

SUSTAINABILITY R E P O R T

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China Unicom is always committed to integrating its own development with broader sustainable development to achieve the harmony and alignment of corporate interests and social goals. In 2021, under the guidance of the new development philosophies of innovation, coordination, green, openness and sharing, the Company continued to practically implement national strategic plans such as Cyber Superpower, Digital China and the "Belt and Road Initiative", etc. and expressed its willingness and attitude to assume the responsibility of sustainable development by formulating the sustainable development strategy system of China Unicom. In the face of the impact of the pandemic, rapid changes in situations and uncertainties in the tough external environment, we bravely assumed the responsibilities of economic, social, environmental and technological innovation, and started a new journey of high-quality development with new positioning and new strategic pattern. As achievements in the opening year, we have demonstrated our new responsibilities in serving the implementation of major national strategies to meet the people's demand for high-quality life and lead the transformation and upgrade of thousands of industries.

BEARING IN MIND THE NEEDS OF THE COUNTRY AND RESOLUTELY SHOULDERING THE RESPONSIBILITY OF NATIONAL STRATEGIC PLANS

Adhering to the people-oriented value and fundamental logic, China Unicom accelerated the construction of high-speed and ubiquitous, air-space-ground integrated, cloud-network integrated, smart and agile, green and low-carbon, and secured and controllable digital information infrastructure of intelligence and comprehensiveness, so as to build Cyber Superpower and Digital China through promoting regional coordination development and maintaining network information security.



COMMITTING THE CORPORATE RESPONSIBILITIES AND STEADILY PERFORMING THE RESPONSIBILITY OF ECONOMIC DEVELOPMENT

China Unicom supports the development of digital economy and empowers thousands of industries with digital intelligence by continuously enriching the connotations of communication products and services, with a view to vigorously improve network quality and user experience and provide customers with quality communication services. As a "pioneer" in the mixed-ownership reform of central state-owned enterprises, China Unicom has been guided by the market-oriented allocation factors of production, deeply reformed systems and mechanisms and accelerated the establishment of new mechanism that stimulates the vitality of micro entities to better adapt production relations to productivity development, leading to significant improvement in operational efficiency. China Unicom considers employees as the most valuable resources of the Company, it attaches great importance to employees and helps them achieve success, providing them with a broad development platform to promote the comprehensive development of employees and form good vibes for the harmonious development of employees and the enterprise.

SUSTAINABILITY REPORT

CARING FOR THE PEOPLE AND STRONGLY BEARING THE RESPONSIBILITY OF SOCIETY AND PEOPLE'S LIVELIHOOD

China Unicom has always adhered to the people-oriented development philosophy, taking the improvement of people's well-being and all-round development as the starting point and goal of digital development. The Company effectively connected the consolidation and expansion of poverty alleviation achievements with rural revitalisation, actively delivered the warmth of public welfare, promoted the common prosperity of the society, and continuously enhanced the people's sense of gain, happiness and security. At the same time, the Company actively implemented the national "dual carbon" requirements to help build a beautiful China and gathered the advantages of all parties to form an integrated and opened collaboration ecosystem to promote the common development of the industry chain.

CHINA UNICOM'S
SUSTAINABILITY
STRATEGY SYSTEM

CREATE AND
ENHANCE
VALUE

SHAREHOLDERS

COMMUNITY

PARTNERS

EMPLOYEES

GOVERNMENT

CUSTOMERS

PEERS

INSIGHT IN THE TREND AND DEEPLY IMPLEMENTING THE RESPONSIBILITY OF SCIENTIFIC AND TECHNOLOGICAL INNOVATION

China Unicom is committed to becoming the national team in the operation and service of digital information infrastructure, the key force in the establishment of Cyber Superpower, Digital China and Smart Society, and the frontline troop in the integration and innovation of digital technologies. Targeting at serving national strategies and supporting and leading high-quality development, the Company will coordinate development and security, focus on improving demand-driven original technology, source supply, resource allocation, transformation and application capabilities, and accelerate the construction of a world-class enterprise to play a better role as a state-owned enterprise in achieving technology independence and self-improvement and building a modern industrial system.



Resolutely shouldering the responsibility of national strategy plan

Steadily performing the responsibility of economic development

Strongly bearing the responsibility of society and people's livelihood

Deeply implementing the responsibility of semantic and technological innovation

The Company will publish its detailed Sustainability Report 2021 in May 2022. For more details, please visit the Company's website at <https://www.chinaunicom.com.hk>.



HUMAN RESOURCES DEVELOPMENT

Adhering to the team collaboration approach, China Unicom continuously optimises its system and mechanism, allowing employees and teams who highly contributing to customer needs and enhancing corporate value to share higher returns, thus achieving the mutual growth of the Company and the employees. In 2021, underpinned by the goals of promoting “staff in and out”, “post up and down” and “compensation up and down”, China Unicom paid continuous efforts to deepen the human resources system reform and implement a talent-based enterprise, providing human resources support for the Company’s comprehensive digital transformation and achieving sustainable high-quality development.

Supply-side reforms in human resources continued to improve employment efficiency and optimise employment structure. The Company strengthened the employment efficiency up to industry benchmarks and internal benchmarks by rationally allocating employment resources, resulting in a 7% year-on-year increase in the labour productivity. In 2021, the Company stepped up the introduction of transformation talents, 6,032 high school graduates were introduced and mainly allocated to innovative transformation roles. Internal personnel were mobilised orderly through the internal human resources market. In 2021, the Company opened

more than 2,800 vacancies through the internal human resources market, with an accumulation of more than 12,000 applicants.

The Company adopted performance-based compensation as the principal mechanism with a diversified remuneration structure. The Company improved the employee compensation distribution and performance evaluation mechanism to achieve the aligned growth of employee benefits and the return and efficiency of the Company. The Company optimised its value-based internal remuneration distribution mechanism, coordinating and optimising the distribution and widening the gap in remuneration, so as to realise precision in allocation. The Company launched an integrated incentive reporting system, which is able to deliver customised remuneration report to the employees, further enhancing employees’ sense of achievement. A long-term incentive system was also established to effectively attract, retain, and appropriately compensate talents.

Focusing on the top-level design, the Company conducted comprehensive analysis on the leadership team structure and the overall planning and coordination with due regard to the needs of the Company in the course of development. China Unicom continuously optimised the quality and ability of management, strengthened the

supervision of managers and motivating managers at all levels to take new responsibilities and deliver new initiatives in the new era. The Company strategically accelerated structural optimisation and further strengthened the young manager development, as well as the communication between the headquarters and the frontline. In 2021, the Company organised the “100 People to Xiong’an” talent exchange program in accordance with the construction requirement of Xiong’an New Area. Management systems with terms and deeds were fully implemented. While promoting the withdrawn rate of 2nd tier managers of no less than 1.5% per annum, the Company stepped up effort to withdraw managers, further stimulating their vitality.

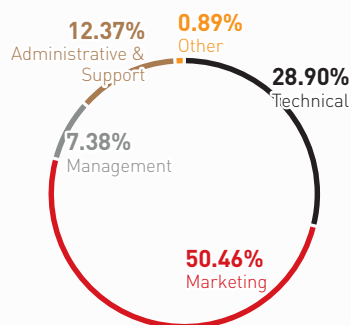
The Company formulated and issued the “Guiding Opinions on In-depth Implementation of Strengthening Enterprise through Talents”, which determined that the Company would vigorously adjust the talent structure based on innovation, including increasing the proportion of scientific and technological innovation and R&D personnel and promoting the implementation through reforming the resource allocation model, implementing key talent projects and deepening the reform of talent mechanism. The Company continued to strengthen

the construction of four-level professional talent echelon that consists of 19,000 leaders, experts, backbones and cutting-edge talents, of which technical professionals accounted for more than 50%. The Company accelerated the training and introduction of high-level talents and introduced more than 40 domestic industrial experts in the field of scientific and technological innovation. Digital empowerment of key groups was carried out to realise the full coverage of digital empowerment of 4,000 management personnel and 19,000 four-level professional talents.

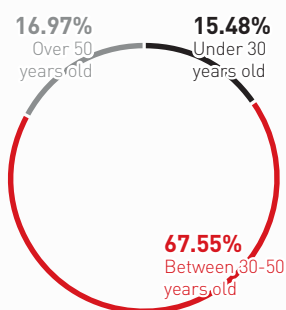
Focusing on the Group’s digital transformation work, with improvement in the digital capabilities for all employees as a core aim, the Group formulated the annual key training plans for management personnel and professionals, and carried out regular and multi-level professional ability improvement and transformation empowerment training. Targeting on the career development of employees, the Company implemented differentiated training for different groups, constructed digital ability standards and curriculum systems for key groups, formed training programs and increased standardised empowerment and system guidance.

ANALYSIS OF STAFF COMPOSITION

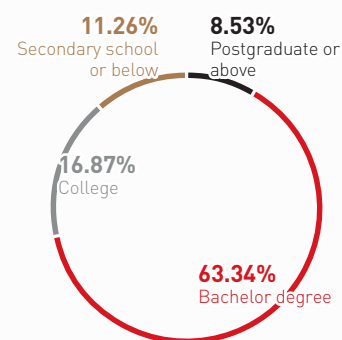
PERSONNEL BY PROFESSION



BY AGE



BY EDUCATION BACKGROUND



For further details of Human Resources Development, please refer to the relevant sections of the Company’s detailed Sustainability Report 2021 to be published in May 2022. Please visit the Company’s website at www.chinaunicom.com.hk.