, and "Post-Assignment Sharing" sessions to lay a foundation for employees' adaptation to overseas assignments.



Case

An Exemplary Model of Collaborative Talent Development: The Journey to Becoming an Overseas Business Backbone



Song Guang'an, a project manager from Asia Pacific Company, was first dispatched for overseas work in 2023. Facing challenges such as language barriers and standard differences, he achieved rapid growth in a cross-cultural environment, relying on the international development platform and system support provided by the Company.

Additionally, by strengthening communication in the local language, thoroughly studying local technical standards, and implementing a localized management model, he effectively improved project management efficiency and created a replicable collaborative development path for more employees to participate in overseas business.

Compensation and Benefits

Compensation and Incentives

CSCEC International has always adhered to the salary management philosophy of "performance-, value-, and contribution-orientation" and continuously refines its compensation and performance management system. It provides employees with a well-structured, fair, and competitive compensation and incentive system.

In compensation management, the Company has established the CSCEC International Salary Management Regulations and localized compensation systems for regional and country-level subsidiaries, ensuring that compensation management measures align with the actual conditions of each operating region. The Company guarantees that salary distribution has nothing to do with gender, age, ethnicity and other factors, ensuring fairness and equality in pay distribution. The Company's salary system is divided into fixed salary and floating salary. Fixed pay is determined by position, while variable pay is adjusted based on performance and contribution. The Company is committed to ensuring that employees' living wages meet local living standards, ensuring that every employee receives fair and reasonable pay that meets their and their families' basic needs, thereby enhancing employees' well-being and quality of life.



In performance management, the Company has established the CSCEC International Headquarters Performance Management Policy and the detailed implementation guidelines for regional and country-level entities to ensure the systematic and transparent performance appraisal. The Company employs both individual and

team-based performance appraisal, with performance appraisal cycles conducted semiannually or annually. Clear, measurable objectives are set to assess both individual and departmental performance at each level. Additionally, the Company incorporates compliance and business ethics into employee performance evaluations in the performance evaluation, reinforcing employees' sense of responsibility and fostering a corporate culture of integrity and compliance.

The Company implements hierarchical management and has established a multi-tiered and multi-dimensional compensation system covering basic salary, performance bonus and medium- and long-term incentives based on job value, ability level and performance contribution, in order to improve the salary competitiveness of key core talents and build a reasonable salary distribution system. Senior executives are evaluated under a three-year performance assessment cycle, and on this basis, they are broken down and evaluated in alignment with annual goals to constantly stimulate their enthusiasm.

The Company provides all employees with reasonable and competitive compensation that meets their living needs, thereby safeguarding their quality of life and motivating their work engagement. In 2024, the Company conducted a living wage survey, and the results showed that the minimum wage for all active employees was approximately three times the statutory minimum.

Compensation Structure

Base Salary		Bonus	
	● Annual Salary		● Performance Bonus
	● Position Salary		● Special Award
	● Ranking Salary		● Term Incentive Bonus
	● Performance Salary		● Technology Award
			● Project Cashing Award

Welfare and Benefits

CSCEC International provides a wide range of benefits and allowances tailored to employees' work conditions and personal needs. These benefits include, but are not limited to, transportation subsidies, communication subsidies, office subsidies, lunch subsidies, relocation allowances, regional allowances, temporary working allowances, on-site allowances, maternity allowances, high-temperature allowances, travel allowances, annual holiday condolence allowances, employee condolences, etc.

On the safeguarding front, in addition to providing comprehensive and diversified insurance programs, the Company also offers basic benefits such as staff canteens and health check-ups. In terms of leave, beyond statutory holidays, the Company provides paid leave, marriage leave, maternity leave, paternity leave, parental

leave, and other diverse leave types. For overseas employees, the Company provides additional rest leave, overseas annual leave, and family leave. Moreover, flexible working hours are offered for pregnant and nursing employees, and the Company offers extended maternity leave to help employees achieve a better work-life balance.

Furthermore, following a people-oriented philosophy of care, the Company implements multiple workplace care initiatives, including heat prevention and cooling measures during summer, daily exercise, annual wellness retreats, and quarterly team-building activities, as well as convenient services such as medical consultation and door-to-door prescription.

Safety Foundation for a Century

CSCEC International considers occupational health and safety as a core management element in global operations, establishing a comprehensive safety management system covering all operating countries. The Company strictly follows international standards and local regulations, improving its occupational health and safety management system, strengthening graded risk control as well as hazard identification and management, ensuring the long-term operation of work safety. Through regular safety training and emergency drills, the Company enhances the safety awareness of all employees and their ability to respond to emergencies, fostering the deep-rooted development of a safety culture. At the same time, the Company optimizes occupational health protection measures, focuses on employees' physical and mental health, and strengthens public safety management, creating a safe and healthy working environment for its employees.

Occupational Health and Safety Management System

Occupational Health and Safety Management Framework

CSCEC International complies with domestic laws and regulations, including the "People's Republic of China Law on Work Safety" and the "People's Republic of China Law on Prevention and Control of Occupational Diseases", and implements national initiatives such as the "Healthy China 2030 Plan", the "Specifications for Prevention and Control of Occupational Hazards in the Construction Industry" and the "Technical Specifications for Prevention and Control of Occupational Hazards in Construction Enterprises".

The Company has established a comprehensive occupational health and safety management framework, with the production safety committee, chaired by the Chairman, who serves as the primary person accountable for safety, serving as the highest management body for occupational health and safety. It is responsible for overseeing, coordinating, supervising, and ensuring implementation of the Company's occupational health and safety management, reviewing management systems, plans, and targets, and resolving major safety issues in production safety work. The Production Safety Committee operates a dedicated Safety Office responsible for executing specific safety initiatives. Each branch and project of the Company has established dedicated occupational health and safety management units to ensure that safety responsibilities are passed down and fully implemented at all levels.

At the institutional level, the Company establishes end-to-end safety specifications in accordance with legal and regulatory requirements, developing management systems that cover safety responsibility allocation, operational procedures, hazard identification,

emergency response, and other aspects, defining clear safety responsibilities and work standards for every position. Additionally, the Company sets annual safety production management goals based on actual situations, ensuring all safety measures comply with legal requirements and are effectively implemented. Through continuous improvement, the Company strives to raise the overall standard of safety management.

During the reporting period, CSCEC International achieved full (100%) certification coverage under the ISO 45001 Occupational Health and Safety Management System and recorded zero major or above-level construction safety incidents.



Occupational Health and Safety Management Commitment

CSCEC International has issued the CSCEC International Commitment to Continuous Improvement of Occupational Health and Safety. It strictly implements the full-employee responsibility system for workplace safety, comprehensively safeguarding employees' lives, health, and occupational safety from multiple dimension.



CSCEC International's Continuous Improvement in Occupational Health and Safety



- We establish occupational health and safety performance assessment indicators, regularly review the progress of occupational health and safety work, collect employee feedback, and enhance the effectiveness of occupational health and safety management.
- We annually update and refine the occupational health and safety management system to ensure it remains aligned with the Company's development status.
- We conduct occupational health and safety risk identification, proactively identifying unsafe work practices and operations to ensure the effective implementation of policies.
- We organize occupational health and safety system training to ensure all employees, subcontractors, and suppliers fully understand and comply with our occupational health and safety requirements.
- We ensure that all employees and contractors receive training and possess the technical knowledge, skills, and personal protective equipment necessary to safely perform all job activities before commencing work.
- We require subcontractors and suppliers to adhere to the same occupational health and safety requirements.
- We regularly collect information on occupational health and safety incidents, identify the root causes of accidents for learning, improvement, and sharing purposes, and prevent recurrence of similar incidents.
- We provide psychological support and counseling for employees in areas affected by terrorism, armed conflict, or war, focusing on their psychological health and overall well-being.

Safety Culture Construction

CSCEC International upholds the safety philosophy of "Safety for All at CSCEC", making safety awareness training a core component of the Company's development strategy. The Company has established a comprehensive, multi-tiered safety culture development system. Based on regional business characteristics and risk profiles, the Company has created an integrated training framework combining theoretical, practical, and specialized programs. The Company comprehensively strengthens employees'

safety readiness and emergency response capabilities by regularly organizing intensive safety skills training and emergency simulation exercises. Furthermore, to deepen the fostering of a safety culture, the Company conducts diverse safety-themed campaigns that actively involve employees in safety management, fostering a culture where "safety is everyone's priority, and emergency response is a universal capability".

Safety Risk Inspection and Emergency Management

Safety Risk Inspection

CSCEC International has established a systematic dual-prevention mechanism integrating risk classification with hazard identification and control. For identified major safety hazards, the Company implements a tiered early warning management system. Process control is strengthened through measures such as listing items in the risk register, assessment notifications, and issuing rectification notices. Warnings are lifted only after corrective actions are verified and approved. The Company continues to strengthen special governance and emergency response capacity in high-risk areas, ensuring that safety production conditions are continuously met through regular safety inspections and dynamic monitoring.

During the reporting period, the Company rectified 17,997 safety hazards, including 47 classified as major risks, achieving a 100% rectification rate. This effectively ensured that safety risks across global operations remained under control.

Safety and Emergency Management

CSCEC International has established a multi-level, rapid-response emergency management system for production safety incidents, implementing a three-tier emergency response mechanism. The Company's principal leader is responsible for the first-tier emergency response to major and above accidents. The main person in charge of the branch is responsible for the second-tier responses to significant incidents and the first person in charge of the project department is responsible for third-tier responses to general incidents. The production safety committee and the emergency leadership group are responsible for unified command and coordination. The emergency working group executes specific rescue tasks, ensuring rapid and effective response to emergency incidents.

CSCEC International implements a standardized and efficient "dual-reporting" mechanism and an emergency response mechanism for production safety accidents. The Company maintains a dual accountability system shared between the General Manager and the Safety Director to ensure the timely and accurate reporting of accident information. Upon the occurrence of an accident, the on-site responsible person must immediately report to both the branch

leader and the Safety Director, providing essential information on the accident overview and casualties. The person in charge of the branch and the safety director must submit reports to the Company's headquarters and the Group within designated timeframes.

At the same time, the Company promptly initiates the corresponding emergency response plan. During the emergency response phase, the Company quickly activates the emergency response procedures, with the emergency leadership group coordinating on-site rescue and treatment efforts, information reporting, and accident control. The aftermath handling group simultaneously manages the resettlement and compensation of the casualties. After the accident is handled, the Company will organize a comprehensive investigation and systematic evaluation, thoroughly analyzing root causes and summarizing lessons learned for continuous improvement. This allows for continuous improvement of emergency plans, driving the ongoing optimization and upgrading of the emergency management mechanism and dynamically enhancing the level of safety management.

CSCEC International Safety Incident Handling Procedure



Occupational Health

CSCEC International integrates occupational health risk identification into the overall safety management framework. The Company strictly follows relevant management standards, providing employees with certified occupational protective equipment, ensuring that all equipment performance aligns with job-specific risk levels, and providing effective training on the correct use of protective equipment. In addition, the Company

provides regular health examinations and supplementary medical insurance for employees, among other diversified occupational health protection measures. Through, the Company has established a comprehensive global occupational health protection system for employees. During the reporting period, the Company achieved 100% coverage for occupational health examinations.

Public Safety

CSCEC International attaches great importance to public safety and employee health management in overseas operations. It has established an Emergency Management Committee responsible for supervising public safety across overseas operations. The Emergency Management Committee has developed a comprehensive prevention and control system tailored to country-specific safety environments and issued the 2024 Key Points on Overseas Public Safety Management of CSCEC International, defining responsibilities and preventive measures at all levels. The Company has established a dynamic risk assessment mechanism, continuously monitors political and social security conditions at project locations and implements tiered prevention and control strategies. Additionally, the Company collaborates with local governments, communities, and specialized security agencies to establish joint prevention and control mechanisms, strengthening safety patrols and emergency response capacity. In terms of personnel protection, the Company provides systematic safety training and emergency drills for overseas employees to enhance

their awareness of public safety risks and their ability to respond to emergencies. During the reporting period, the Company issued 12 editions of the Overseas Country Risk Alert on Public Safety and organized two training sessions, including thematic public security training and post-deployment practical exercises.

The Company consistently prioritizes employee safety, particularly in overseas assignments. A comprehensive public safety risk management framework has been established to ensure prompt and effective employee protection in the event of public safety emergencies. In October 2024, the Company's construction technical team for the Lebanese National Higher Conservatory of Music project, under the unified leadership and command of the Chinese Embassy in Lebanon, meticulously organized and coordinated the evacuation of two separate groups, involving approximately 200 individuals, ensuring the safety of employees and nearby residents.

Value Co-creation

Value-chain partners serve as key collaborators in advancing the Company's sustainable development. In its supply chain management, CSCEC International has established a standardized system for collaborating with suppliers to advance sustainable development. In customer management, the Company focuses on needs and builds trust through high-quality service, jointly fostering a resilient and value-driven ecosystem.

Supply Chain Management

Supply-Chain Management Framework

CSCEC International has developed a series of management systems and standards to continuously enhance its supply-chain management framework, based on CSCEC's Sustainable Development Procurement Policy, Supplier Code of Conduct, and other supply chain management requirements. These include the Procurement Management Handbook, the CSCEC International Sustainable Procurement Commitment, the CSCEC International Supplier Code of Conduct, the CSCEC International Supply Chain Audit and Evaluation Plan, the CSCEC International Green Supply Chain Management Guidelines (Interim), and the CSCEC International Compliance Management Regulations (Trial).

The Company actively promotes the standardization and institutionalization of its procurement management system. Given the Company's integrated domestic and international development, it has developed the Procurement Management Handbook and Import & Export Management Handbook, complemented by standardized bidding documents and subcontract templates, to provide standardized procedures for critical procurement processes.

The Company aligns with the supply chain management goals set by the Group and, based on its own situation, has established

independent supply-chain management targets. It continues to improve management processes, ensuring efficiency, collaboration, and resource optimization across all stages and continuously advancing the level of supply chain management. In 2024, CSCEC International exceeded the Group's targets for centralized procurement and cost control.

The Company implements diversified procurement-capacity training programs to enhance the overall competency and professionalism of procurement staff in supply chain management. Additionally, the Company conducts annual qualification assessments for employees in procurement and logistics-related positions, continuously improving evaluation criteria and review procedures for the procurement and logistics professional series to promote the continuous development of staff competence and professional excellence.

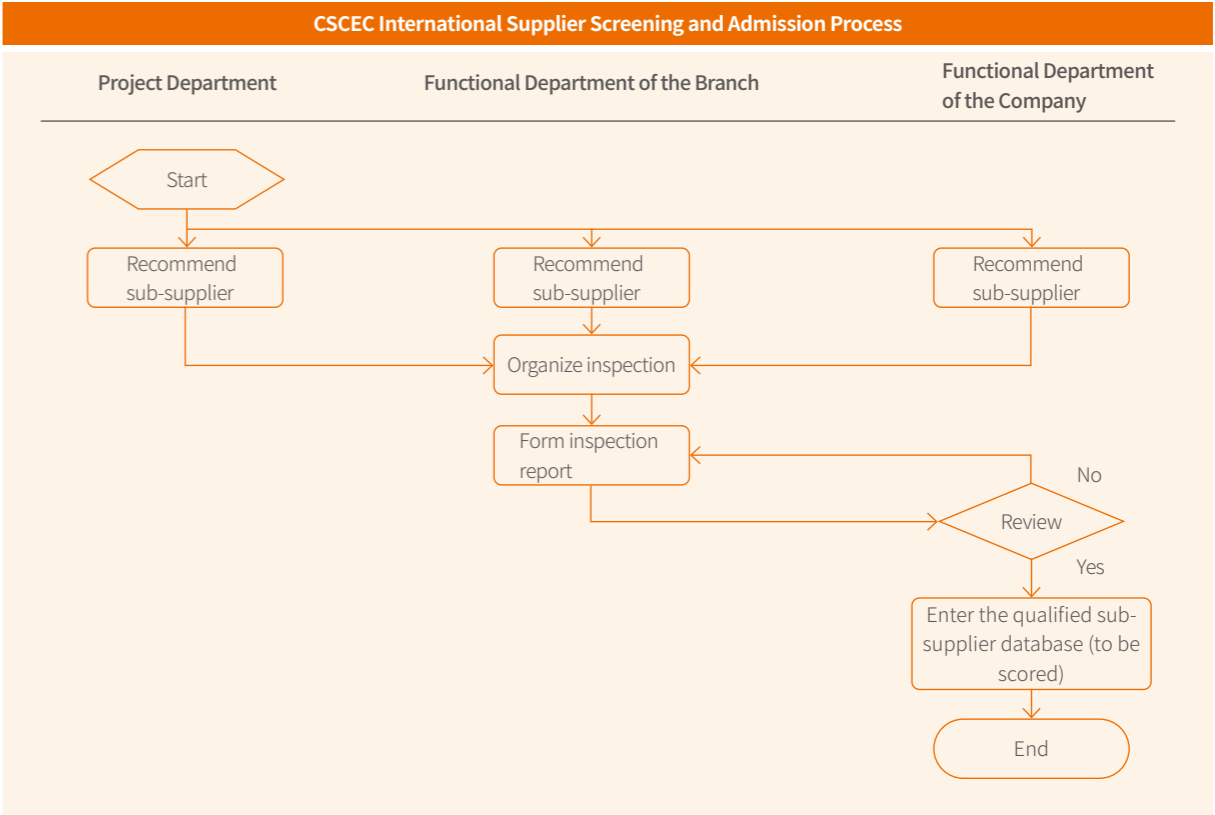
In terms of advancing industry progress, in 2025, CSCEC International became a founding member of the China Supplier ESG Rating Platform and actively promoted the advancement of sustainable procurement management in the industry.



Supplier Screening and Admission

CSCEC International is committed to building a green, transparent, and responsible supply chain system. For newly applying suppliers, the Company collects comprehensive supplier information via the Yunzhu Procurement System and conducts preliminary qualification reviews. Suppliers are evaluated comprehensively based on business scope,

cooperation history, product quality, market competitiveness, and potential ESG risks. Inspection and compliance review reports are prepared as the basis for approval. Suppliers are admitted to the qualified supplier database only after successful review and approval.



During the supplier screening and admission process, the Company requires all newly admitted suppliers to sign and comply with the CSCEC International Supplier Code of Conduct to ensure supplier practices align with the Company's ESG strategy. This code applies to all suppliers of CSCEC International and outlines core principles and minimum standards that both the Company and its

suppliers must follow, including respect for human rights and labor rights, environmental protection, and business ethics, to ensure responsible and efficient global collaboration. As of the end of 2024, all newly admitted suppliers had signed the Supplier Code of Conduct.

CSCEC International Supplier Code of Conduct	
Respect Human Rights and Labor Rights	<ul style="list-style-type: none">The Company strictly prohibits all forms of modern slavery, including human trafficking, forced labor, and child labor.The Company does not employ individuals under 16 years of age, except as permitted under specific national apprenticeship regulations.The Company protects young workers, ensuring they are not engaged in hazardous work or work that impedes their education, health, and overall development.The Company ensures that all labor is voluntary, prohibits forced labor, and upholds employees' right to freely terminate employment.The Company pays wages not lower than the statutory minimum and ensures fair compensation for overtime work, and respects employees' rights to rest and vacation.The Company maintains a workplace free from discrimination and harassment based on gender, ethnicity, religion, sexual orientation, disability, or any other status.
Health and Safety	<ul style="list-style-type: none">The Company provides a safe and healthy workplace and implements preventive measures against occupational injuries and illnesses, and ensures the health and safety of employees.
Environmental Protection	<ul style="list-style-type: none">The Company adopts environmental protection measures to minimize environmental impact, including but not limited to emission reduction, resource recycling, and proper waste management.
Anti-Corruption and Ethical Transactions	<ul style="list-style-type: none">The Company adheres to business integrity principles and strictly prohibits all forms of bribery and corruption.

Supplier Evaluation and Development

The Company has established and implemented the CSCEC International Supply Chain Audit and Evaluation Plan to advance the supplier evaluation and tiered management process. The Company continuously monitors supplier performance, with project departments responsible for dynamic evaluations of cooperative sub-suppliers, and the Company and branches of the Company responsible for annual evaluations and tiering of sub-suppliers. The Company evaluates suppliers based on key criteria such as process performance, construction quality, safety and environmental compliance, business ethics, and service cooperation. Based on the evaluation results, the Company implements a tiered supplier management system, selecting outstanding suppliers from the qualified list. Suppliers with non-conforming evaluations will have their cooperation suspended or terminated, motivating supplier partners to

continuously improve and ensuring supply chain quality and resilience.

To continuously promote the capability enhancement of supplier partners, the Company provides industry best practices and tailored improvement recommendations based on evaluation outcomes. It uses benchmarking scorecards and provides multiple reference frameworks for improvement, reports and tracks supplier progress to ensure corrective actions are effectively implemented. The Company also encourages suppliers to participate in sustainability training, including courses on policies, practices, and reporting, continuously improving their sustainable development capabilities and fostering mutually beneficial partnerships.

Number of Cooperative Sub-suppliers by Specialty				2024
Total	Material and Equipment Suppliers	Labor and Professional Subcontractors	Survey and Design Subcontractors	
2,703	1,563	1,053	87	

Number of Cooperative Sub-Suppliers by Region		2024
Overseas	Domestic	
949	1,754	

Sub-Supplier Evaluation Status			2024
Non-conforming Sub-suppliers	Outstanding Sub-suppliers	Conforming Sub-suppliers	
11	2,658	2,703	

Sustainable Procurement

CSCEC International publicly releases the CSCEC International Sustainable Procurement Commitment, which commits to integrating sustainability criteria into supplier management, procurement decisions, and product and service selection. The Company considers the suppliers' performance in environmental responsibility, social responsibility, and business ethics, prioritizing suppliers with proven commitment to sustainability. The Company commits to reviewing this commitment at least once every three years to ensure that it always aligns with the latest international standards and best practices.

CSCEC International has also developed the CSCEC International Green Supply Chain Management Guidelines (Interim) and established stringent screening standards for green suppliers. The Company provides preferential incentives for qualified green suppliers and certified green products, giving them preferential treatment during the bidding process. Additionally, when procuring major materials and equipment, the Company has increased the weighting of green product and environmental label certifications in the bid evaluation criteria of bidding documents to support the development and adoption of green and low-carbon products.

Green Supplier Screening Criteria	
Green Suppliers' Basic Conditions	<ul style="list-style-type: none">• Holds valid certifications under the quality management system (ISO9001), environmental management system (ISO14001), occupational health and safety management system (ISO45001), energy management system (ISO50001).• Rated as an environmental integrity enterprise or an environmental good enterprise by the environmental protection department within three years, according to the relevant provisions of the "Enterprise Environmental Credit Evaluation Measures (Trial)" issued by the Ministry of Environmental Protection, the National Development and Reform Commission, the People's Bank of China, and the China Banking Regulatory Commission, and local regulations on the management of corporate environmental credit evaluation.• The technology used is listed in the encouraged category of the "Guidelines for Industrial Structure Adjustment" issued by the National Development and Reform Commission.• Voluntarily undergoes cleaner production audits and passes related assessments and verifications.• The products produced have obtained the China Environmental Labeling, Green Building Materials Products, China Energy Saving Products, Comprehensive Utilization Product Certification or the environmental protection, energy saving, low carbon and remanufactured product certification under the international mutual recognition mechanism arrangement.
Green Supplier Preferential Policy	<ul style="list-style-type: none">• No bidding security required.• The performance bond is reduced by half, as specifically agreed upon in the performance contract.• Have priority to win the bid under the equivalent quality and price conditions.
Priority Procurement for Green Products	<ul style="list-style-type: none">• Products that have obtained national environmental label certification, energy efficiency label certification, comprehensive utilization product certification, low-carbon product certification, green product certification, and green building materials product certification, as well as environmentally friendly, energy-saving, low-carbon and remanufactured products under the APEC environmental inventory products and international mutual recognition mechanism arrangements.• Materials that meet environmental protection standards and energy-saving requirements, have various good properties such as low energy consumption, low pollution, non-toxicity, high resource utilization, and recyclability.• Provided that environmental, quality, and safety standards are met, priority is given to procuring and using renewable resources such as scrap steel, non-ferrous metals, plastics, waste paper, e-waste, tires, glass, and textiles as raw materials.

Customer Management

Customer Service System

CSCEC International adheres to a customer-centric philosophy and continuously enhances its service system. The Company conducts regular satisfaction surveys and implements end-to-end quality control to ensure high-quality products and an excellent delivery experience. Through visits, surveys, and other methods,

the Company gains in-depth insights into customer needs and fully responds to them throughout bidding, preparation, construction, and delivery, ensuring high-quality project delivery supported by comprehensive customer services.

Customer Satisfaction Surveys

To continuously improve customer service levels and service quality, CSCEC International regularly conducts customer satisfaction surveys. These surveys comprehensively assess key dimensions such as communication, responsiveness, project performance management, and subcontractor oversight. The results provide a solid foundation for strengthening quality management and improving customer service.

In 2024, the Company conducted a satisfaction surge and collected 70 valid questionnaires, achieving an overall satisfaction rate of 99% and reflecting a consistently high level of customer satisfaction. Moving forward, the Company will use the survey results to deepen follow-up engagement and continuous improvement, optimize communication channels, and strengthen the after-sales service system, thereby earning long-term customer trust through more professional and efficient services.

Customer Privacy Protection

CSCEC International places great emphasis on data security and the compliance of personal privacy protection. The Company has issued the CSCEC International Privacy Policy, which defines the channels for information collection, storage methods,

confidentiality measures, data transfer boundaries, and data subject rights. It rigorously safeguards the personal data and privacy of all stakeholders, including customers.

Quality Management

CSCEC International is committed to the "Belt and Road Initiative" and adheres to its mission of "Expanding a Happy Living Environment". The Company aims to build a China-originated brand with global influence, serving national strategies and supporting the Company's high-quality development objectives. While continuing to expand its global business footprint, the Company always upholds the "Quality First" management

philosophy, viewing engineering quality as a crucial manifestation of its core competitiveness. Through a robust quality management framework, rigorous standard implementation, scientific risk control, and a tiered training system, the Company continuously strengthens its construction foundation, enhancing project delivery quality and management efficiency.

Quality Management System Development

CSCEC International continuously enhances its quality management framework, and has established and strictly implemented a series of policy documents such as the CSCEC International Corporate Management Standards Quality Management Sub-manual, the CSCEC International Quality Bottom-line Management Standards, and the Engineering Quality Excellence Standardization Guidelines. These documents cover quality management requirements across the entire project lifecycle, reinforcing system implementation to ensure unified standards, controllable processes, and clearly defined responsibilities. At the same time, the Company continuously improved its overall quality management capability, with the Company and its operating regions achieving ISO 9001 Quality Management System certification and successfully passing the annual audits during the reporting period, reaching 100% coverage. During the reporting period, the Company recorded zero quality management accountability incidents.

During the reporting period, the Company promoted the signing of the Letter of Commitment on Engineering Quality Target Management across all subsidiaries and institutions, specifying quantitative quality appraisal indicators and clearly defining annual quality objectives.



CSCEC International Quality Management Goals

- | | |
|---|--|
| <ul style="list-style-type: none">• Eliminate quality liability incidents• Prevent quality-related adverse events and reputational risks | <ul style="list-style-type: none">• Ensure all projects meet contractual quality objectives• Ensure zero user complaints on quality following project completion and acceptance |
|---|--|

Quality Risk Control

CSCEC International places great importance on quality risk control and has established a quality risk identification, assessment, and mitigation mechanism covering headquarters and all subsidiary levels. The Company conducts annual major risk assessments that serve as the foundation for ongoing risk management throughout the year. For the key risks identified in the quality domain, the Company formulates targeted prevention and control plans that define responsible units, management actions, and implementation timelines to ensure that risk points are effectively controlled and managed through a closed-loop system. Additionally, by integrating quality risk prevention and control into end-to-end project lifecycle management, the Company continues to strengthen its adherence to the quality red-line principle, enhances risk response capabilities, and

provides a solid foundation for the high-quality development of engineering construction.

During the reporting period, the Company, under the theme of "Institutional Development and Capacity Enhancement Year", launched a comprehensive quality risk and hazard remediation initiative. This focusing on quality system development, physical engineering quality, process acceptance, documentation management, and quality excellence. Through a multi-tiered mechanism comprising self-inspections, penetration checks, and supervisory audits, the Company identified gaps in institutional quality management and implemented closed-loop rectification, effectively strengthening project quality control and institutional management capabilities.

Quality Training

CSCEC International regards quality training as a key driver for enhancing project management competence and mitigating quality risks. The Company continues to develop a multi-level, comprehensive quality training framework. The Company regularly organizes specialized quality training programs for

headquarters, regional offices, and frontline project teams. These training sessions cover topics such as standard interpretation, construction quality control, and results application, effectively enhancing employees' professional competence and quality management awareness at all levels

Key Quality Improvement Efforts

During the reporting period, CSCEC International fully enforced quality management responsibilities by facilitating the signing of the Letter of Commitment on Engineering Quality Target Management at all organizational levels, which clarified and reinforced management personnel's quality responsibilities across all levels, ensuring quality management accountability throughout the entire construction process. Additionally, the Company continues to enhance quality oversight through organizing risk and hazard rectification initiatives, focusing on risk identification and hazard rectification during construction. Specific action plans are formulated and implemented, ensuring effective supervision and inspection to comprehensively enhance engineering quality and management efficiency.

During the reporting period, the "Central Business District of The New Administrative Capital of Egypt Project" and the "Beijing Economic-Technological Development Area Xinchuang Park Phase I Project" received the "China Steel Structure Gold Award".

At the same time, the Company responded to CSCEC's "Good House" construction system, focusing on the core values of "Safe, Comfortable, Green, and Smart", and actively explored practical implementation pathways for the "Good House" model. Through thematic seminars, practical consultations, specialized training, and expert exchange sessions, the Company has optimized and finalized CSCEC International's "Good House" implementation framework.

Benefiting the World with Integrity

CSCEC International remains guided by goodwill, embedding social responsibility into its development genes. Through concrete actions, the Company translates goodwill into responsibility and care. From mutual aid in times of crisis to everyday acts of charity, love and responsibility transcend borders, empowering a brighter and more inclusive future.

Volunteering Actions

Volunteering Activities and Charitable Giving

CSCEC International integrates social responsibility into the Company's genes, actively giving back to society through various charitable activities and volunteer services. It has established several volunteer teams, including the "Harmony & Cooperation" Volunteer Service Team and the "Blue Cube" Volunteer Service Team. These teams leverage the Company's business strengths to

engage in numerous volunteer initiatives both domestically and abroad, such as charitable contributions and safety-awareness campaigns. In 2024, the Company's charitable contributions amounted to RMB 313,000, with 1,147 person-times of participants and totaling 6,040 volunteer hours.



Case

CSCEC International-"Building the New Era Together, Protecting the Future" 2024 National Left-behind Children Care and Protection Campaign



In August 2024, under the guidance of the Ministry of Civil Affairs of the People's Republic of China and the State-owned Assets Supervision and Administration Commission of the State Council, hosted by the Group and organized by CSCEC International, two sessions of the "Building the New Era Together, Protecting the Future" 2024 National Left-behind Children Care and Protection and the "Hundred Lectures Enter Construction Site" were held at the "Nanjing University Suzhou Campus (west campus) Project" and the "Alibaba Jiashan Yangtze River Delta Smart Computing Base Phase I Project". These events provided essential support and assistance to left-behind children and their families, raising social awareness and collective care to safeguard the healthy growth of rural left-behind children.





Case

North Africa Company-"Together We Sail" Volunteer Service Program



North Africa Company upholds the core principle of "United Across Borders, Volunteering Together", establishing a regular volunteer mechanism and conducting the "Together We Sail" program on an ongoing basis. This initiative provides heartfelt support to employees and their families. The "Together We Sail" volunteer service aims to assist Chinese

and Egyptian employees facing serious illnesses, organizing fundraising efforts and providing daily care assistance. Over 100 volunteers participated, contributing more than 100 volunteer hours, fully exemplifying the "Volunteer Spirit Without Borders".

Case

Urban Development Company-Group Blood Donation Campaign



In response to the Suzhou Blood Center's initiative for voluntary blood donation, and to help ensure the safety and sufficiency of clinical blood supplies, the labor union of Urban Development Company organized a a collective blood donation campaign on December 23, 2024. Employees of Urban Development Company actively participated, achieving 29 successful donations, totaling 8,500 milliliters of blood. Urban Development Company has organized several blood donation drives, achieving 38 successful donations in 2024, totaling 10,900 milliliters of blood.



Urban Development Company-Group Blood Donation Campaign


Case

The "China-Thailand High-Speed Rail Project"-Deepening Volunteer Engagement and Fostering Shared Community Value



The "China-Thailand High-Speed Rail Project" team actively engages in public welfare initiatives, establishing the "Building the Future Together with Harmony & Cooperation" Volunteer Service Team. It has has conducted diverse initiatives such as school visits, educational assistance, mangrove planting and conservation, community forums, and safe electricity awareness campaigns. These efforts aim to enhance the livelihoods of people along the rail corridor

and support local community development. The China-Thailand High-Speed Rail Project team's responsible actions foster a mutually beneficial relationship between engineering development and community well-being, exploring a sustainable development model where "Contract Fulfillment Aligns with Responsibility, and Engineering Coexists with Livelihood".



China-Thailand High-Speed Rail Project Volunteer Team-Educational Support Campaigns



Safe Electricity Awareness Campaign

Emergency Rescue

In the face of natural disasters, enterprises are not only key drivers of economic growth but also vital pillars supporting social stability and post-disaster recovery. CSCEC International consistently upholds a people-centered approach, actively responding to domestic and international rescue needs, engages in disaster relief and post-disaster reconstruction efforts, and taking real action to fulfill corporate social responsibility.

During emergency rescue efforts, the Company collaborates closely with governments and various sectors of society, organizes

emergency response teams that promptly deploy to affected areas to combat natural disasters, safeguarding people's lives and property. During post-disaster reconstruction, the Company continues to devote human, material, and financial resources, focusing on restoring infrastructure, reviving livelihoods, and enhancing community resilience. The Company helps disaster areas resume production and daily life through various methods, including donating materials and assisting in the construction of schools and hospitals.

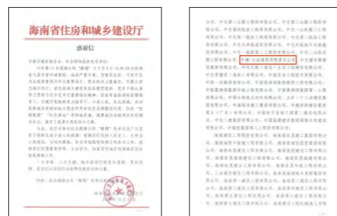
Case CSCEC-TAISEI-Active Participation in Typhoon Yagi Disaster Relief Operations



On September 9, 2024, the CSCEC-TAISEI "Blue Cube" volunteer service team, in response to the severe disaster caused by typhoon Yagi in Hainan, took swift action and arrived on-site promptly to carry out post-typhoon debris clearance. Over a three-day emergency response period, the team assisted in removing debris, highly praised CSCEC-

TAISEI for its proactive and courageous disaster relief actions. The disaster relief efforts of CSCEC-TAISEI were commended by the Hainan Provincial Department of Housing and Urban-Rural Development, which highly praised the CSCEC-TAISEI's courageous actions in stepping up and taking initiative.

CSCEC-TAISEI's Post-disaster Relief Efforts Received a Letter of Commendation from the Hainan Provincial Department of Housing and Urban-Rural Development



CSCEC-TAISEI-Participation in Typhoon Yagi Disaster Relief Operations



Community Development

Rural Revitalization

CSCEC International actively supports the national rural revitalization strategy and participates in Group-level rural revitalization initiatives. The Company engages in consumption-based poverty alleviation initiatives in designated poverty-

stricken counties such as Kang County, Kangle County, and Zhuoni County in Gansu Province, and Changting County in Fujian Province. In 2024, the Company spent RMB 524,800 purchasing agricultural products from designated counties.

Community Integration

While ensuring steady operation and development of its projects, CSCEC International actively aligns with the national "Common Prosperity" and "Belt and Road Initiative". The Company fulfills its social responsibilities by supporting local philanthropy and community progress, by respecting local cultures and customs, and working towards mutual growth and prosperity with the local

communities. The Company creates employment opportunities for local residents in its domestic and overseas projects and actively participates in and supports community development projects across education, healthcare, and other sectors. The Company also engages in cultural exchange activities, thereby contributing to inclusive community development.

Case Western & Central Africa Company – Lantern-themed Cultural Exchange Celebrating 60 Years of China–Congo Diplomatic Relations



In March 2024, to celebrate the 60th anniversary of diplomatic relations between China and Congo, Western & Central Africa Company's "Harmony & Cooperation" volunteer service team, in partnership with the Embassy of the People's Republic of China in the Democratic Republic of Congo, the Ministry of Culture, Arts and Heritage of the Democratic Republic of Congo, the Confucius Institute, and other Chinese enterprises operating in Congo, hosted a

lantern-themed cultural exchange event. Guests at the event shared the cultural significance and symbolic meaning of lanterns. The event also included activities such as lantern riddles and lantern-making, enabling guests to experience the charm of traditional Chinese lantern culture. The Ministry of Culture, Arts and Heritage of the Democratic Republic of Congo issued a congratulatory letter to CSCEC, recognizing the significance of this cultural exchange initiative.

Western & Central Africa Company – Lantern-themed Cultural Exchange Celebrating 60 Years of China–Congo Diplomatic Relations



Case West Asia Company-Children's Day Charity Event at "Nasiriyah International Airport Project"



In June 2024, volunteers from the "Nasiriyah International Airport Project" visited the al Tadamon First School welfare institute in Nasiriyah, Dhi Qar Governorate, to conduct a charitable event. The volunteers donated stationery, age-appropriate learning materials, and educational toy in Iraq.

West Asia Company-Children's Day Charity Event at "Nasiriyah International Airport Project"



Case Eastern & Southern Africa Company-"IKM Road Project": Community Integration and Shared Development



The IKM Road in Kenya spans 205 kilometers and is a key route in northern Kenya, playing a significant role in promoting economic development in the border regions of Kenya. The project team adheres to sustainable development principles, emphasizing community inclusion and shared growth, and is committed to creating long-term value for the local society.

In terms of local employment and talent development, the percentage of foreign employees in the project's management and labor force is 70% and 91%, respectively, greatly promoting local employment. The team implemented the "Luban Institute" vocational training program to provide comprehensive and systematic training for local employees and conducted a "mentorship" initiative pairing experienced Chinese employees with local trainees, effectively passing on technical skills and knowledge.

For community communication and engagement, the project established a community-based Grievance Redress Mechanism (GRM) within the local community. The mechanism consists of project representatives, supervision representatives, local government representatives, worker representatives, and community representatives, and meets quarterly to review and resolve community-related issues related to the project, providing an effective platform for dispute resolution. The project has also appointed community liaison officers and installed grievance collection boxes. Regular community needs assessments are conducted to ensure open communication channels with local residents, understand their real needs and expectations, and incorporate these into project planning and implementation, fostering mutual trust and achieving co-development with the local community.

CSCEC International Organized Community Resident Meetings



Case "National Road No. 1 of the Republic of the Congo Project"-Back-to-School Charity Campaign



In November 2024, CSCEC International organized a back-to-school charitable event at Boulankio Primary School along the "National Road No. 1 of the Republic of the Congo Project". The event included road safety awareness sessions to enhance students' understanding of traffic safety. The volunteers also distributed learning kits including backpacks, writing boards, chalk, pencils, sharpeners, and notebooks. This initiative provided local students with practical road safety education and learning materials, fostering constructive engagement with the local community and was warmly welcomed by the school staff and students.

"National Road No. 1 of the Republic of the Congo Project"-Back-to-School Charity Campaign



Robust Governance in Pace with the Times

Response to SDGs:



- ✓ Held **15** meetings of the Executive Committee of the Board (EC Board), reviewing **65** proposals to ensure efficient and well-informed decision-making
- ✓ Achieved ISO 37301 Compliance Management System certification and successfully passed the annual surveillance audit
- ✓ No major violations-including corruption, bribery, or unfair competition-were reported.
- ✓ Filed **54** new patent applications, secured **72** granted patents, and received **23** software copyrights.
- ✓ The Urban Development Company and CSCEC-TAISEI Green Intelligent Technology Co., Ltd. were recognized as National High-Tech Enterprises by relevant authorities

Masterful Governance for Foundation Consolidation

CSCEC International upholds the principle of "Efficient Operations and Governance First", strictly observing laws, regulations, and Group requirements to optimize its governance framework and build a robust and efficient corporate governance system.

Governance Framework

In accordance with the "Company Law of the People's Republic of China" and other relevant regulations, CSCEC International conducts management and overseas operations under its Articles of Association and internal rules, promoting standardized operations and governance efficiency.

The Company has established a corporate governance structure centered on the Board of Directors as the core decision-making body. The Board has formed an Executive Committee of the Board (EC Board) including non-director executives to enhance operational agility and oversight. The EC Board operates in accordance with the Rules of Procedure for the Executive Committee of CSCEC International. The EC Board acts within the legal powers and delegated authority of the Board of Directors, engaging in deliberation and decision-making to diversify perspectives, enhance efficiency, mitigate risks, and ensure compliant and effective execution.

The EC Board convenes at least four regular meetings annually and typically meets monthly as required. Meetings are held in person or via video conference, with a quorum of over half the members. Ad hoc meetings may be arranged for urgent matters. In 2024, the Company held 15 Executive Committee of the Board meetings and reviewed 65 proposals.

Under the leadership of the EC Board, senior management plays a vital role in strategic planning, operational execution, and management enhancement. Executives are accountable to the EC Board, responsible for implementing its resolutions, and reporting performance outcomes.

Board Diversity

CSCEC International continues to foster a diverse and well-balanced Board composition to ensure continuity, cultural alignment, and professional complementarity. Future appointments are merit-based, while fully embracing diversity in gender, age, ethnicity, cultural background, education, and professional background to broaden perspectives and enrich decision-making at the highest level.

As of end-2024, the Board of Directors comprised seven members. In addition, five non-director executives participated in EC Board deliberations to further strengthen the depth and rigor of decision-making.

General Manager Salary Management

CSCEC International follows a performance-, value-, and contribution-oriented remuneration philosophy and continues to refine its compensation system to align pay with results and long-term value creation. The General Manager's annual remuneration comprises fixed and variable components, with the variable portion tied to team performance and key operational indicators. Pursuant to the Supplementary Provisions on Remuneration

Management for Heads of Second-tier Subsidiaries, the Company implements malus and clawback mechanisms to ensure accountability and risk control. In cases of losses arising within the General Manager's scope of responsibility during the assessment period, performance-based remuneration and incentives may be partially or fully recovered, with any unpaid portions withheld.

Compliance with Boundary Discipline

Compliance Management

Compliance Management System Development

CSCEC International is committed to maintaining integrity and ethical conduct in all business operations. In line with international compliance standards - including the regulatory requirements of multilateral development banks - and in strict accordance with national laws and regulations such as the "Company Law of the People's Republic of China", the "Law on State-Owned Assets of Enterprises", the "Measures for Compliance Management of Central Enterprises", the "Measures for the Implementation of Responsibility for Violations of Central Enterprises' Operations and Investments (Trial)", and the "Guidelines for Compliance

Management of Overseas Operations for Enterprises", CSCEC International has established its Compliance Management Regulations, which require all headquarters and subsidiaries to strictly comply with domestic and international laws, regulations, regulatory requirements, industry standards, international treaties, and the Company's articles of association and rules and regulations in their operations and management, as well as in the performance of their duties. These regulations clearly define seven prohibitions, forming a solid institutional foundation for compliance management.

Seven prohibitions of the Compliance Management Regulations of CSCEC International	<ul style="list-style-type: none">Prohibit bribery
	<ul style="list-style-type: none">Prohibit all forms of corruption, fraud, collusion, coercion, obstruction, and other misconduct violating the standards of multilateral development banks such as the World Bank
	<ul style="list-style-type: none">Prohibit engaging in unfair competition, monopoly, and other practices that undermine fair market competition
	<ul style="list-style-type: none">Prohibit violations of anti-money laundering laws and regulations, and prohibit transactions with partners whose funds derive from illicit sources
	<ul style="list-style-type: none">Prohibit paying any form of facilitation payment
	<ul style="list-style-type: none">Prohibit failing to fulfill reporting obligations and abstention obligations when there is a conflict of interest with a counterparty
	<ul style="list-style-type: none">Prohibit disclosing state secrets and company secrets

The Company's compliance management system has been externally accredited with ISO 37301:2021 certification and successfully passed its annual surveillance audit.

CSCEC International Obtained ISO 37301:2021 Compliance Management System Certification



Compliance Management Structure

The Company has established a three-line defense framework for compliance management, ensuring coordination among all departments for compliant and stable operations.

In 2024, the Western & Central Africa Company resolutely implemented the annual management theme of "Improving Institutional Development Capabilities", adhered to the "Three-in-One" approach integrating rule of law, compliance, and risk management across overseas operations, based on the new goals, new requirements and new initiatives of compliance management of the Group and CSCEC International, combined with the business environment in the western and central Africa, improved the rule of law, compliance and risk management system with high standards, organized extensive compliance awareness campaigns and training sessions, establishing a strong "firewall" for the Company's high-quality development.

Western & Central Africa Company Carried Out Compliance System Publicity Activities




Three Lines of Compliance Defense

<p>Business and Functional Departments</p> <p>Assume primary responsibility for the compliance of the department's operational management as per regulations</p> <p>1</p>	<p>Second Line of Defense</p> <p>Guide, coordinate, and evaluate the compliance management work of the first line of defense as per regulation</p> <p>2</p>	<p>Compliance Management and Supervision Department</p> <p>Provide corrective suggestions on relevant issues within the scope of authority and pursue accountability for violations</p> <p>3</p>
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Tax Management

In its global operations, the Company strictly complies with the tax laws and regulations of each host country and region, following the fair principles of the OECD Transfer Pricing Guidelines, and fulfills its domestic and international reporting and tax obligations. The

Company publicly discloses its CSCEC Tax Commitment, approved by the Board of Directors, reaffirming its commitment to transparent and responsible tax governance.

	<p>CSCEC Tax Commitment</p>
	<ul style="list-style-type: none">• We comply with the tax laws of the countries where we operate and pay all taxes due in accordance with the legal system.
	<ul style="list-style-type: none">• We refrain from using artificial tax structures lacking commercial substance and ensure tax transparency in accordance with policy guidelines.
	<ul style="list-style-type: none">• We fulfill tax declaration obligations in accordance with tax laws and maintain transparent relations with relevant government departments.
	<ul style="list-style-type: none">• We apply the arm's-length principle for transfer pricing, refraining from creating or exploiting tax law differences, international tax system loopholes, or tax havens for avoidance purposes. We do not shift created value to low-tax jurisdictions.
	<ul style="list-style-type: none">• We adhere to the OECD Transfer Pricing Guidelines' fair principle and comply with the tax regulations of the host country for overseas related-party transactions.

Tax Administration Framework

CSCEC International strictly adheres to relevant regulations regarding CSCEC's overseas tax compliance management and has formulated and implemented the "CSCEC International Tax Management Regulations. The Group and the Company's tax management systems clearly define the establishment of tax management positions, the division of responsibilities, the assessment mechanism, and detailed key tax management matters, including tax registration, declaration, payment, and auditing, providing comprehensive institutional support for the Company's tax management work.

Tax Risk Management

CSCEC International proactively identifies, assesses, and manages tax risks to safeguard stable operations. The Company has established a tax planning and risk management mechanism, by seeking expert advice from professional tax consultants and determining tax planning solutions based on their formal recommendations.

The Company continuously monitors tax risks, regularly monitors changes in national tax legislation and internal systems relevant to daily operations. It comprehensively identifies and assesses tax risks and develops appropriate countermeasures to mitigate their impact on the Company.

To strengthen internal controls, standardize tax procedures, and prevent risks arising from internal errors or misconduct,

The Company has established tax management systems and standards, as well as a systematic process, structured by tax category to ensure standardized daily tax operations. In addition, the Company has established a dedicated Tax Expense Management Team to provide comprehensive guidance and consulting services across subsidiaries. Each subsidiary has appointed designated tax management personnel to ensure compliance with tax obligations and effective risk mitigation, providing strong support for the Company's stable operations.

the Company leverages a digital finance platform to monitor tax compliance in real time, enhancing reporting efficiency and management transparency.

The Company regularly delivers tax and compliance training to employees, in collaboration with professional organizations such as law firms, consulting firms, and training institutions to ensure that employees maintain the latest tax knowledge and operational standards.

During the reporting period, the Company and its subsidiaries recorded no significant tax violation.

Business Ethics and Anti-Corruption

Business Ethics

CSCEC International consistently upholds lawful operations and integrity, establishing a robust integrity and compliance management framework. The Company has formulated and implemented systems such as the CSCEC International Compliance Management Regulations and the CSCEC International Anti-Bribery and Corruption Implementation Rules, continuously enhancing business ethics among employees. The Company maintains zero tolerance for all forms of bribery, extortion, fraud, money laundering, monopoly, and unfair

competition, resolutely eliminating such behavior. The Company continuously enhances its integrity governance, compliance oversight, and risk prevention capabilities.

During the reporting period, the Company recorded no major violations, penalties, or fines related to corruption, bribery, unfair competition, conflicts of interest, money laundering, or insider trading.

Anti-Corruption Management

CSCEC International continues to strengthen and refine its anti-corruption compliance framework. The Company enforces relevant regulations, including the CSCEC International Anti-Bribery and Corruption Implementation Rules and the CSCEC International Compliance Management Regulations, to ensure sound and sustainable corporate development. In 2024, the Company refined and executed its compliance review mechanism, focusing on risk areas including project bidding, procurement, external donations, business partners, and financial payments management.

The Company provides employees with detailed preventive guidance and integrity standards through training. Compliance and integrity are closely embedded into performance evaluations to prevent any form of corruption or bribery. Any employee found to have violated these rules and engaged in corruption or bribery will face disciplinary action, and severe cases will be referred for legal proceedings.

CSCEC International Anti-corruption Commitment	
Corruption	<ul style="list-style-type: none">We firmly oppose all forms of corruption and prohibit employees and business partners from engaging in such practices at any stage of operations.
Bribery	<ul style="list-style-type: none">We neither engage in nor tolerate any form of bribery and actively prevent employees or business partners from offering or accepting bribes at any time.
Political Donations	<ul style="list-style-type: none">We do not engage in political activities in host countries and strictly prohibit any political donations or in-kind contributions.
Facilitation Fee	<ul style="list-style-type: none">We prohibit the payment of any facilitation fee of any kind, except where explicitly permitted by local law or necessary to protect employee safety or personal liberty under imminent threat.
Charitable Donations	<ul style="list-style-type: none">Once approved, charitable donations must be executed strictly according to the approved plan and agreement. Any institution or individual is strictly prohibited from arbitrarily changing the nature and purpose of donated property, or misappropriating, dividing, or misappropriating donated funds or materials in any way.

Reporting Mechanism

In alignment with national whistleblower protection laws and regulations, CSCEC International continuously enhances its internal confidentiality and reporting mechanisms, and has developed company procedures for handling reports and complaints to strengthen whistleblower protection. Whistleblowers may report either anonymously or under their real names. The Company strictly keeps confidential the name, workplace, address, and other relevant information of the whistleblower, as well as the content of the report, to ensure that no employee faces retaliation for expressing concerns or reporting violations. The Company strictly prohibits any attempt to trace or identify anonymous whistleblowers, including handwriting or IP verification.

investigated by the Contract & Legal Affairs Department. The preliminary results are reported to the Chief Information Officer. If necessary, an investigation team is established to conduct a formal investigation, and the results are submitted to the Compliance Committee for review. Suggestions for improvement arising from the reporting process are reported to the compliance management department to promote the improvement and updating of the compliance management system.


The Company enforces a strict zero-tolerance policy against any form of retaliation. Any deliberate disclosure of whistleblower information or acts of retaliation will result in serious disciplinary action once substantiated.

All reports are registered and stored by designated personnel and accessed only by authorized individuals or those with legitimate reasons. Non-compliance leads, complaints and reports are



Reporting Channels

Contract & Legal Affairs Department, CSCEC International, 32F, CSCEC Fortune International Center, Building 3, No. 5 Anding Road, Chaoyang District, Beijing



Email

Compliance@chinaconstruction.com



Hotline

010-86496195

Case

Urban Development Company and Suzhou No. 1 Detention Center Conducted a Joint Integrity Promotion Activity



On May 30, 2024, the Urban Development Company and Suzhou No. 1 Detention Center jointly held a police-enterprise integrity awareness campaign at the "Nanjing University Suzhou Campus (west campus) Project" Department. During the activity, leadership teams, project managers, and other key personnel from various business units of the Urban Development Company, visited the Suzhou No. 1 Detention Center for an "immersive" education session. Through on-site visits, the activity strengthened ethical awareness, respect for public responsibilities, and adherence to integrity disciplines.

 Urban Development Company and Suzhou No.1 Detention Center Conducted a Joint Integrity Promotion Activity





Risk Control and Safeguard

CSCEC International has established and continuously improved its risk management and internal control systems, conducting regular risk identification, assessment, and mitigation activities. The Company conducts annual risk assessments across all subsidiaries to ensure the effectiveness and relevance of risk management measures. Additionally, the Company continues to strengthen internal controls, optimizing management mechanisms, policies, and supervisory functions.

Risk Management Mechanism

The Company has established an integrated, network-based risk management system centered on its headquarters' business and functional departments as well as secondary institutions, with business processes as the main line. This system covers three levels of headquarters, secondary institutions, and project departments, enabling comprehensive risk management coverage across all personnel, processes, and business activities. The Company's CSCEC International Risk Management Regulations define the core objectives, division of responsibilities, operational mechanisms, overseas risk management, risk management culture, assessment, and supervision.

CSCEC International risk prevention and control system is supervised and strategically directed by the EC Board, coordinated by the Risk Control Committee, and advised by the General Legal Counsel. The Contract & Legal Affairs Department leads the implementation, with various headquarters departments assuming respective responsibilities and secondary institutions implementing specific tasks. All aspects are subject to supervision and inspection by the audit and supervision department. The Contract & Legal Affairs Department, as a non-business department independent from the business lines,

is responsible for building the risk management system and controlling key risks. It objectively assesses and manages the Company's risk situation according to the risk management process, ensuring the objectivity and consistency of risk management. The Audit Department, independent of all business departments, oversees the overall performance and effectiveness of risk management.

The Company continuously monitors and researches major risk types and events that could significantly affect business objectives, conducts in-depth research on their mechanisms, establishes early warning models and control mechanisms, and comprehensively analyzes relevant risks through four processes-identification, assessment, monitoring, and mitigation-to enhance the Company's risk prevention capabilities. The Company regularly conducts annual major risk identification and assessment, covering both existing and potential risks across finance, operations, ESG, and environmental protection domains. Based on assessment results, the Company continuously refines its business management and development processes, tracks control effectiveness regularly, and continually enhances risk governance and mitigation capabilities.









Progress in Risk Management

In 2024, based on annual risk assessment results, the Company identified five key risks: market competition, cash flow, customer credit, reform and transformation, and debt risks. The Company has actively developed targeted mitigation measures to enhance its risk response and ensure stable, high-quality development.

In terms of risk culture development, the Company cultivates a corporate culture of "Risk Management as Value Creation", and

strengthen enterprise-wide risk awareness and capabilities by providing the executive management and employees regular risk management education and focused training on risk management principles. Employees who make notable contributions to risk identification and management are recognized and rewarded based on mitigation outcomes, fostering continuous improvement in risk governance.

Risk Type	Description	Mitigation Actions
<div>Market Competition Risk</div> <div></div>	Market competition risk may reduce market share and profitability, potentially affecting long-term business sustainability.	Strengthen real-time data monitoring and early warning systems, enhance proactive prevention and response measures, improve market intelligence mechanisms, and quantify potential economic losses caused by potential risks.
<div>Cash Flow Risk</div> <div></div>	Global economic headwinds, rising financing costs, and tighter lending by financial institutions have increased project payment pressure, particularly due to ongoing weakness in the real estate sector.	Reinforce real-time cash flow monitoring and early warning, strengthen collection accountability, and implement risk resolution mechanisms.
<div>Customer Credit Risk</div> <div></div>	As globalization accelerates, construction project customers come from various countries with different cultural backgrounds, legal systems, and economic conditions. This results in diversified, complex, high-frequency, and unpredictable customer credit risks.	Implement owner credit investigation mechanism during bidding and contract review, strictly apply baseline management standards, monitor projects that touch on the Company's restrictive baseline and control project and contract risks from the source, establish early-warning mechanisms for overdue receivables to prevent large-amount overdue receivables.
<div>Reform and Business Transformation Risk</div> <div></div>	The Company's strategic planning lacks sensitivity and adaptability to external environmental changes, leading to challenges in effectively responding to them.	Fully promote the deepening and improvement of corporate reform actions, provide strong support for the Company's infrastructure, new energy, and green low-carbon business development, strengthen collaboration between domestic and international institutions, research and establish inter-institution collaboration mechanisms and related support policies, and further advance the Company's reform, development, and business transformation.

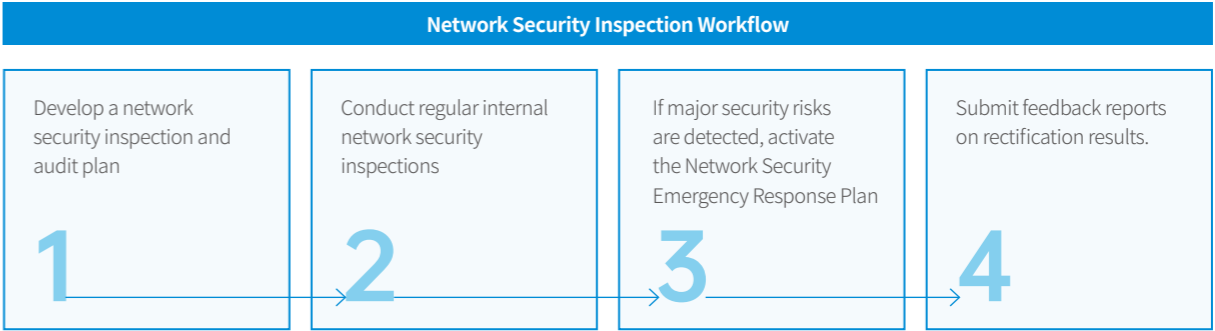
Risk Type	Description	Mitigation Actions
Debt Risk 	Failure to repay the Company's debts on time may trigger financial or legal risks.	Monitor and manage the full lifecycle of existing interest-bearing debt to ensure compliance with budget constraints, collaborate with the finance department to enforce strict cash flow budget constraints and transparent management for secondary institutions, regularly conduct financial business supervision checks, create a list of issues, and supervise rectification at all levels to ensure effective risk control.
Natural Resource Risk (Emerging Risk) 	Under the global low-carbon transition, potential customers are reducing their demand for high-carbon investments, and green construction requirements for projects are gradually increasing.	Increase investment in green construction technologies, promote low-carbon materials and energy-efficient processes, and integrate green standards throughout the project lifecycle. Actively engage with low-carbon-demand customers, build benchmark green projects, and transform low-carbon advantages into market competitiveness through qualification certifications and case accumulation.
Labor Risk (Emerging Risk) 	Remote project locations make recruitment and retention difficult. The decline of the real estate industry makes it harder to recruit young people.	Actively build a localized recruitment and retention system. Establish talent cooperation channels around the project site, provide accommodation, welfare incentives, and career development paths. Optimize recruitment strategies for young people to ease recruitment pressures and ensure stable workforce for projects.



Strict Adherence to Information Security

CSCEC International has established a comprehensive and stable information security management framework and operational mechanism. The Company has established a Digital and Network Security Leadership Group, chaired by the Chairman and composed of Board members, responsible for reviewing network and information security policies, strategies, and annual plans, as well as responsible for decision-making, coordination, and supervision of all information security initiatives across the Company. At the executive level, a Deputy General Manager serves as the Chief Information Officer (CIO), supported by the Digital and Network Security Working Group overseeing all information and cybersecurity operations. At the operational level, the Information Management Department is responsible for implementing information security measures, reporting directly to the Chief Information Officer.

Digital and Network Security Leadership Group	The Chairman acts as the Group Leader, with Board members serving as members. The group is responsible for reviewing the Company's network and information security policies, strategies, plans, and annual plans, studying major issues related to digitalization and network security, and making decisions, coordinating, and supervising the Company's information security-related work.
Digital and Network Security Working Group	It oversees all digital and network security operations, coordinates protective measures and incident responses, and comprehensively promoting the information-based construction and digital transformation.
Information Management Department	It is responsible for information system development, standard-setting, and network security management. It oversees data governance, digital transformation, and the research and innovation of emerging information technologies. It manages information system and IT infrastructure development, technical maintenance, and operations. It reviews annual information-based plans of secondary institutions, supervises progress, and evaluates implementation effectiveness.
Business Departments	Business departments are responsible for preparing relevant work plans, defining business requirements, and supporting system development and promotion, taking charge of related operation and maintenance tasks, cooperating in implementing information-based and network security work related to their own business lines.
Secondary Institutions	Secondary institutions are responsible for preparing relevant work plans, operating assigned systems from higher-level units, and managing IT assets, network security, data security, etc., taking charge of relevant system operation and maintenance within their units.



The Company has issued the Information Management Regulations for CSCEC International, requiring all levels of management to establish emergency response protocols with clear responsibilities, mandate timely reporting of network security incidents to regulatory authorities in full compliance with applicable regulations. The Company conducts annual information security emergency drills, forming a risk management mechanism that prioritizes prevention and complements emergency responses to reduce the risk of customer interests being harmed due to a lack of business continuity.

In line with ISO 27001 certification standards, the Company has optimized its internal management system and performed graded security protection assessments according to the Information Security Level Protection Management Measures. When obtaining the classified protection filing certificate, the Company engaging third-party evaluation agencies to perform vulnerability scans and implement corrective actions based on their reports. By the end of 2024, all business systems had obtained Level II Classified Protection Certificates issued by the public security authorities. To strengthen employee awareness and capability in information and cybersecurity, the Company conducts regular training programs. Each year, the Company leverages National Network Security Publicity Week to deliver cybersecurity awareness

and confidentiality training, disseminate relevant policies and regulations, and conducts company-wide assessments to evaluate training effectiveness. Additionally, cybersecurity compliance requirements are incorporated into employee performance evaluations to ensure accountability.

The Company has developed the Network Security Emergency Response Plan of CSCEC International, defining the responsibilities of the Network Security Emergency Command Center. The plan categorizes incidents into four levels according to their impact on the Company and society, and prescribes corresponding response strategies. For Level 4 (minor) incidents, technical engineers are mobilized for immediate resolution, ensuring prompt system recovery and documentation. For more severe Level 1–3 incidents, the Information Management Department coordinates unified command under the Network Security Emergency Command Center.

In 2024, the Company reported no information security incidents or breaches of customer data privacy.

Scientific Research and Innovation Empowerment

Scientific research and innovation serve as the core engines propelling breakthroughs that redefine the boundaries of the construction industry. They also act as strategic drivers for companies to implement ESG principles and lead sustainable development. In 2024, CSCEC International established a globally competitive innovation ecosystem. The Company has continuously upgraded its research management system, with two subsidiaries receiving national-level recognition. Intellectual property protection strengthens the innovation barrier, and the transformation of research achievements showcases value in benchmark projects. Technical collaboration across industry, academia, and research not only strengthens global project delivery but also drives the industry's green transformation through technological breakthroughs, setting a global benchmark for innovation in the construction field.

Research System

Regarding the governance structure for scientific and technological innovation, CSCEC International has established a clear, hierarchical framework with defined roles and responsibilities, providing strong organizational support for innovation advancement. CSCEC International has established a Scientific and Technological Innovation Leadership Group as the decision-making body for its scientific and technological innovation initiatives. The Technology and Design Management Department acts as the secretariat of the decision-making body and undertakes primary responsibilities for the Company's science and technology management. Meanwhile, the Company has established a Technology Center and a Design Center. The Technical Center is responsible for introducing and assimilating advanced overseas technologies, promoting the overseas application of domestic advanced technologies, establishing a hub for top-tier talent, and providing high-level technical support for international projects. The Design Center focuses on enhancing integrated Engineering, Procurement, Construction (EPC) management capabilities, implementing full-process design control, and improving the value-creating leadership of design. The Technology and Design Management Department, together with the Technical Center and the Design Center, constitute a "One Department, Two Centers" technological innovation framework. This structure creates a balanced research system integrating management and innovation, laying a solid foundation for steady scientific advancement.

In 2024, the Company continued to optimize the management and development of the research system. In terms of institutional

construction, the Company issued the Enterprise Management Handbook of CSCEC International (Science, Design, Technology, and Quality Sections) and the Management Measures for Technology and Innovation Efficiency to guide the technological management of the institution. In terms of tool and resource library construction, the Company continued to strengthen the construction of its "Three Libraries" - standards and specifications, major technical solutions, and technology experts, releasing the lists, streamlining research outputs, technology reserves, and talent resources to enhance research efficiency. In terms of talent capacity building, the Company has conducted a series of basic research training sessions, including the How to Write Research Project Proposals, the Key Points of Paper Writing and Submission, the Overseas Patent Application Training, and the Exemplary Construction Method Learning, as well as technical training in key areas such as green and low-carbon technologies, foundation pit and underground engineering, bridge engineering, super high-rise technologies, and urban renewal. These initiatives continuously strengthen the core technical competencies of the Company's research and technical personnel.

In 2024, the Company's research management system received effective external recognition. Urban Development Company and CSCEC-TAISEI Green Intelligent Technology Co., Ltd. were recognized as national high-tech enterprises, and CSCEC-TAISEI strengthened its technological innovation capabilities and was accredited by the Beijing Municipal Government as a foreign-invested R&D center.

Intellectual Property Protection

CSCEC International strictly complies with the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", and the "Copyright Law of the People's Republic of China", and has actively strengthened its intellectual property management mechanisms, ensuring comprehensive protection of trademarks, patents, and copyrights. At the strategic planning level, the Company actively formulates IP strategies and promotes integrated management covering IP creation, application, protection, and utilization. At the risk prevention and

control level, the Company has established a comprehensive IP risk prevention and control framework, conducting regular reviews and assessments to identify and mitigate potential risks. The Company also enhances IP protection awareness among employees and partners through diversified training programs, preventing intellectual property-related risks at the root level.

Case West Asia Company Organized Network Security Training



To further strengthen employee awareness of network and information security and better protect corporate and personal data, West Asia Company, in strict compliance with the relevant requirements of CSCEC International and based on its own operational management needs, organized two sessions of cybersecurity training in September and

November 2024. The training covered common network security risks and their prevention, as well as network security requirements. The goal was to raise the awareness of phishing software and AI fraud. Approximately 60 employees, both local and foreign, participated in the training.

West Asia Company Organized Network Security Training



Research Achievements

CSCEC International consistently values technological innovation and the practical application of research outcomes, leveraging strong R&D capabilities to ensure high-quality development. In 2024, the Company filed 54 new patent applications, obtained 72 granted patents, received 23 software copyrights, achieved

61 provincial or ministerial (including association) scientific and technological awards, and published 118 papers. As of end-2024, the Company had filed 291 patents in total, with 187 granted patents and 45 software copyrights.

2024 Research Achievements of CSCEC International		
Provincial and Ministerial Research Achievements 	2 CSCEC Cup Awards	4 Micro-Innovation Technology Awards
	7 Provincial and Ministerial Level Excellent QC Achievements	11 Patents with High Promotion Value
	1 China Association of Construction Enterprise Management Technology Progress Award	16 Provincial and Ministerial Level BIM Awards
	5 Youth Technology Innovation Awards	2 Project Digitalization Awards
	12 Provincial and Ministerial Level Construction Methods	1 Excellent Green Project Management Award
Intellectual Property 	72 Patents Granted	
	23 Software Copyrights Granted	

Case

Technological Applications in the "Alamein Downtown Towers, Egypt"



The project team for the "Alamein Downtown Towers, Egypt", actively applied BIM technology throughout the project lifecycle to enhance coordination and efficiency. Utilizing the Aconex and other digital construction management platforms, the project coordinated 33 design subcontractors from 10 countries and multiple general and specialty contractors. During the design phase, a BIM-driven approach was adopted. Based on BIM technology, performance analysis and design optimization-such as CFD simulation analysis, wind tunnel testing, wind environment analysis, and acoustic environment analysis-were carried out. BIM-based detailed design was further used to optimize and guide the integration of MEP systems, curtain wall detailing, steel structure fabrication, and interior finishing works, thereby ensuring construction quality and schedule compliance. During the project construction phase, the project team utilized an information platform to facilitate digital briefings, simulate construction plans for critical and complex areas, and model the construction organization and schedule of individual project units, thereby supporting construction management. The team also integrated BIM with drone mapping, laser scanning, and 3D printing, establishing a multi-stage, all-discipline, all-business, all-participation digital construction management model.



Case

Technological Application in the "Window of CSCEC" Construction of the CSCEC Future Tower



The CSCEC International Headquarters building, the CSCEC Future Tower, has a total construction area of approximately 72,000 square meters. The main tower stands 126 meters high and represents China's first project to employ a roof-spanning plane steel truss with a cable suspension system, creating an indoor cantilevered space with a column-free cable curtain wall at high elevations. This cantilevered space forms the "Window of CSCEC", with a maximum cantilever span of 30.25 meters and an overall hollow length of approximately 24.5 meters, demonstrating both aesthetic and structural innovation.

The "Window of CSCEC" employs a suspension system to form the cantilevered space. The suspension system consists of 21 vertical stainless steel cables, with a spacing of approximately 2.33 meters between each cable. The single-

point cable tensioning ranges from 380 kN to 450 kN, with the maximum point cable force (design value) reaching 880 kN under the worst-case wind loads. During construction, potential deformation and safety risks were carefully monitored. To ensure the effectiveness of the cable tension, a stage-based tensioning method was used, and continuous deformation monitoring was performed during critical stages, such as the removal of the roof steel structure support frame and curtain wall cable tensioning. The monitoring was carried out using both anchor cable meter method and frequency method, providing precise tension data for cable tensioning and adjustments. Final monitoring results confirmed that cumulative curtain wall cable deformation remained below design limits, effectively avoiding deformation and safety risks during the construction process.

CSCEC Future Tower



Technical Support and Application

To ensure effective integration of research outcomes into business operations, the Company established the CSCEC International Technical Center. The Center performs four core functions: providing technical support for major projects, conducting forward-looking research, fostering domestic and international collaboration, and promoting the application of advanced technologies. It comprises four research institutes-focusing on building structures, infrastructure, underground space, and new energy & intelligent monitoring-as well as one intelligent monitoring center, thereby empowering business transformation and upgrading through technological innovation.

Since its establishment, the Center has supported 32 bidding projects, secured 6 contracts worth a total of USD 2.414 billion, and provided technical services for 34 key projects. It has reviewed 87 construction schemes, issued 517 technical opinions, and mitigated 43 major construction risks. These efforts have provided robust technical support for the Company's project bidding and operational activities.

In the "Bridge Project Crossing Pasig-Marikina River, Philippines", a new paid service model was tried. The Company piloted a new internal paid service model for large-scale temporary bridge structure design and signed an internal cooperation agreement for the first time, responsible for 11 specialized engineering schemes, including deepwater cofferdams, pier platforms, and arch bridge supports.

In the "Dongshan Precision Manufacturing Thailand Long Yan Industrial Estate Project", the team overcame high-formwork design constraints due to limited scaffolding materials, successfully passing expert review, optimizing the structural beam demolition and reinforcement scheme, and saving both time and cost.

In the "Kumul Petroleum Fabrication and Training Facility Project, PNG", the Company reduced 163 exploration holes by aligning domestic and international standards, achieving an estimated 80% cost reduction.

In the "Sulun Mill Project", the Company provided full-process on-site services, replacing traditional backfill with a "protective sleeve + flange" pile foundation protection system to prevent safety risks.

Case Establishment of Intelligent Testing and Monitoring Laboratory



To enhance high-quality and safe project delivery, the Company established an Intelligent Testing and Monitoring Laboratory. The laboratory independently developed four digital platforms: the Intelligent Monitoring Overview Platform, Automated Deformation Monitoring Platform, Building Carbon Emission Supervision Platform, and Building Energy Supervision Platform. The laboratory is equipped with more than 80 pieces of equipment, including Leica TS60 measurement robots, drones, industrial cameras, workstations, high-precision data collectors, integrated environmental weather stations, and infrared thermography equipment.

The Intelligent Testing and Monitoring Laboratory consists of three major centers, including the Intelligent Monitoring Center,

the Green and Low-Carbon Research Center, and the Integrated Experiment and Pilot Center. Leveraging multidisciplinary technologies, the laboratory supports major provincial-level projects such as the "CSCEC International Headquarters building (CSCEC Future Tower Project)", the "Nanjing University Suzhou Campus (west campus) Project", and the "Suzhou Integrated Circuit Innovation Center (Phase II) Project".

The Intelligent Testing and Monitoring Laboratory has achieved more than 40 scientific and technological accomplishments, including 16 patent applications/authorizations, 5 utility model patents, 14 software copyrights, 6 published papers, 2 compiled standards, and 3 standards co-authored, as well as two Jiangsu Province construction method awards.

Intelligent Monitoring Platform



Intelligent Monitoring Center



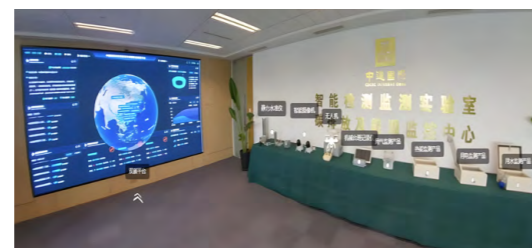
Green and Low-Carbon R&D Center



Comprehensive Experiment and Pilot Plant Center



360° Panoramic Laboratory Images



In support of low-carbon development, the Technical Center-aligned with the Group's "Carbon Peaking and Carbon Neutrality Goals" strategy-collaborated with nine secondary units within the CSCEC system, as well as external universities, research institutes, and industry associations, to jointly develop and implement the CSCEC Comprehensive Service Platform for Carbon Emission Monitoring and Management. The platform integrates functions for monitoring, measurement, accounting, statistics, analysis, and decision-making, enabling all-inclusive, whole-process, and life-cycle carbon emission management across various business formats within the industry. It digitalizes, quantifies, and visualizes carbon emissions. The Company established a Carbon Accounting Working Group that conducts annual independent assessments using this platform, providing key technical support for the Company's green transition. In 2024, the Carbon Emission Platform

developed by CSCEC International Construction Co., Ltd. was recognized as an outstanding climate-friendly enterprise project in the "Xinhua Credit Pearl Cup".

During the reporting period, the Company independently developed six low-carbon products, which were recognized by the Group as "New Green and Low-Carbon Products" and promoted at the Carbon Peaking and Carbon Neutrality Working Group Meeting to actively promote the transformation of the Company's scientific research achievements. The key research project, Research and Development and Engineering Demonstration of CSCEC Comprehensive Service Platform for Carbon Emission Monitoring and Management, in which the Company participated, successfully passed the performance evaluation.

Enterprise-level Interface of the CSCEC Comprehensive Service Platform for Carbon Emission Monitoring and Management



Academia-Research Integration

In 2024, the Company actively deepened industry-academia-research cooperation, collaborating with universities and research institutes and achieving fruitful results. Notably, the Company and Southeast University jointly applied for the "China-Ethiopia Intergovernmental International Science and Technology Innovation Cooperation project", funded by the Jiangsu Provincial Department of Housing and Urban-Rural Development. The Company also collaborated with Chongqing University on research related to building carbon emission

monitoring and management, establishing a dynamically updatable carbon emission factor database and drafting a group standard. Additionally, the Company partnered with the China Association of Building Energy Efficiency to develop a new group standard for building carbon emission accounting methods. The Company also partnered with the Suzhou Institute of Nano-Tech and Nano-Bionics (SINANO), Chinese Academy of Sciences, to jointly develop high-energy-density supercapacitor building energy storage technology.

Key Indicators

Environmental Indicators

Key Performance Indicators	Unit	Year of 2024
Environmental Management		
Environmental Violations	Number of Incidents	0
Fines Resulting from Environmental Violations	RMB 10,000	0
Unpaid Fines for Environmental Violations as of the End of the Year	RMB 10,000	0
ISO 14001 Environmental Management System Certification Coverage	%	100
Approval Rate of EIA for New Projects	%	100
Number of Environmental Training Sessions	Number of Sessions	451
Number of Participants in Environmental Training Sessions	Person-times	43,076
Energy Management		
Total Energy Consumption	Megawatt-hour	443,222.70
Non-Renewable Energy Consumption	Megawatt-hour	440,816.15
Including: Purchased Electricity Consumption	Megawatt-hour	127,128.04
Gasoline Consumption	Liter	763,539.55
Diesel Consumption	Liter	29,537,209.28
Electricity Consumption from Renewable Energy	Megawatt-hour	2,406.55
Water Resource Management		
Water Withdrawal	Tonnes	5,130,787.92
Wastewater Discharge	Tonnes	473,122.40
Water Resource Usage	Tonnes	3,343,729.36
Total Water Recycled and Reused	Tonnes	1,313,936.16
Waste Management		
Total Non-Hazardous Waste	Tonnes	329,642.84
Including: Non-Hazardous Waste Disposal	Tonnes	303,404.76
Non-Hazardous Waste Recycling	Tonnes	26,238.08
Total Hazardous Waste	Tonnes	283.2
Including: Hazardous Waste Disposal	Tonnes	282.1
Hazardous Waste Recycling	Tonnes	1.1
Project Coverage with Waste Management Plans	%	100

Key Performance Indicators	Unit	Year of 2024
Project Coverage with Waste Management Targets (Reduction, Recycling, Reuse, Etc.)	%	100
Project Coverage with Waste Classification Management	%	100
Project Coverage with Employee Waste Management Training	%	100
Project Coverage with Contractor Waste Management Training	%	100
Project Coverage with Incentives for Contractors to Recycle and Reuse Waste	%	100
Green and Low-Carbon Achievements		
Green and Low-Carbon Achievements at Construction Sites	Number of Achievements	6
Advanced Scientific and Technological Achievements in Achieving Carbon Peak and Carbon Neutrality	Number of Achievements	1
Approval Of Green and Low-Carbon Technology Demonstration Projects	Number of Achievements	1
Key Low-Carbon and Zero-Carbon Demonstration Projects	Number of Achievements	3
Green Demonstration Sites	Number of Sites	4

Social Indicators

Key Performance Indicators	Unit	Year of 2024
Employee Overview		
Total Employees	Number of People	1,714
Including: Employees Under 30	Number of People	523
Employees Aged 30-50	Number of People	1,074
Employees Over 50	Number of People	117
Including: Male Employees	Number of People	1,416

Key Performance Indicators	Unit	Year of 2024
Female Employees	Number of People	298
Including: Chinese Employees	Number of People	1,414
Foreign Employees	Number of People	300
Including: Minority Employees	Number of People	483
Ratio of Female Employees in Management	%	11
Employee Hiring		
Newly Hired Employees	Number of People	187
Including: Newly Hired Male Employees	Number of People	139
Newly Hired Female Employees	Number of People	48
Including: Newly Hired Employees Under 30	Number of People	72
Newly Hired Employees Aged 30-50	Number of People	109
Newly Hired Employees Over 50	Number of People	6
Employees Internally Hired within the CSCEC System	Number of People	36
Employees Transferred Internally	Number of People	68
New Graduates Hired	Number of People	51
Offering Overseas Employment	Number of People	-
Employee Training		
Total Employees Trained	Person-times	46,890
Employee Training Coverage	%	100
Business Ethics Training Coverage	%	100
Vocational Skills Training Coverage	%	100
Human Rights Training Coverage	%	100
Environmental Training Coverage	%	100
Average Employee Training Hours	Hours	87
Including: Average Training Hours for Male Employees	Hours	87
Average Training Hours for Female Employees	Hours	82
Including: Average Training Hours for Employees Under 30	Hours	92
Average Training Hours for Employees Aged 30-50	Hours	85
Average Training Duration for Employees Over 50	Hours	70
Including: Average Training Duration for Senior Management	Hours	151
Average Training Duration for Middle Management	Hours	145
Average Training Duration for Frontline Management	Hours	101

Key Performance Indicators	Unit	Year of 2024
Average Employee Training Expenditure	RMB	3,010
Including: Average Training Expenditure for Male Employees	RMB	2,920
Average Training Expenditure for Female Employees	RMB	3,228
Including: Average Training Expenditure for Employees Under 30	RMB	2,290
Average Training Expenditure for Employees Aged 30-50	RMB	3,581
Average Training Expenditure for Employees Over 50	RMB	4,456
Including: Average Training Expenditure for Senior Management	RMB	14,908
Average Training Expenditure for Middle Management	RMB	6,630
Average Training Expenditure for Frontline Management	RMB	3,872
Supply Chain Management		
Total Suppliers in Cooperation	Number of Suppliers	2,703
By Specialty:		
Material and Equipment Suppliers	Number of Suppliers	1,563
Labor and Professional Subcontractors	Number of Suppliers	1,053
Survey and Design Subcontractors	Number of Suppliers	87
By Location:		
Overseas	Number of Suppliers	949
Domestic	Number of Suppliers	1,754
Supplier Evaluation:		
Excellent Suppliers	Number of Suppliers	45
Qualified Suppliers	Number of Suppliers	2,658
Unqualified Suppliers	Number of Suppliers	11
Total Number of Tier-1 Suppliers	Number of Suppliers	2,703
Total Number of Non Tier-1 Suppliers	Number of Suppliers	0
Total Number of Significant Suppliers	Number of Suppliers	45
Total Number of Significant Suppliers in Tier-1	Number of Suppliers	45
Public Welfare and Charity		
Invested in Public Welfare and Charity	RMB 10,000	31.3
Invested in Rural Revitalization	RMB 10,000	52.48
Scope of Rural Revitalization Work	Number of counties	4
Invested in Social Contributions	RMB 10,000	83.78
People Participating in Volunteer Activities	Person-times	1,147

Key Performance Indicators	Unit	Year of 2024
Total Hours of Volunteer Activities	Hours	6,040
Customer Satisfaction		
Customer Satisfaction	%	99
Number of Customer Participating in Customer Satisfaction Surveys	/	70
Injury Management ^{Note}		
Production Safety Accidents	Number of Accidents	0
Number of Work-Related Fatalities	Number of People	0
Lost-Time Injuries (LTI)	Number of Accidents	0
Lost Time Injury Frequency Rate (LTIFR)	/	0
Production Safety		
Safety Promotion and Training	Number of Sessions	71,727
Work Safety Liability Insurance Coverage	%	100

Note: This data set covers both company employees and contractor employees.

Governance Indicators

Key Performance Indicators	Unit	Year of 2024
Board Diversity		
Board Members	Number of People	7
Including: Board Members Aged 30-50	Number of People	2
Board Members Over 50	Number of People	5
Including: Accounting and Auditing Experts	Number of People	1
Legal Experts	Number of People	1
Risk Experts	Number of People	1
Business Management Experts	Number of People	7
Marketing Experts	Number of People	5
Construction Experts	Number of People	7
Human Resources Management Experts	Number of People	2
Including: Service Term of Less than 5 Years	Number of People	7
Service Term of 5-10 Years	Number of People	0
Including: Board Members with a Master's Degree or Higher	Number of People	4

Key Performance Indicators	Unit	Year of 2024
Board Members with a Bachelor's Degree	Number of People	7
Female Board Members	Number of People	0
Independent Directors	Number of People	0
Non-Executive Directors	Number of People	0
Tax Management		
Total Assets	RMB 100 Million	257.84
Total Operating Revenue	RMB 100 Million	268.54
R&D Expenses	RMB 100 Million	0.2294
R&D to Revenue Ratio	%	0.09
Pre-Tax Profit	RMB 100 Million	6.08
Declared Taxes	RMB 100 Million	3.06
Paid Taxes	RMB 100 Million	4.64
Operating Expenses	RMB 100 Million	258.17
Equal Treatment of Small and Medium-Sized Enterprises		
Overdue Payments to Small and Medium-Sized Enterprises	RMB 10,000	0
Business Ethics		
Corruption and Bribery Cases	Number of Cases	0
Harassment or Discrimination Cases	Number of Cases	0
Customer Privacy Data Leakage Cases	Number of Cases	0
Conflict of Interest Cases	Number of Cases	0
Money Laundering or Insider Trading Cases	Number of Cases	0
Unfair Competition Cases	Number of Cases	0
Information Security		
Total Information Security Vulnerabilities	Number of Vulnerabilities	0
Total Clients, Customers, or Employees Affected by the Data Breach	Number of People	0
IT Infrastructure and Information Security Management System Certified by ISO 27001 Certification Coverage	%	100
Research and Innovation		
Newly Applied Invention Patents	Number of Patents	54
Newly Authorized Invention Patents	Number of Patents	72
Cumulative Number of Patent Applications as of the End of the Year	Number of Patents	291
Cumulative Number of Valid Patents as of the End of the Year	Number of Patents	187
High-Tech Enterprise Certification	Number of Enterprises	2
Number of R&D Team Members	Number of People	33

GRI Indicator Index

Topic	Disclosure Item	Chapter
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	About CSCEC International
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	About This Report
	2-5 External assurance	Assurance Report
	2-6 Activities, value chain and other business relationships	Value Co-creation
	2-7 Employees	Talent Co-prosperity and Win-win
	2-8 Workers who are not employees	Safety Foundation for a Century
	2-9 Governance structure and composition	Masterful Governance for Foundation Consolidation
	2-10 Nomination and selection of the highest governance body	Masterful Governance for Foundation Consolidation
	2-11 Chair of the highest governance body	Masterful Governance for Foundation Consolidation
	2-12 Role of the highest governance body in overseeing the management of impacts	Masterful Governance for Foundation Consolidation
	2-13 Delegation of responsibility for managing impacts	Masterful Governance for Foundation Consolidation
	2-14 Role of the highest governance body in sustainability reporting	ESG Management System and Methods
	2-15 Conflicts of interest	Compliance with Boundary Discipline
	2-16 Communication of critical concerns	ESG Management System and Methods
	2-17 Collective knowledge of the highest governance body	ESG Management System and Methods
	2-18 Evaluation of the performance of the highest governance body	ESG Management System and Methods
	2-19 Remuneration policies	Masterful Governance for Foundation Consolidation
	2-20 Process to determine remuneration	Masterful Governance for Foundation Consolidation
	2-22 Statement on sustainable development strategy	ESG Management System and Methods
	2-23 Policy commitments	ESG Management System and Methods
	2-25 Processes to remediate negative impacts	ESG Management System and Methods
	2-26 Mechanisms for seeking advice and raising concerns	ESG Management System and Methods
	2-27 Compliance with laws and regulations	Compliance with Boundary Discipline
	2-28 Membership associations	About CSCEC International
	2-29 Approach to stakeholder engagement	ESG Management System and Methods
	2-30 Collective bargaining agreements	Talent Co-prosperity and Win-win
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Communication
	3-2 List of material topics	Material Topics Assessment
Economic Performance		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About CSCEC International
	201-2 Financial implications and other risks and opportunities due to climate change	Topic II: Addressing Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Talent Co-prosperity and Win-win
Market Presence		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Talent Co-prosperity and Win-win

Topic	Disclosure Item	Chapter
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Talent Co-prosperity and Win-win
Indirect Economic Impacts		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Topic I: The Path of Overseas Development
	203-2 Significant indirect economic impacts	Safety Foundation for a Century Value Co-creation Risk Control and Safeguard
Procurement Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Value Co-creation
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Boundary Discipline
	205-1 Operations assessed for risks related to corruption	Compliance with Boundary Discipline
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Compliance with Boundary Discipline
	205-3 Confirmed incidents of corruption and actions taken	Compliance with Boundary Discipline
Anti-competitive Behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Boundary Discipline
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance with Boundary Discipline
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Boundary Discipline
	207-1 Approach to tax	Compliance with Boundary Discipline
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management	Compliance with Boundary Discipline
	207-3 Stakeholder engagement and management of concerns related to tax	Compliance with Boundary Discipline
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Recycling
	301-1 Materials used by weight or volume	Resource Recycling
GRI 301: Materials 2016	301-2 Recycled input materials used	Resource Recycling
	301-3 Reclaimed products and their packaging materials	Resource Recycling
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Recycling
	302-1 Energy consumption within the organization	Resource Recycling Environmental Indicators
GRI 302: Energy 2016	302-2 Energy consumption outside of the organization	Resource Recycling Environmental Indicators
	302-3 Energy intensity	Resource Recycling Environmental Indicators
	302-4 Reduction of energy consumption	Resource Recycling
	302-5 Reductions in energy requirements of products and services	Resource Recycling
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Recycling
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Recycling
	303-2 Management of water discharge-related impacts	Resource Recycling
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Resource Recycling Environmental Indicators

Topic	Disclosure Item	Chapter
GRI 303: Water and Effluents 2018	303-4 Water discharge	Resource Recycling Environmental Indicators
	303-5 Water consumption	Resource Recycling Environmental Indicators
Biodiversity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Co-existence with Ecology
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainable Co-existence with Ecology
	304-2 Significant impacts of activities, products and services on biodiversity	Sustainable Co-existence with Ecology
	304-3 Habitats protected or restored	Sustainable Co-existence with Ecology
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainable Co-existence with Ecology
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic II: Addressing Climate Change
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Topic II: Addressing Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Topic II: Addressing Climate Change
	305-3 Other indirect (Scope 3) GHG emissions	Topic II: Addressing Climate Change
	305-4 GHG emissions intensity	Topic II: Addressing Climate Change
	305-5 Reduction of GHG emissions	Topic II: Addressing Climate Change
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Compliant Emission Management
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliant Emission Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Compliant Emission Management
	306-2 Management of significant waste-related impacts	Compliant Emission Management
	306-3 Waste generated	Compliant Emission Management Environmental Indicators
	306-4 Waste diverted from disposal	Compliant Emission Management Environmental Indicators
	306-5 Waste directed to disposal	Compliant Emission Management Environmental Indicators
Supplier Environmental Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation
GRI 308: Supplier Environmental	308-1 New suppliers that were screened using environmental criteria	Value Co-creation
	Assessment 2016	Value Co-creation
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Co-prosperity and Win-win
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Co-prosperity and Win-win
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Co-prosperity and Win-win
	401-3 Parental leave	Talent Co-prosperity and Win-win
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Safety Foundation for a Century
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safety Foundation for a Century
	403-2 Hazard identification, risk assessment, and incident investigation	Safety Foundation for a Century
	403-3 Occupational health services	Safety Foundation for a Century
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety Foundation for a Century
	403-5 Worker training on occupational health and safety	Safety Foundation for a Century

Topic	Disclosure Item	Chapter
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Safety Foundation for a Century
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety Foundation for a Century
	403-8 Workers covered by an occupational health and safety management system	Safety Foundation for a Century
	403-9 Work-related injuries	Safety Foundation for a Century Social Indicators
	403-10 Work-related ill health	Safety Foundation for a Century
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Co-prosperity and Win-win
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Co-prosperity and Win-win Social Indicators
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Co-prosperity and Win-win
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Co-prosperity and Win-win
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Talent Co-prosperity and Win-win Social Indicators
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Co-prosperity and Win-win
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Talent Co-prosperity and Win-win
Freedom of Association and Collective Bargaining		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Talent Co-prosperity and Win-win
Child Labor		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Talent Co-prosperity and Win-win
Forced or Compulsory Labor		
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Talent Co-prosperity and Win-win
Security Practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Safety Foundation for a Century
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Safety Foundation for a Century
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Benefiting the World with Integrity
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Benefiting the World with Integrity
Supplier Social Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Value Co-creation
	414-2 Negative social impacts in the supply chain and actions taken	Value Co-creation
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Value Co-creation
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Value Co-creation
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Co-creation
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Value Co-creation

Assurance Report

INDEPENDENT ASSURANCE STATEMENT

To the stakeholders of *CSCEC International*:

Commissioned by CSCEC International, *Quality Assurance Center of CAQ* (QAC) conducted an independent third-party assurance of *CSCEC International's 2024 Environmental, Social, and Governance (ESG) Report* (the Report). CSCEC International's management is responsible for the authenticity, accuracy, and completeness of the Report and its contents. QAC's responsibility is to independently review the information and performance data contained in the Report within the agreed scope and to issue an objective and impartial assurance statement.

Assurance Standard

This assurance was conducted in accordance with the AA1000AS v3 Assurance Standard, with supplementary references to the *UNSDGs*, the *GRI Standards*, *ISO 26000*, *TNFD*, the *Shanghai Stock Exchange's "Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)"*, the *Reference Index System for ESG Special Reports of Central SOE-controlled Listed Companies*, and the *China Enterprise Sustainability Reporting Guidelines (CASS-ESG 6.0)*.

Assurance Type & Level

This assurance is "Type II, moderate level".

Assurance Scope

The key issues, performance data and management practice information related to the environment, society and governance in the Report released by CSCEC International.

Assurance Methodology

1. Conducting interviews with management and executive personnel at different levels and departments within CSCEC International;
2. Reviewing company-level ESG strategies, policies, management systems and internal control documents;
3. Sampling and checking original records, statistical reports and supporting materials related to key performance data;
4. Analyzing and evaluating the logic, consistency, and clarity of information in reports;
5. Conducting a compliance assessment on the compilation standards and principles followed by the report.

Limitation

1. No assurance has been performed on information outside the reporting period of this report;
2. No interviews with third parties such as the company's external customers, suppliers, and partners, etc.;
3. No re-assurance was performed on certifications issued by third-party disclosed in the report;
4. Assurance on the report information and interviews with relevant parties were performed only through sampling;
5. There are uncertainties in judgments regarding forward-looking information.

Conclusion

1. Regarding the extent to which CSCEC International's Report complies with the AA1000 principles, the assurance conclusion is as follows:

Inclusivity	In the report, CSCEC International identified key stakeholders (employees, business partners, government and regulatory agencies, public welfare and community organizations, customers, and the media) and their expectations, and communicated with them through various channels.
Materiality	In the report, CSCEC International conducted a materiality assessment based on the principle of "double materiality", identified ESG issues that have significant impacts on its own operations and stakeholders, and prioritized their disclosure in the report.
Responsiveness	In the report, CSCEC International responded to the identified substantive issues and stakeholders' concerns, and elaborated on the company's management approach and actions.
Impact	In the report, CSCEC International disclosed the positive and negative impacts arising from its major activities in the environmental, social and governance fields, and demonstrated its efforts in managing and improving performance.

2. We have not identified any matters that cause us to doubt its reliability and quality with regard to the selected specific information in the report.

3. We recommend that CSCEC International consider further strengthening the following areas in the future:

- (1) Deepen climate-related information disclosure: It is recommended to further deepen the application of ISSB standards on the existing basis, strengthen the quantitative analysis of climate-related financial impacts, and gradually expand the accounting boundary of GHG scope 3.
- (2) Improving supply chain ESG management: It is recommended that the report disclose in more detail the process of identifying suppliers' ESG risks, management measures, and support and empowerment activities provided to improve suppliers' ESG performance.
- (3) Strengthen diversity data disclosure: To better demonstrate the company's efforts in diversity, equality, and inclusion, it is recommended that future reports include quantitative data on the diversity composition of employees and management.

Competence & Independence

Founded in 1993, QAC is one of the first independent certification bodies in China and served as the drafting agency for the group standard T/CAQ10117-2022, "Requirements for Enterprise ESG Management Systems." The certification team comprises experienced industry professionals with training in sustainability-related standards such as the Global Reporting Initiative's GRI Standards, AA1000AS v3, ISO 9001, and "Requirements for Enterprise ESG Management Systems."

QAC was not involved in the preparation of the report or the collection and calculation of the data therein. QAC's assurance work was independent of CSCEC International. Other than the appropriate services provided for in the assurance agreement, QAC has no other relationship with CSCEC International that could affect its independence.



中质协质量保证中心
Quality Assurance Centre of China
Association for Quality



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Quality Assurance Center of CAQ
September 1, 2025
Beijing, China



Feedback

Dear Reader:

Hello! Thank you very much for reading the CSCEC International 2024 Environmental, Social, and Governance (ESG) Report. To continuously improve our ESG management, we welcome your comments and suggestions. We kindly ask that you complete the relevant questions on the feedback form and provide us with your feedback.

Feedback Form

Optional Questions: (Please tick the appropriate box)

- Please rate the extent to which this report reflects CSCEC International's significant impact on the economy, society, and environment
☐ Excellent ☐ Good ☐ Poor ☐ Average ☐ Very Poor
- Please rate this report's response to and disclosure of stakeholder concerns
☐ Excellent ☐ Good ☐ Poor ☐ Average ☐ Very Poor
- Please rate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in this report
☐ Excellent ☐ Good ☐ Poor ☐ Average ☐ Very Poor
- Please rate the readability of this report.
☐ Excellent ☐ Good ☐ Poor ☐ Average ☐ Very Poor
- Please provide an overall evaluation of the CSCEC International 2024 Environmental, Social, and Governance (ESG) Report
☐ Excellent ☐ Good ☐ Poor ☐ Average ☐ Very Poor

Open-ended Questions

- What suggestions do you have for CSCEC International's ESG work?
- What valuable insights did you gain from this report regarding ESG?
- What additional ESG information should disclosing in the future reports?



中建国际建设有限公司
CSCEC INTERNATIONAL CONSTRUCTION CO., LTD

