

Social RESPONSIBILITY

China Unicom is always committed to integrating its own development with broader social responsibility to achieve the harmony and alignment of corporate interests and social goals. In 2020, 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 strived to promote comprehensive digital transformation, fully supporting the transformation and upgrade of the economy and society. In the face of the sudden COVID-19, the Company quickly responded with respect to epidemic prevention and communication assurance. It emphasised on both epidemic

prevention and business operations to ensure smooth network communication, sound service and effective support. It fully leveraged its new digital technology edges to support precise epidemic prevention and the resumption of work, production and schooling, thereby contributing to the winning of the battle against COVID-19 and fully fulfilling its role as a key pillar of a great nation.

DIGITALLY STRENGTHENED THE FOUNDATION OF CYBER SUPERPOWER TO ENHANCE VALUE

The Company adheres to people-oriented values and fundamental principles. It accelerated the construction of high-speed, mobile, secure and ubiquitous new infrastructure, improved network quality and operational efficiency through digitisation, accelerated network construction in remote areas and insisted on network information security, continuously solidifying the foundation of a digital economy and striving to develop our country into a Cyber Superpower and Digital China.

DIGITALLY IMPROVED PEOPLE’S LIVING QUALITY TO SEEK GROWTH

Shouldering Cyber Superpower missions, the Company leveraged high-quality information and communication infrastructure to continuously enrich the substance of communication products and services. It vigorously improved network quality and customer experience and committed itself to improving the nation’s overall information technology development. It provided customers with satisfying and high-quality communication services, letting more consumers share the benefits of technological advancement and enjoy better service experience and perception.

DIGITALLY IMPROVED GOVERNANCE EFFICIENCY TO FOCUS ON FUNDAMENTALS

As a “pioneer” in the mixed-ownership reform of central state-owned enterprises, China Unicom undertook comprehensive digital transformation. Guided by the market-oriented allocation of factors of production, the

Company deeply reformed systems and mechanisms and accelerated the establishment of new mechanism that stimulates the vitality of micro entities to better adapt production functions to productivity changes. At the same time, the Company practiced green development philosophies by building green networks and promoting the green transformation of production and operation, leading to significant improvement in operational efficiency.

DIGITALLY IGNITED THE ENGINE OF TECHNOLOGICAL INNOVATION TO STRENGTHEN GROWTH MOMENTUM

As the main force in building a technology superpower, the Company committed to proprietary development and improvement of technology. It seized the new opportunities for technological innovation brought by the digital economy, enhanced its own innovation capabilities, and nurtured a flourishing and synergetic innovation ecosystem. It accelerated the transformation of technological innovation achievements into actual production, and enriched and expanded new innovative technology products, assisting the government in efficient social governance and serving the digital transformation of numerous industries.



SOCIAL RESPONSIBILITY

DIGITALLY PROMOTED TALENT TRANSFORMATION AND DEVELOPMENT TO REINFORCE PASSION

The Company attaches great importance to staff development and believes that a company thrives with talents. Serving both corporate and staff development purposes, the Company restructured its staff mix through digital transformation and focused on cultivating a group of professionals with true technological innovation expertise and ability to lead in industry competition. Meanwhile, the Company effectively protected the legitimate interests of its staff, and encouraged them to actively participate in corporate management, letting them share the fruits of reform and development and grow together with the Company.

DIGITALLY BUILT A MUTUALLY BENEFICIAL AND WIN-WIN ECOSYSTEM TO EXPAND COOPERATION

Under the new landscape of accelerated digital transformation across the world, the Company continuously strengthened cooperation with fellow operators, strategic investors, Internet companies and supply chain partners, etc. to promote coordinated industry development and network "co-build co-share". It drove the optimisation and upgrade of the supply chain and nurtured a flourishing digital innovation ecosystem to jointly promote the improvement of people's living quality and the construction of an intelligent society.



SOCIAL RESPONSIBILITY MANAGEMENT

- Implementing social responsibility strategies
- Improving social responsibility organizations
- Establishing social responsibility systems
- Assessing social responsibility capabilities
- Selecting social responsibility participation

CHINA UNICOM'S SOCIAL RESPONSIBILITY STRATEGY SYSTEM

Create and Enhance Value

Innovate on application services to support digital economy

Build premium network to support cyber superpower development

Support industry development through open and win-win cooperation

Practise green development and promote energy conservation in society

Share with society to promote social harmony

Care about staff growth and enhance sense of reward

CUSTOMERS

SHAREHOLDERS

GOVERNMENT

COMMUNITY

EMPLOYEES

PARTNERS

PEERS

The Company will publish its detailed Corporate Social Responsibility Report 2020 in June 2021. For more details, please visit the Company's website at <https://www.chinaunicom.com.hk>.

SOCIAL RESPONSIBILITY





Human

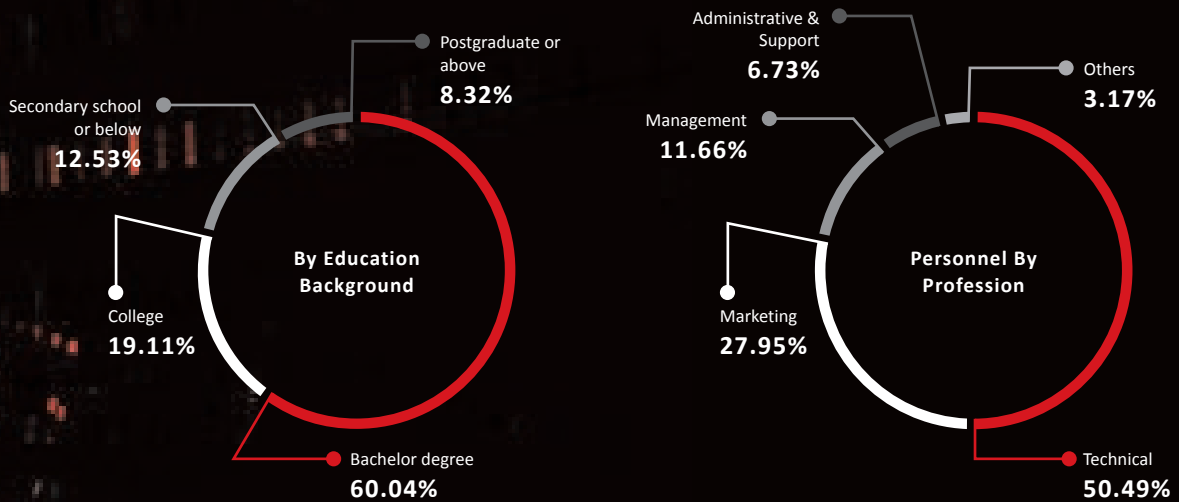
RESOURCES DEVELOPMENT

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 2020, 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, 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 efficiency and rationalise structure. The Company uncovered the master map of manpower deployment, thereby making the Group’s overall human resource allocation more transparent, and improving efficiency comprehensively on the organizational structure, professional structure, rank and position and other dimensions. China Unicom’s employee productivity continuously increased. The Company continued to optimise its employee structure integrating the subdivision of performing unit reform, which redeployed about 6,000 employees at all levels to frontline positions at sub-divided units directly contributing to value creation. China Unicom also strengthened the effort to recruit talents in enhancing the digital transformation of the Company and the number of high school graduates recruited increased by 6% year-on-year.

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, further widening the gap in remuneration and stimulating the vibrancy of micro-entities. The Company launched an integrated incentive reporting system, which is able to deliver customised annual

ANALYSIS OF STAFF COMPOSITION



For further details of Human Resources Development, please refer to the relevant sections of the Company's detailed Corporate Social Responsibility Report 2020 to be published in June 2021. Please visit the Company's website at www.chinaunicom.com.hk.

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 enhanced the capability on digital transformation, 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 further strengthened the young manager development, as well as the communication between the headquarters and the frontlines, and actively pushed forward the implementation of the director accountability system. While promoting the withdrawn rate of managers of no less than 1.5% per annum, the Company stepped up effort to withdraw managers, further stimulating their vitality.

The Company strengthened on professional talent pipeline development. A four-tier professional grade structure namely, practice leaders, experts, core members and new talents, comprising of 18,000 members from 14 professional fields including IT, operating and maintenance, research and development, government and enterprise, marketing, etc. was developed. The Company deepened the implementation of "418" talent development initiative in the innovative areas and stepped up on talents recruitment. In 2020, 3 top talents were recruited at the headquarters, and nearly 30 top talents were recruited at the branch and subsidiary levels. The

Company conducted innovation capability certification in IT and government and enterprise services, and a total of 25,000 employees had passed the examination in 2020.

Focusing on the demand for digital transformation, the Company reshaped its staff education and training system to enhance the training on transformation empowerment. To further strengthen and cultivate the digital capability of employees, annual key training plans for management personnel and professional talents were formulated, while continuously carrying out professional improvement and transformation training for all groups.