

SOCIAL RESPONSIBILITY

COOPERATIVE DEVELOPMENT FOR MUTUAL SUCCESS

Open cooperation is the driver to corporate development and expansion. China Unicom always takes the initiative to pursue mutual benefits and success with partners in an open-minded manner. In 2016, the Company deepened cooperation and innovation with telecommunication operators, Internet enterprises and various value chain partners to create development synergies and establish a mutually beneficial industry ecosystem.

DEVELOPMENT IN A GREEN AND ENVIRONMENTAL-FRIENDLY MANNER

Green development sets the cornerstone for creating a “beautiful China”. China Unicom attaches great importance to environment protection and green low-carbon operation in its corporate development with an aim to build an environment-friendly enterprise. In 2016, the Company continued to build green network, advance green operation, strengthen green management, implement energy saving and emission reduction and carry out green charitable campaigns to promote green philosophies, thus contributing to the coordinated development of economy, society and nature.

Upholding the philosophy of green “information life”, China Unicom endeavoured to cut down on energy consumption in its operation, reduce greenhouse gas emissions and enhance sewage and waste emission management in an effort to minimise its impact on the environment. The Company strengthened management on energy conservation and emission reduction and infiltrated such practices into its various operations ranging from equipment procurement to engineering, equipment maintenance, marketing and administration, etc. It established a comprehensive energy saving and emission reduction management framework encompassing systems and standards, statistic indicators, appraisal and incentives, energy saving technology and organisational structure to ensure effective implementation of energy saving and emission reduction. In 2016, the Company designated approximately RMB200 million for energy-saving and emission reduction, which was mainly used in energy-saving renovation and

application of energy-saving technology. The coverage of energy-saving technology in access network room and communication room reached 64% and 72%, respectively. Through network optimisation, fibre network upgrade and other special programmes, as well as promotion of energy-saving and emission reduction, the Company saved energy equivalent to 160,000 tonnes of standard coal during the year.

HARMONIOUS DEVELOPMENT AND SHARING OUTCOMES WITH THE SOCIETY

Sharing is the starting point and destination of our five development philosophies. With a commitment to pushing beyond its growth boundaries through the philosophy of sharing, China Unicom shares the outcomes of corporate growth with employees and the society so as to jointly build a harmonious enterprise and contribute to its growth. In 2016, the Company, adhering to the people-oriented principle, took initiatives to safeguard employee interests, care for employee growth and encourage them to participate in management with a view to building harmonious labour relations. The Company supported the construction of a harmonious society through a wide range of concrete actions, including voluntary participation in social welfare undertakings, support to western development, continuous efforts of targeted poverty alleviation to eliminate the digital divide and active engagement in local community development.

In 2016, China Unicom further integrated social responsibilities into corporate operation and made every effort to become an outstanding “responsible” corporate citizen. Led by the modern development philosophies of “innovation, coordination, greenness, openness, and sharing”, the Company took practical steps to contribute to the “Broadband China” strategy, “One Belt, One Road” initiative, supply-side structural reform and other national strategic deployments, fulfilling its obligations through responsible operations. It continuously enhanced its ability to create comprehensive economic, social and environmental values, seeking to promote sustainable development and make due contribution to China’s economic, social and informatisation development.

HUMAN RESOURCES
DEVELOPMENT

REFORM

MECHANISM

China Unicom makes it a principle to put its employees first and persists in mechanism innovation so that the Company and its employees can grow together hand in hand. In 2016, adopting a liberal mindset, the Company's human resources effort focused on mapping out a 3-year strategic plan based on the requirements of the Company's strategic transformation and committing to optimising the human resources management system for better performance of the staff and added cost efficiency of the human capital. As a result, the Company succeeded in securing robust human resources to support corporate reform and development.

Managing headcount appropriately and optimising human resources structure. The Company focused on improving productivity, basing on three dimensions, organisation, profession and business, and set out three aspects for optimisation, namely the total number of staff, staff structure and team quality. The total number of staff increased by 9.70% year-on-year, the proportion of dispatched workers reduced to below 10%, and the ratio of bachelor degree (or above) holders increased by 1 percentage point to 57.43%.

Optimising compensation system to spur vitality. The Company further refined its staff compensation flexible allocation principles with the focus of enhancing efficiency and the related effectiveness. The Company focused on segmentation and rationalising the mechanism and built up a differentiated incentive and control scheme compatible with the management model that balanced the authority and responsibility. The Company also introduced the concept of overall remuneration and consolidated remuneration resources through different dimensions, and continuously promoted the overall remuneration system.



HUMAN RESOURCES DEVELOPMENT

PM NITISM

Enhancing staff selection and building competent teams. The Company refined the management system for management personnel by enforcing stringent selection and appointment procedures and establishing an official mechanism for building talent pipeline. The Company upgraded the structure of its management team while nurturing and selecting talents according to its development needs. The Company also enhanced its talent

management system. The Company held various training sessions during the year, including 16 leadership training classes as well as 259 specialised training classes, 27 high-end technical training classes to enhance the professional skills of the staff and the execution of the Company's strategy.

For more information, please visit our website at www.chinaunicom.com.hk.



SOCIAL
RESPONSIBILITYThe image features large, stylized text in a brushstroke font. The word 'PROMOTE' is written in yellow and 'SUSTAINING' is written in red. The text is positioned diagonally across the upper half of the page.

IN STRICT COMPLIANCE WITH THE TEN PRINCIPLES OF THE GLOBAL COMPACT, CHINA UNICOM HAS A DEEP UNDERSTANDING OF ITS SIGNIFICANT RESPONSIBILITIES AND MISSIONS. IN 2016, THE COMPANY EARNESTLY PRACTISED THE FIVE DEVELOPMENT PHILOSOPHIES OF “INNOVATION, COORDINATION, GREENNESS, OPENNESS, AND SHARING”, WITH SOCIAL RESPONSIBILITY FULFILMENT FIRMLY INTEGRATED IN CORPORATE GOVERNANCE, EMBEDDED INTO ITS STRATEGY AND IMPLEMENTED ACROSS OPERATIONS, DRIVING HARMONIOUS DEVELOPMENT AMONG ECONOMY, SOCIETY AND ENVIRONMENT WITH NEW INFORMATION CONSUMPTION SERVICES.

TING ABILITY

FOCUSED DEVELOPMENT FOR A BETTER-QUALITY AND MORE- EFFICIENT ECONOMY

Quality is a key source of competitiveness. China Unicom is dedicated to building high-quality network and product offerings. In 2016, the Company focused on construction of 4G premium network and “all fibre network” cities, and aggressively developed high-bandwidth video business, striving to enhance customer experience. It made joint efforts to facilitate sales and marketing of high-quality terminals, optimised multi-channel development on an ongoing basis, actively participated in the “One Belt, One Road” initiative to expand into overseas markets, and provided premium telecommunication services to customers with craftsmanship spirit, thereby contributing to rapid industry development.

REFORM-DRIVEN INNOVATIVE DEVELOPMENT

Innovation is the primary impetus behind our development. China Unicom always gives priority to innovation in its overall development. In 2016, the Company fully implemented “Internet+” action plans to seek breakthroughs in cloud computing, Big Data, Internet of Things and other new business areas. It promoted the development of industrial Internet centring on eight key industries, actively propelled network evolution and architecture advancement, invented new business model for working with Internet enterprises, and deeply pushed forward system reform and management innovation. The Company established an “Entrepreneurship and Innovation” platform to provide strong support for mass entrepreneurship and innovation.

中國聯通(香港)環球中心開幕典禮 暨戰略合作簽約儀式

China Unicom (Hong Kong) Global Center Grand Opening Ceremony
And Strategic Cooperation Signing Ceremony

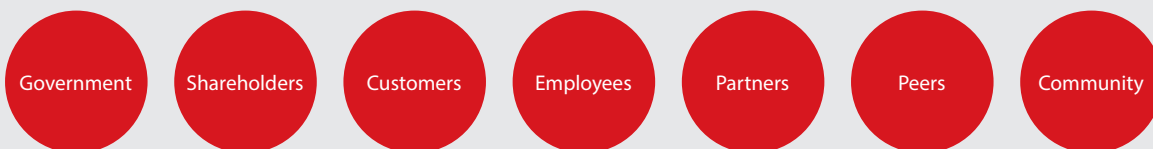
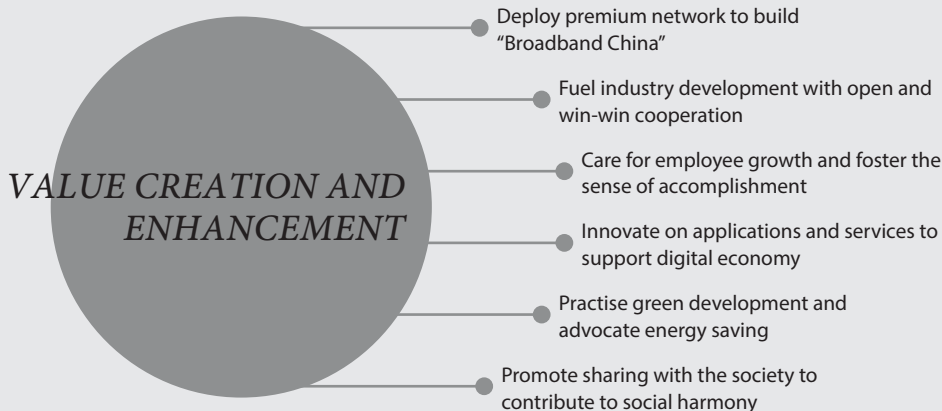
11 Aug 2016



SOCIAL RESPONSIBILITY

CHINA UNICOM'S SOCIAL RESPONSIBILITY STRATEGY

Be accountable to stakeholders, the society and the environment for its operation



SOCIAL RESPONSIBILITY MANAGEMENT

- Optimise social responsibility organisational structure
- Establish social responsibility system
- Provide social responsibility training
- Evaluate social responsibility performance
- Appraise social responsibility practices
- Regulate social responsibility communication

SOCIAL RESPONSIBILITY ISSUES

- Strengthen internal management to achieve healthy and stable business growth
- Reinforce the basis of responsibility to establish a green, safe and smooth leading network
- Eliminate the digital divide by offering the rural population with the same services as in cities
- Improve service capabilities to provide a wide array of affordable and satisfactory service offerings
- Promote self-innovation to drive the sustainable development of the Company
- Promote partner management to build a win-win and responsible supply chain
- Adhere to the people-oriented principle to nurture a common future beneficial to both the Company and employees
- Contribute to harmonious ecology and culture through green low-carbon development
- Engage in charity undertakings to build a better home